



**GLOMAC BERHAD**  
**NOTES TO THE UNAUDITED INTERIM REPORT FOR THE FINANCIAL PERIOD**  
**ENDED 31 OCTOBER 2009**

**A. EXPLANATORY NOTES**

**A1. Accounting Policies and Methods of Computation**

The interim financial statements are prepared in compliance with FRS 134 (MASB 26) "Interim Financial Reporting" and Chapter 9 of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the Group's annual financial statements for the year ended 30 April 2009.

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted in the financial statements for the year ended 30 April 2009.

**A2. Audit Qualification**

There were no audit qualifications on the annual financial statements for the year ended 30 April 2009.

**A3. Seasonality or Cyclicity of Operations**

Our business operations are not significantly affected by seasonality or cyclicity of operations.

**A4. Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows for the current financial period to-date.

**A5. Material Changes in Estimates of Amounts Reported**

There were no changes in estimates of amounts reported in prior financial year which have material effect in the financial statements under review.



## **A6. Debt and Equity Securities**

There were no issuance, cancellation, repurchases, resale and repayment of debt and equity securities during the current financial period except for the following:-

### **i) Repurchase of shares**

On 30 September 2009, the shareholders of the Company renewed their approval for the Company's plan to repurchase its own ordinary shares. During the current financial period ended 31 October 2009, the Company repurchased 598,800 of its issued ordinary shares from the open market at an overall average price of RM1.03 per share. These shares are being held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965.

On 1 October 2009, the Company resold 18,513,600 shares at an average price of RM1.10 per share. The difference totaling RM0.2 million between the sales consideration and the carrying amount of the shares has been credited to the Share Premium Account.

### **ii) Proposed Renounceable Rights Issue of up to 70,921,042 new ordinary shares of RM1.00 each in Glomac ("Rights Share") with up to 70,921,042 free Detachable Warrants ("Warrants"), on the basis of three Rights Shares with three Warrants for every ten existing ordinary shares of RM1.00 each in Glomac held on a date to be determined later at an issue price of RM1.10 per Rights Share ("Proposed Rights Issue With Warrants)**

On 30 October 2007, the Company completed the above proposal where 67,337,246 ordinary shares were issued at the issue price of RM1.10 per share together with 67,337,246 free detachable warrants.

To-date, 25,000 warrants were exercised at an exercised price of RM1.10 for each ordinary shares of RM1.00 each.

## **A7. Dividends Paid**

The shareholders have approved the second and final dividend of 3.5 sen per share, less 25% tax totaling RM7,324,491 and a special dividend of 1 sen per share, less 25% tax totaling RM2,092,712 in respect of the previous year ended 30 April 2009 at the Annual General Meeting on 30 September 2009.

Share capital comprise of ordinary shares only.



## A8. Segmental Reporting

The segmental analysis for the period ended 31 October 2009 was as follows:

### Analysis by Activity

	<b>Property Development RM'000</b>	<b>Construction RM'000</b>	<b>Property Investment RM'000</b>	<b>Other Operations RM'000</b>	<b>Eliminations RM'000</b>	<b>Consolidated RM'000</b>
<b>REVENUE</b>						
External	126,905	2,482	5,015	218	-	134,620
Inter-segment	3,509	28,891	1,560	2,513	(36,473)	-
Total revenue	130,414	31,373	6,575	2,731	(36,473)	134,620
<b>RESULTS</b>						
Segment results	29,630	1,381	2,545	(99)	(1,301)	32,156
Unallocated corporate expenses						(7,098)
Operating profit						25,058
Interest expenses						(646)
Interest income						1,973
Fair value adjustment on investment properties	-	-	4,914	-		4,914
Share of results of associates	526	-	1,000	-		1,526
Taxation						(8,530)
Profit for the period						24,295
<b>ASSETS</b>						
Segment assets	913,855	18,261	105,157	2,608		1,039,881
Investment in equity method of Associates	7,054	15,454	36,611	-		59,119
Unallocated corporate assets						65,482
Consolidated total assets						1,164,482

The financial information by geographical location was not presented as the Group's activities are primarily conducted in Malaysia.



**A9. Valuations of Property, Plant and Equipment**

Valuation of property, plant and equipment have been brought forward without amendment from the last audited annual financial statements.

**A10. Material Events Subsequent to the End of Financial Period**

There were no material events subsequent to the end of the financial period reported that have not been reflected in this financial statements.

**A11. Changes in Composition of the Group**

There were no changes in the composition of the Group since the previous financial year ended 30 April 2009 except for the following:

The Company's wholly-owned subsidiary, Glomac Mauritius Ltd (GML) which was incorporated on 1 November 2006 in the Republic of Mauritius as a private company limited by shares with a paid-up capital of USD1.00 has on 1 June 2009 commenced voluntary winding up proceedings in view the proposed property development projects in India did not materialise.

The Company has on 13 November 2009, acquired 100% of the total issued and paid-up share capital of Glomac Kristal Sdn Bhd by way of acquisition of 2 ordinary shares of RM1.00 each for a total cash consideration of RM2.00 from the following directors and major shareholders of the Company :

- 1) Tan Sri Dato' Mohamed Mansor bin Fateh Din – 1 share (50%)
- 2) Mohd Yasin Loh bin Abdullah – 1 share (50%)

The Company has on 13 November 2009, acquired 100% of the total issued and paid-up share capital of FDM Development Sdn Bhd by way of acquisition of 2 ordinary shares of RM1.00 each for a total cash consideration of RM2.00 from the following directors and major shareholders of the Company :

- 1) Tan Sri Dato' Mohamed Mansor bin Fateh Din – 1 share (50%)
- 2) Dato' Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor – 1 share (50%)

**A12. Changes in Contingent Liabilities**

There were no significant changes in contingent liabilities since the last audited balance sheet date as at 30 April 2009.



**B. ADDITIONAL INFORMATION AS REQUIRED BY APPENDIX 9B OF BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS**

**B1. Review of the Performance of the Company and its Principal Subsidiaries**

The Group's Revenue for the current financial period was lower by 21% compared to previous year corresponding period partly due to completion of Suria Stonor in the previous financial year and mitigated by revenue streams of other current projects in the Group. Despite the lower revenue, the Group's Profit Before Tax was higher by 28% mainly due to recognition of fair value gain for Block B Glomac Business Centre, contribution from Glomac Tower and petrol land sale in Sungai Buloh.

**B2. Comment on Material Change in the Profit Before Taxation for Current Quarter as Compared with Previous Quarter**

The Group's Profit before Tax for current quarter increased by RM1.2 million mainly due to turnaround of the construction division.

**B3. Prospects for the Next Financial Year**

Barring any unforeseen circumstances, the directors are of the opinion that, based on the on-going development projects and the level of work targeted to be completed, the Group's performance for the financial year ending 30 April 2010 remained satisfactory.

**B4. Variance of Actual Profit from Forecast Profit**

Not applicable.

**B5. Taxation**

The taxation charge for the current quarter and financial period to-date include the followings:

	Current Quarter Ended 31/10/09 RM'000	Year To-date Ended 31/10/09 RM'000
Current taxation	4,087	8,529
Deferred taxation	-	-
Under provision of prior year tax	-	1
	<u>4,087</u> =====	<u>8,530</u> =====

The current effective tax rates of the Group were higher than the statutory tax rate as certain expenses were disallowed by the Inland Revenue Board for taxation purposes.

**B6. Profit on Sale of Unquoted Investments and/or Properties**

There was no sale of unquoted investment or properties for the current quarter and financial year to date.



## **B7. Purchase or Disposal of Quoted Securities**

- a) There was no purchase or disposal of quoted securities in the current financial period to-date.
- b) There was no investment in quoted shares held as at end of the reporting period.

## **B8. Status of Corporate Proposals**

### a) Status of Corporate Proposal Announced But Not Completed

- i) Proposed Sale of Wisma Glomac 3 in Kompleks Kelana Centre Point, Kelana Jaya to Perbadanan Nasional Berhad for a cash consideration of RM50 million by Kelana Centre Point Sdn Bhd, a wholly-owned subsidiary of Glomac Berhad

On 11 February 2009, Kelana Centre Point Sdn Bhd ("KCPSB") entered into a Sale and Purchase Agreement ("SPA") with Perbadanan Nasional Berhad ("PNS") for the sale of Wisma Glomac 3 situated within the commercial development known as Kompleks Kelana Centre Point for a total consideration of RM 50.0 million.

The SPA has now become unconditional, of which KCPSB has received the 1<sup>st</sup> 10% of the purchase price from the stakeholder and the balance of 90% to be paid not later than 12 October 2009.

The balance of 90% has been fully collected by KCPSB on 6 November 2009.

- ii) Proposed Sale of Block B, Glomac Business Centre in Kelana Jaya to Koperasi Kakitangan Bank Rakyat Berhad for a cash consideration of RM22.6 million by Glomac Realty Sdn Bhd, a wholly-owned subsidiary of Glomac Berhad ("Proposed Sale")

On 7 August 2009, Glomac Realty Sdn Bhd entered into a Sale and Purchase Agreement with Koperasi Kakitangan Bank Rakyat Berhad ("SekataRakyat") for the sale of Block B in Glomac Business Centre for a total consideration of RM22.6 million. SekataRakyat has paid the 1st 10% deposit and the Sale and Purchase Agreement is subject to conditions precedent to be fulfilled by both parties.



## **B8. Status of Corporate Proposals (cont'd)**

### a) Status of Corporate Proposal Announced But Not Completed (cont'd)

- iii) Proposed Acquisition of approximately 7.62 acres of land in Pekan Kayu Ara, Daerah Petaling from Puncakdana Development Sdn Bhd and Motif Bakti Sdn Bhd for a cash consideration of RM31.2 million by Glomac Kristal Sdn Bhd and FDM Development Sdn Bhd, both wholly-owned subsidiaries of Glomac Berhad. ("Proposed Acquisition")

On 13 November 2009, Glomac Kristal Sdn Bhd ("Kristal") entered into a Sale and Purchase Agreement with Puncakdana Development Sdn Bhd and Motif Bakti Sdn Bhd for the acquisition of leasehold land in Pekan Kayu Ara, Daerah Petaling, Selangor Darul Ehsan for a total purchase consideration of RM19.7 million. Kristal has paid the 1st 10% deposit and the Sale and Purchase Agreement is subject to conditions precedent to be fulfilled by both parties.

On 13 November 2009, FDM Development Sdn Bhd ("FDM") entered into a Sale and Purchase Agreement with Motif Bakti Sdn Bhd for the acquisition of leasehold land in Pekan Kayu Ara, Daerah Petaling, Selangor Darul Ehsan for a total purchase consideration of RM11.5 million. FDM has paid the 1st 10% deposit and the Sale and Purchase Agreement is subject to conditions precedent to be fulfilled by both parties.

- iv) Proposed Sale of Tower D in Glomac Damansara to Lembaga Tabung Haji for a total consideration of RM170.7 million by Glomac Damansara Sdn Bhd, a wholly-owned subsidiary of Glomac Berhad ("Proposed Sale")

On 17 November 2009, Glomac Damansara Sdn Bhd entered into a Sale and Purchase Agreement with Lembaga Tabung Haji ("Tabung Haji") for the sale of Tower D in Glomac Damansara for a total consideration of RM170.7 million.

Tabung Haji has paid the 1st 10% deposit and the Sale and Purchase Agreement is subject to conditions precedent to be fulfilled by both parties.

There was no other corporate proposal announced but not completed.

- b) Status of Utilisation of Proceeds Raised From Corporate Proposal  
Not applicable.



**B9. Group Borrowings and Debt Securities**

The Group borrowings as at 31 October 2009 were as follows:-

	Due within 12 months RM'000	Due after 12 months RM'000	Total as at 31/10/09 RM'000	Total as at 31/07/09 RM'000
<u>Secured</u>				
Hire Purchase and Lease Borrowings	593	1,358	1,951	1,878
Bank Borrowings	34,659	83,021	117,680	130,700
Islamic Private Debt Securities	4,000	5,000	9,000	9,000
	39,252	89,379	128,631	141,578
<u>Unsecured</u>				
Bonds	-	78,000	78,000	78,000
	39,252	167,379	206,631	219,578
	39,252	167,379	206,631	219,578

There are no borrowings in foreign currency.

**B10. Financial Instruments With Off Balance Sheet Risk**

There were no financial instruments with off balance sheet risk for the financial year period ended 31 October 2009.

**B11. Material Litigation**

A wholly owned subsidiary, Glomac Alliance Sdn Bhd (“GASB”) had entered into a Joint Venture Agreement with Score Option Sdn Bhd (“SOSB”) on 17 January 2003 to develop a land (“Project Land”). However, disputes have arisen between GASB and SOSB which are currently the subject matter of a legal suit in the High Court of Malaya at Kuala Lumpur. GASB is seeking court orders for the sale to itself of the Project Land at the price stipulated in the Joint Venture Agreement.

SOSB, in turn, is cross-claiming for the delivery of vacant possession of the Project Land on the alleged ground that GASB is no longer entitled to occupy and develop the Project Land by reason of the termination of the Joint Venture Agreement by SOSB.

GASB applied for injunctive relief to restrain SOSB from interfering with the development of the Project Land by GASB and SOSB applied for an injunction restraining GASB from continuing in possession of the Project Land.

The Court had on 30 May 2008 delivered its decision by dismissing SOSB’s application for injunction and granting the Order of Injunction in favor of GASB.

SOSB has appealed to the Court of Appeal against the decision of the High Court and on 17 August 2009, the Court of Appeal dismissed the appeal filed by SOSB. The Court only awarded one set of costs in the sum of RM5,000. The case management is fixed on 22 October 2009.

GASB has applied for an extension on discovery of documents until 14 December 2009 and the case is fixed for hearing on 10 March 2010.

There is no other material litigation which will adversely affect the position or business of the Group.





## B12. Dividend

No dividend has been proposed for the current financial period.

## B13. Earnings Per Share

### a) Basic Earnings Per Share

The basic earnings per share is calculated by dividing the net profits for the period and the weighted average number of ordinary shares in issue during the period.

Description	Current quarter ended	Preceding year corresponding quarter ended	Current year todate ended	Preceding year corresponding period ended
	31/10/09	31/10/08	31/10/09	31/10/08
Profit attributable to equity holders of the Company (RM'000)	9,302	7,721	17,643	15,525
Weighted average number of ordinary shares in issue ('000)	284,976	281,500	282,078	283,403
Basic earning per share (sen)	3.26	2.74	6.25	5.48

### b) Diluted Earnings Per Share

The diluted earnings per share for the current financial period ended 31 October 2009 has been calculated by dividing the Group's net profit for the period by the weighted average number of shares that would have been issued upon full exercise of the remaining option under the Warrants, adjusted for the number of such shares that would have been issued at fair value, calculated as below.

Description	Current quarter ended	Preceding year corresponding quarter ended	Current year todate ended	Preceding year corresponding period ended
	31/10/09	31/10/08	31/10/09	31/10/08
Profit attributable to equity holders of the Company (RM'000)	9,302	7,721	17,643	15,525
Weighted average number of ordinary shares as per basic EPS	284,976	281,500	282,078	283,403
Effect of shares option ('000)	- ^	- ^	- ^	- ^
Weighted average number of ordinary shares (diluted)	284,976	281,500	282,078	283,403
Diluted earning per share (sen)	3.26	2.74	6.25	5.48

^ The effect of shares option for the current quarter and year to-date ended 31 October 2009 was anti-dilutive and has been ignored in the calculation of diluted earnings per share.



**B14. Provision of Financial Assistance**

- a) There has been no additional financial assistance provided to the Group's non-wholly owned subsidiaries or associated companies during the current quarter.
- b) The aggregate amount of financial assistance provided to such companies as at 31 October 2009 was as follows:-

<u>Type of Financial Assistance</u>	Amount (RM' million)
Corporate Guarantee for:-	
1) Credit Facilities	10.5
2) Equipment Leasing Facilities	1.0
3) Profit Guarantee	16.5
	<hr/>
	28.0
	=====

As at 31 October 2009, RM1.9 million was outstanding in respect of the above guarantees.

There was no financial impact on the Group arising from the financial assistance provided.