



**GLOMAC BERHAD**

(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**

**FOR THE FINANCIAL PERIOD ENDED 31 JULY 2011**

**GLOMAC BERHAD**  
Company No. 110532-M  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2011**

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**GLOMAC BERHAD (110532-M)**  
**Quarterly Report On Consolidated Results**  
**For The Financial Period Ended 31 JULY 2011**  
*(The figures have not been audited)*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT**  
**OF COMPREHENSIVE INCOME**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/7/11 RM'000	31/7/10 RM'000	31/7/11 RM'000	31/7/10 RM'000
Revenue	127,830	126,310	127,830	126,310
Cost of sales	(88,435)	(91,570)	(88,435)	(91,570)
Gross profit	<u>39,395</u>	<u>34,740</u>	<u>39,395</u>	<u>34,740</u>
Investment revenue	1,564	1,470	1,564	1,470
Other operating income	2,058	1,363	2,058	1,363
Share of profits of associated companies	(36)	139	(36)	139
Marketing expenses	(3,254)	(1,040)	(3,254)	(1,040)
Administration expenses	(4,862)	(3,848)	(4,862)	(3,848)
Finance cost	(1,836)	(1,786)	(1,836)	(1,786)
Operating expenses	(676)	(1,573)	(676)	(1,573)
Profit before tax	<u>32,353</u>	<u>29,465</u>	<u>32,353</u>	<u>29,465</u>
Taxation	(8,723)	(7,420)	(8,723)	(7,420)
Profit for the period	<u>23,630</u>	<u>22,045</u>	<u>23,630</u>	<u>22,045</u>



	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/7/11 RM'000	31/7/10 RM'000	31/7/11 RM'000	31/7/10 RM'000
<b>Other Comprehensive Income:</b>				
Foreign currency translation	(9)	9	(9)	9
<b>Total comprehensive income for the period</b>	<b>23,621</b>	<b>22,054</b>	<b>23,621</b>	<b>22,054</b>
<b>Profit attributable to:-</b>				
Owners of the Company	17,871	15,557	17,871	15,557
Non-controlling interests	5,759	6,488	5,759	6,488
<b>Profit for the period</b>	<b>23,630</b>	<b>22,045</b>	<b>23,630</b>	<b>22,045</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	17,862	15,566	17,862	15,566
Non-controlling interests	5,759	6,488	5,759	6,488
	<b>23,622</b>	<b>22,054</b>	<b>23,622</b>	<b>22,054</b>
<b>Earnings per share (sen)</b>				
(i) Basic	6.10	5.32	6.10	5.32
(ii) Fully Diluted	5.60	5.14	5.60	5.14

*(This Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 30 April 2011)*



**GLOMAC BERHAD (110532-M)**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 JULY 2011**

	As at 31/7/11 (Unaudited) RM'000	As at 30/04/11 (Audited) RM'000
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	7,186	7,604
Prepaid leasehold assets	80	81
Investment properties	17,324	17,324
Land held for property development	494,519	517,494
Investment in associated companies	41,307	61,785
Other investment - Unquoted	4,000	4,000
Goodwill on consolidation	395	395
Deferred tax assets	8,218	9,092
	<u>573,029</u>	<u>617,775</u>
<b>CURRENT ASSETS</b>		
Inventories	57,733	57,733
Property development projects	179,867	158,246
Accrued billings	21,017	34,157
Trade receivables	63,206	245,849
Other receivables, deposits and prepayments	30,073	25,502
Amount due from associated companies	4,383	3,931
Tax recoverable	7,545	6,271
Fixed deposits and short term placements	177,892	54,098
Cash and bank balances	183,740	122,620
	<u>725,456</u>	<u>708,407</u>
Assets held for sales	49,125	28,700
Total Current Assets	<u>774,581</u>	<u>737,107</u>
<b>TOTAL ASSETS</b>	<u>1,347,610</u>	<u>1,354,882</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share Capital	297,274	297,174
Reserves:-		
Share Premium	41,431	41,421
Exchange Fluctuation Reserve	110	119
Retained Profit	282,741	264,804
Reserves	324,282	306,344
Treasury Shares	(10,181)	(3,834)
Equity attributable to owners of the Company	611,375	599,684
Non-controlling interests	62,819	64,416
<b>TOTAL EQUITY</b>	<u>674,193</u>	<u>664,100</u>



	As at 31/7/11 (Unaudited) RM'000	As at 30/04/11 (Audited) RM'000
<b>NON-CURRENT LIABILITIES</b>		
Other Long Term Creditors	21,202	19,029
Hire Purchase & Lease Creditors	1,675	1,794
Bank Borrowings	233,970	162,111
Deferred Taxation	253	386
	<u>257,100</u>	<u>183,320</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	58,597	79,276
Other payables and accrued expenses	60,184	70,674
Progress billings	181,949	203,472
Amount due to associated company	-	143
Hire-purchase & lease creditors - current portion	822	955
Bank borrowings - current portion	111,679	137,694
Provision for taxation	3,086	5,278
Dividend payable	-	9,970
	<u>416,317</u>	<u>507,462</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,347,610</u>	<u>1,354,882</u>
Net assets per share attributable to ordinary equity holders of the parent - RM	<u>2.13</u>	<u>2.03</u>

*(This Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 30 April 2011)*



**GLOMAC BERHAD (110532-M)**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 JULY 2011**

	← Attributable to equity holders of the Company →						Non-controlling interest	Total Equity
	Share capital	Share premium	Exchange Fluctuation Reserve	Retained profit	Treasury shares	Sub-total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance as 1 May 2011	297,174	41,421	119	264,804	(3,834)	599,684	64,416	664,100
Profit for the period	-	-	-	17,871	-	17,871	5,759	23,631
Other comprehensive income for the period	-	-	(9)	-	-	(9)	-	(9)
Total comprehensive income for the period	-	-	(9)	17,871	-	17,862	5,759	23,622
Share of associated companies results by non-controlling interest	-	-	-	-	-	-	(6)	(6)
Warrants exercised	100	10	-	-	-	110	-	110
Over provision of dividend for FYE 2011	-	-	-	66	-	66	-	66
Share buyback	-	-	-	-	(6,347)	(6,347)	-	(6,347)
Dividends	-	-	-	-	-	-	(7,350)	(7,350)
<b>At 31 July 2011</b>	<b>297,274</b>	<b>41,431</b>	<b>110</b>	<b>282,741</b>	<b>(10,181)</b>	<b>611,375</b>	<b>62,819</b>	<b>674,195</b>
Balance as 1 May 2010	297,170	39,082	4	221,449	(4,615)	553,090	34,629	587,719
Effects of adopting FRS 139	-	-	-	285	-	285	17	302
	297,170	39,082	4	221,734	(4,615)	553,375	34,646	588,021
Profit for the period	-	-	-	15,557	-	15,557	6,488	22,045
Other comprehensive income for the period	-	-	9	-	-	9	-	9
Total comprehensive income for the period	-	-	9	15,557	-	15,566	6,488	22,054
Share of associated companies results by non-controlling interest	-	-	-	-	-	-	36	36
Over provision of dividend for FYE 2010	-	-	-	36	-	36	-	36
Share buyback	-	-	-	-	(1,932)	(1,932)	-	(1,932)
<b>At 31 July 2010</b>	<b>297,170</b>	<b>39,082</b>	<b>13</b>	<b>237,327</b>	<b>(6,547)</b>	<b>567,045</b>	<b>41,170</b>	<b>608,215</b>

(This Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 30 April 2011)



**GLOMAC BERHAD (110532-M)**  
**UNAUDITED CONDENSED FINANCIAL CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE FINANCIAL PERIOD ENDED 31 JULY 2011**

	Period Ended 31/7/11 RM'000	Period Ended 30/4/11 RM'000
<b>Operating Activities</b>		
Profit before tax	32,353	129,492
Adjustments for non-cash items	(110)	7,234
Operating profit before working capital changes	<u>32,243</u>	<u>136,726</u>
Net changes in working capital	<u>140,553</u>	<u>(227,501)</u>
Cash generated from operations	172,796	(90,775)
Taxes paid	<u>(11,447)</u>	<u>(37,461)</u>
<b>Net cash flows (used in)/from operating activities</b>	<u><b>161,349</b></u>	<u><b>(128,236)</b></u>
<b>Investing Activities</b>		
Purchase of property, plant and equipment	(102)	(724)
Withdrawal to short-term investments	-	84,688
Others	1,563	4,053
<b>Net cash flows generated from investing activities</b>	<u><b>1,461</b></u>	<u><b>88,017</b></u>
<b>Financing Activities</b>		
Repurchase of shares	(6,346)	(5,783)
Proceed from disposal of treasury shares	-	8,903
Repayment of Islamic Private Debt Securities	-	(9,000)
Drawdown of bank borrowings	175,987	124,655
Repayment of bank borrowings	(130,424)	(28,942)
Bank balances and deposits pledged	5,147	(2,359)
Dividend paid	(17,254)	(18,635)
Others	110	5
<b>Net cash flows generated from/(used) in financing activities</b>	<u><b>27,220</b></u>	<u><b>68,844</b></u>
<b>Net increase in cash and cash equivalents</b>	<b>190,030</b>	<b>28,625</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>164,008</b>	<b>135,383</b>
<b>Cash and cash equivalents at end of period</b>	<u><b>354,038</b></u>	<u><b>164,008</b></u>
<b>Cash and cash equivalents consist of:-</b>		
Cash in hand and at banks	183,740	122,621
Fixed and short term deposits	177,892	54,098
Cash and bank balances	<u>361,632</u>	<u>176,719</u>
Bank balances pledged	-	(244)
Deposits pledged	(2,569)	(7,472)
Bank overdrafts	<u>(5,025)</u>	<u>(4,995)</u>
	<u><b>354,038</b></u>	<u><b>164,008</b></u>

*(The Unaudited Consolidated Cashflow Statement should be read in conjunction with the Annual Financial Statements for the year ended 30 April 2011)*





## **GLOMAC BERHAD**

### **NOTES TO THE UNAUDITED INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2011**

#### **A. EXPLANATORY NOTES**

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

The interim financial statements are prepared in compliance with FRS 134 "Interim Financial Reporting" and Paragraph 9.22 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 2011.

These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 30 April 2011.

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 2011, except for the adoption of new FRSs, Interpretation and Amendments to FRSs effective on or after 1 July 2010 and 1 January 2011 as listed below:

FRS 1	First-time Adoption of Financial Reporting Standards (revised) <sup>1</sup>
FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to limited exemption from Comparative FRS 7 Disclosures for First-time Adopters) <sup>2</sup>
FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to additional exemptions for First-time Adopters) <sup>2</sup>
FRS 2	Share-based Payment (Amendments relating to scope of FRS 2 and revised FRS 3) <sup>1</sup>
FRS 2	Share-based Payment (Amendments relating to group cash-settled share based payment transaction) <sup>2</sup>
FRS 3	Business Combinations (revised) <sup>1</sup>
FRS 5	Non-current Assets Held for Sale and Discontinued Operations (Amendments relating to plan to sell the controlling interest in a subsidiary) <sup>1</sup>
FRS 7	Financial Instruments: Disclosures (Amendments relating to improving disclosures about financial instruments) <sup>2</sup>
FRS 127	Consolidated and Separate Financial Statements (revised) <sup>1</sup>
FRS 128	Investments in Associates (revised) <sup>1</sup>
FRS 138	Intangible Assets (Amendments relating to additional consequential amendments arising from FRS 3) <sup>1</sup>
FRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to eligible hedged items, reclassification of financial assets, reclassification of financial assets - effective date and transition, embedded derivatives and revised FRS 3 and revised FRS 127) <sup>1</sup>



## **A1. Accounting Policies and Methods of Computation (cont'd)**

Improvements to FRSs (2010)<sup>2</sup>

IC Int. 4	Determining whether an arrangement contains a lease <sup>2</sup>
IC Int. 9	Reassessment of Embedded Derivatives (Amendments relating to scope of IC Interpretation 9 and revised FRS 3) <sup>1</sup>
IC Int. 12	Service Concession Arrangements <sup>1</sup>
IC Int. 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction <sup>1</sup>
IC Int. 16	Hedges of a Net Investment in a Foreign Operation <sup>1</sup>
IC Int. 17	Distributions of Non-cash Assets to Owners <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 July 2010

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2011

The adoption of the above revised FRSs, amendments to FRSs and Interpretations does not have any material impact on the financial statements of the Group.

## **A2. Audit Qualification**

There were no audit qualifications on the annual financial statements for the year ended 30 April 2011.

## **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 2010, 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 July 2011, the Company repurchased 3,565,400 of its issued ordinary shares from the open market at an overall average price of RM1.78 per share. These shares are being held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965.



**A6. Debt and Equity Securities (cont'd)**

ii) Renounceable Rights Issue

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 ("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, 5,327,300 warrants were exercised at an exercised price of RM1.10 for each ordinary shares of RM1.00 each.

**A7. Dividends Paid**

The first interim dividend of 4.5 sen per ordinary share, less 25% tax totaling RM9,969,717 in respect of previous financial year ended 30 April 2011 were paid on 22 June 2011.

Share capital comprise of ordinary shares only.



**A8. Segmental Reporting**

The segmental analysis for the financial period ended 31 July 2011 was as follows:

Analysis by Activity

	Property Development RM'000	Construction RM'000	Property Investment RM'000	Other Operations RM'000	Eliminations RM'000	Consolidated RM'000
<b>REVENUE</b>						
External	124,765	120	2,709	236	-	127,830
Inter-segment	-	15,407	211	992	(16,610)	-
Total revenue	124,765	15,527	2,920	1,228	(16,610)	127,830
<b>RESULTS</b>						
Segment results	32,060	21	(116)	(124)	171	32,012
Unallocated corporate expenses						649
Operating profit						32,661
Interest expenses						(1,836)
Interest income						1,564
Share of results of associates	315	-	(351)	-	-	(36)
Taxation						(8,723)
Profit for the period						23,630
<b>ASSETS</b>						
Segment assets	1,069,943	23,294	94,389	2,578	-	1,190,204
Investment in equity method of Associates	6,206	16,706	38,820	-	-	61,732
Unallocated corporate assets						95,674
Consolidated total assets						1,347,610

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**

On 14 September 2011, Glomac Thailand Sdn Bhd has entered into a Share Sale and Purchase Agreement ("SSPA") with WHA Corporation Co Ltd ("Purchaser") for disposal of Glomac Thailand's entire 49% equity interest comprising 15,190,000 ordinary shares (Sale Shares") held in WHA Glomac Alliance Company Limited, a company incorporated in Thailand ("WHA Glomac"), for a total consideration of Baht 285,403,997.14 or RM30,754,741.07 (based on Malayan Banking Berhad's published exchanged rate dated 13 September 2011) ("Proposed Disposal").

The Proposed Disposal is not expected to have material impact on the earnings, net assets and gearing of Glomac Berhad ("Glomac") for the financial year ended 30 April 2012. None of the Directors and/or Substantial Shareholders of Glomac or persons connected to them has any interest, direct or indirect, in the Proposed Disposal. The Board, having considered all aspects of the Proposed Disposal, is of the opinion that the Proposed Disposal is in the best interest of the Group.

The Proposed Disposal is expected to be completed by end of September 2011.

**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 2011.

**A12. Changes in Contingent Liabilities**

There were no significant changes in contingent liabilities since the last audited balance sheet date as at 30 April 2011.

**A13. Capital Commitments**

The Group has the following capital commitments:

	31/7/11 RM'000
Approved and contracted for:- Purchase of land for development	79,634
	<hr/>



**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 has remained consistent with previous corresponding period. Main revenue stream is contributed by Glomac Tower, Glomac Damansara, Bandar Saujana Utama, Glomac Cyberjaya and Saujana Rawang.

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

The Group's Profit Before Tax has increased by 18% as compared to previous quarter, mainly due to cost saving in Glomac Cyberjaya which gives higher profit margin.

**B3. Prospects for the current 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 2012 is expected to improve.

**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 31/7/11 RM'000	Year To-date Ended 31/7/11 RM'000
Current taxation	9,465	9,465
Deferred taxation	(742)	(742)
	<u>8,723</u>	<u>8,723</u>

The current effective tax rate of the Group is higher than the statutory tax rate by the Inland Revenue Board is mainly due to unrecognized deferred tax asset on tax losses.



**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 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. As of 30 April 2010, the said acquisition was completed.

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 1<sup>st</sup> 10% deposit and the conditions precedent pursuant to the Sale and Purchase Agreement have been fulfilled. The completion date is due on 24 October 2011.

- ii) Proposed acquisition of land by Glomac Alliance Sdn Bhd from Score Option Sdn Bhd (Receivers and Managers Appointed) for a purchase consideration of RM77.0 million

On 21 January 2011, Glomac Alliance Sdn Bhd ("GASB") entered into a Sale and Purchase Agreement with Score Option Sdn Bhd (Receivers and Managers Appointed) acting through Messrs Ernst & Young (Receiver and Manager) for the proposed acquisition of 200 acres of leasehold land for a purchase consideration of RM77.0 million. GASB has paid the 1<sup>st</sup> 10% deposit and the Sale and Purchase Agreements are subject to conditions precedent to be fulfilled by all party.



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

iii) On 23 June 2011, the Company proposed the following:

- (a) Subdivision of every one (1) ordinary share of RM1.00 each in the Company into two (2) ordinary shares of RM0.50 each in the Company ("Proposed Subdivision"); and
- (b) Amendments to the Company's Memorandum and Articles of Association to facilitate and allow for the implementation of the Proposed Subdivision.

(Collectively refer to as "Proposals")

The Proposals are subject to and conditional upon approvals from the relevant authorities and shareholders of the Company.

The Proposals are expected to be completed by October 2011.

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 July 2011 were as follows:-

	Due within 12 months RM'000	Due after 12 months RM'000	Total as at 31/7/11 RM'000	Total as at 31/7/10 RM'000
<u>Secured</u>				
Hire Purchase and Lease Borrowings	822	1,675	2,497	1,799
Bank Borrowings	36,679	155,970	192,649	149,959
	37,501	157,645	195,146	151,758
<u>Unsecured</u>				
Bonds	-	-	-	78,000
Bank Borrowings	75,000	78,000	153,000	-
	112,501	235,645	348,146	229,758

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 period ended 31 July 2011.





## **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 subsequently, 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 and the Court of Appeal has dismissed the appeal filed by SOSB. The Court only awarded one set of costs in the sum of RM5,000 to SOSB.

The Federal Court had on 25 January 2010 delivered its decision by dismissing both applications by SOSB for injunction.

GASB has applied for an extension on discovery of documents until 14 December 2009 and subsequent to the hearing on 10 March 2010, the Court has fixed the case for decision on 8 April 2010.

On 22 March 2010, the Receivers and Managers for SOSB ("R&M") had advertised in The Star inviting interested parties to submit an offer or expression of interest for an outright purchase of a parcel of development land ("the Land") and other assets on an "as is where is" basis or a proposed development of the Land with the R&M, subject to the exclusion of all verifiable sold units and to the proper resolution of existing encumbrances and third party interest on the Land some of which are the subject matter of ongoing litigation.

SOSB has filed for appeal to Judge in Chambers against the decision in respect of the discovery application on 24 May 2010. The appeal is dismissed with costs of RM1,000. SOSB has filed Stay Application and Variation Application and the Judge has vacated the case management scheduled on 18 March 2011 and fixed the same on 11 April 2011 the same as the hearing of the interveners' application.

GASB had been served with Writ of Summons and Statement of Claims ("the Claim") dated 21 March 2011 filed by SOSB and Austral Development Sdn Bhd ("the Plaintiffs") against the R&M as the 1st and 2nd defendants, Malayan Banking Berhad as the 3rd defendant and GASB as the 4th defendant. The Claim against GASB inter alia the following:-

1. A declaration that the Sales & Purchase Agreement dated 24 January 2011 entered into between GASB and the SOSB ("SPA") is null and void;
2. A declaration that the approval given to GASB to complete the 79 units (the development of 2½ storey houses) is null and void; and
3. Injunction order against GASB to enter the Land.



**B11. Material Litigation (cont'd)**

The Plaintiffs also sought interlocutory orders which are similar to the Claim and to be heard on 8 April 2011. The Court has fixed the case for trial from 14 November 2011 to 18 November 2011.

The Claim, if it succeeds, may have an impact on the completion of the SPA. However, the Company has sought the legal advice from its solicitors and they are of the view that the Plaintiffs are unlikely to succeed in their Claim.

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

**B12. Dividend**

The Board has on 23 June 2011 proposed a second and final dividend of 5.0 sen, less 25% tax per ordinary share in respect of financial year ended 30 April 2011, subject to shareholders' approval in the forthcoming Annual General Meeting.

**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 to date ended	Preceding year corresponding period ended
	31/7/11	31/7/10	31/7/11	31/7/10
Profit attributable to equity holders of the Company (RM'000)	17,871	15,557	17,871	15,557
Weighted average number of ordinary shares in issue ('000)	293,136	292,581	293,136	292,581
Basic earning per share (sen)	6.10	5.32	6.10	5.32



**B13. Earnings Per Share (cont'd)**

b) Diluted Earnings Per Share

The diluted earnings per share for the current financial period ended 31 July 2011 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 31/7/11	Preceding year corresponding quarter ended 31/7/10	Current year to date ended 31/7/11	Preceding year corresponding period ended 31/7/10
Profit attributable to equity holders of the Company (RM'000)	17,871	15,557	17,871	15,557
Weighted average number of ordinary shares as per basic EPS	293,136	292,581	293,136	292,581
Effect of shares option ('000)	25,830	9,914	25,830	9,914
Weighted average number of ordinary shares (diluted)	318,966	302,495	318,966	302,495
Diluted earning per share (sen)	5.60	5.14	5.60	5.14

**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 July 2011 was as follows:-

<u>Type of Financial Assistance</u>	Amount (RM' million)
Corporate Guarantee for:-	
1) Credit Facilities	9.4
2) Equipment Leasing Facilities	2.0
3) Profit Guarantee	16.5
	27.9

As at 31 July 2011, RM6.9 million was outstanding in respect of the above guarantees.

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



## B15. Realised and Unrealised Profits

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Securities") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the retained earnings or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Securities further issued guidance on the disclosure and the format required.

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits, pursuant to the directive, is as follows:

	31/7/11 RM '000	30/4/11 RM '000
Total retained profits of the Company and its subsidiaries:		
- Realised	312,853	297,998
- Unrealised	14,478	14,946
	<hr/>	<hr/>
	327,331	302,736
Total share of retained profits from associated companies:		
- Realised	20,398	20,451
	<hr/>	<hr/>
	347,729	333,395
Less: Consolidation adjustments	(64,989)	(68,591)
	<hr/>	<hr/>
<b>Total Group retained profits as per consolidated accounts</b>	<b>282,740</b>	<b>264,804</b>

The determination of realised and unrealised profits is based on the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements* as issued by the Malaysian Institute of Accountants on 20 December 2010. A charge or a credit to the profit or loss of a legal entity is deemed realised when it is resulted from the consumption of resources of all types and form, regardless of whether it is consumed in the ordinary course of business or otherwise. A resource may be consumed through sale or use. Where a credit or a charge to the profit or loss upon initial recognition or subsequent measurement of an asset or a liability is not attributed to consumption of resource, such credit or charge should not be deemed as realised until the consumption of resource could be demonstrated.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.