



GLOMAC BERHAD

NOTES TO THE UNAUDITED INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2013

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 2013.

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 2013.

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 2013, except for the adoption of new FRSs, Interpretation and Amendments to FRSs effective for annual financial periods beginning on or after 1 May 2013 as listed below:

FRS 1	First-time Adoption of Financial Reporting Standards (Amendments to Government Loans) ¹
FRS 1	First-time Adoption of Financial Reporting Standards (Amendment to Improvements to FRSs (2012)) ¹
FRS 7	Financial Instruments: Disclosures (Amendments relating to Disclosures - Offsetting Financial Assets and Financial Liabilities) ¹
FRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009) ²
FRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010) ²
FRS 10	Consolidated Financial Statements ¹
FRS 10	Consolidated Financial Statements (Amendments relating to Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance) ¹
FRS 10	Consolidated Financial Statements (Amendments relating to Investment Entities) ³
FRS 11	Joint Arrangements ¹
FRS 11	Joint Arrangements (Amendments relating to Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance) ¹
FRS 12	Disclosures of Interests in Other Entities ¹
FRS 12	Disclosures of Interests in Other Entities (Amendments relating to Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance) ¹
FRS 12	Disclosures of Interests in Other Entities (Amendments relating to Investment Entities) ³



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

FRS 13	Fair Value Measurement ¹
FRS 101	Presentation of Financial Statements (Improvements to FRSs (2012)) ¹
FRS 116	Property, Plant and Equipment (Improvements to FRSs (2012)) ¹
FRS 119	Employee Benefits (2011) ¹
FRS 127	Separate Financial Statements (2011) ¹
FRS 127	Separate Financial Statements (2011) (Amendments relating to Investment Entities) ³
FRS 128	Investments in Associates and Joint Ventures (2011) ¹
FRS 132	Financial Instruments: Presentation (Amendment relating to Improvements to FRSs (2012)) ¹
FRS 132	Financial Instruments: Presentation (Amendments relating to Offsetting Financial Assets and Financial Liabilities) ³
FRS 134	Interim Financial Reporting (Amendment to Improvements to FRSs (2012)) ¹
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments (Amendments relating to Improvements to FRSs (2012)) ¹
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine ¹

¹ Effective for annual periods beginning on or after 1 January 2013

² Effective for annual periods beginning on or after 1 January 2015

³ Effective for annual periods beginning on or after 1 January 2014

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.

Adoption of the Malaysian Financial Reporting Standards

On 19 November 2011, the MASB has issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standard Framework ("MFRS Framework"), a fully-IFRS compliant framework. Entities other than private entities shall apply the MFRS Framework for annual periods beginning on or after 1 January 2012, with the exception of Transitioning Entities ("TEs").

TEs, being entities within the scope of MFRS 141 Agriculture and/or IC Interpretation 15: Agreements for the Construction of Real Estate, including its parents, significant investors and venturers were given a transitional period of two years, within which the MFRS Framework is mandatory to be adopted by the TEs. Following the announcement by the MASB on 7 August 2013, the transitional period for TEs has been extended for an additional year. Therefore, the mandatory adoption date of the MFRS Framework for TEs has been extended from annual periods beginning on or after 1 January 2014 to annual periods beginning on or after 1 January 2015.

The Group being TEs have availed themselves of this transitional arrangement and will continue to apply FRSs in the preparation of its financial statements. Accordingly, the Group will be required to apply MFRS 1 First-time adoption of Malaysian Financial Reporting Standards in their financial statements for the financial year ending 30 April 2016, being the first set of financial statements prepared in accordance with new MFRS Framework. Further, an explicit and unreserved statement of compliance with IFRSs will be made in these financial statements.



A2. Audit Qualification

There were no audit qualifications on the annual financial statements for the year ended 30 April 2013.

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, resale and repayment of debt and equity securities during the current financial period except for the following:-

Disposal of treasury shares

On 16 October 2012, the shareholders of the Company renewed their approval for the Company's plan to repurchase its own ordinary shares. On 1 July 2013, the Company has resold all treasury shares of 19,213,300 units at an average price of RM1.18 per share. The difference of RM6,596,302 between the sale consideration and the carrying amount of the shares has been credited to the Share Premium Account.

A7. Dividends Paid

The first interim dividend of 3 sen per ordinary share, less 25% tax totaling RM15,943,680 in respect of previous financial year ended 30 April 2013 were paid on 12 June 2013.



A8. Segmental Reporting

The segmental analysis for the financial period ended 31 July 2013 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
REVENUE						
External	159,655	-	2,421	195	-	162,271
Inter-segment	-	29,351	601	4,085	(34,037)	-
Total revenue	159,655	29,351	3,022	4,280	(34,037)	162,271
RESULTS						
Segment results	35,262	738	404	(55)	(739)	35,610
Unallocated corporate expenses						(1,726)
Operating profit						33,884
Interest expenses						(2,110)
Interest income						2,040
Share of results of associates	481	-	225	-	-	706
Taxation						(9,538)
Profit for the period						24,982
ASSETS						
Segment assets	1,029,570	34,210	17,454	94,205	-	1,175,439
Investment in equity method of Associates	24,425	-	16,638	-	-	41,063
Unallocated corporate assets						374,357
Consolidated total assets						1,590,859

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 quarter.

A12. Changes in Contingent Liabilities

There were no significant changes in contingent liabilities since the last audited balance sheet date as at 30 April 2013.

A13. Capital Commitments

There were no outstanding capital commitments for the group as at 31 July 2013.



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

B1. Review of Group Performance

The Group continue to record good sales as compared to previous corresponding period with continue contribution by projects in Glomac Rawang, Lakeside Residences, Cyberjaya 2, Glomac Centro and Bandar Saujana Utama.

The Group's Profit Attributable to Owners increase by 15% compared to previous corresponding period. The increase is mainly due from ongoing development in Glomac Rawang, Cyberjaya 2 and Lakeside Residences.

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 the current quarter decreased by 30% compared to previous quarter. This is because historically first quarter results are always lower than the fourth quarter of the previous financial year.

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 2014 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 / Year To-date Ended 31/7/13 RM'000
Current taxation	9,081
Deferred taxation	457
	<hr/>
	9,538
	<hr/>

The Group's effective tax rate for the current financial period is higher than the statutory tax rate by the Inland Revenue Board due to non-recognition of deferred tax assets on tax losses.

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

There was no sale of unquoted investment or properties.



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

There was no 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 2013 were as follows:-

	Due within 12 months RM'000	Due after 12 months RM'000	Total as at 31/7/13 RM'000	Total as at 30/4/13 RM'000
<u>Secured</u>				
Hire Purchase and Lease Borrowings	382	1,031	1,413	1,579
Bank Borrowings	17,063	354,320	371,383	384,300
	<u>17,445</u>	<u>355,351</u>	<u>372,796</u>	<u>385,879</u>
<u>Unsecured</u>				
Bank Borrowings	43,000	78,000	121,000	121,000
	<u>60,445</u>	<u>433,351</u>	<u>493,796</u>	<u>506,879</u>

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 2013.

B11. Material Litigation

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



B12. Dividend

The Board has on 25 June 2013, proposed a final dividend of 3.5 sen per ordinary share less tax at 25% in respect of financial year ended 30 April 2013, 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 31/7/13	Preceding year corresponding quarter ended 31/7/12	Current year to date ended 31/7/13	Preceding year corresponding period ended 31/7/12
Profit attributable to equity holders of the Company (RM'000)	24,133	20,996	24,133	20,996
Weighted average number of ordinary shares in issue ('000)	715,082	564,120	715,082	564,120
Basic earnings per share (sen)	3.37	3.72	3.37	3.72

b) Diluted Earnings Per Share

There is no dilution effect to the earning per share for the current financial period as the Warrants have expired on 24 October 2012.

B14. Provision of Financial Assistance

- a) There has been no additional financial assistance provided pursuant to Paragraph 8.23 of the Main Market Listing Requirement during the current quarter.
- b) The aggregate amount of financial assistance provided during the current quarter was as follows:-

<u>Type of Financial Assistance</u>	Limit of Amount RM' million
Corporate Guarantee for Credit Facilities	4.4
Corporate Guarantee for Equipment Leasing Facilities	2.0
	<hr/>
	RM' million
Profit Guarantee	4.2
	<hr/>



B14. Provision of Financial Assistance (continued)

As at 31 July 2013, RM1.6 million was remained 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:

	30/7/13 RM'000	30/4/13 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	461,137	437,375
- Unrealised	14,175	15,753
	<hr/> 475,312	<hr/> 453,128
Total share of retained profits from associated companies:		
- Realised	22,187	21,462
	<hr/> 497,499	<hr/> 474,590
Less: Consolidation adjustments	(76,566)	(77,790)
Total Group retained profits as per consolidated accounts	<hr/> 420,933	<hr/> 396,800

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.



B16. Notes to the Statement of Comprehensive Income

Notes to the Statement of Comprehensive Income comprises of the followings:-

	Current Quarter / Year To-date Ended 30/7/13 RM'000
Interest income	2,040
Other income including investment income	2,457
Interest expense	(2,110)
Depreciation and amortisation	(845)
	<hr/>

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.