



GLOMAC BERHAD
NOTES TO THE UNAUDITED INTERIM REPORT FOR THE FINANCIAL PERIOD
ENDED 31 JULY 2006

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 2006.

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 2006 except for the mandatory adoption of the following new or revised Financial Reporting Standards ("FRS") effective for the annual financial periods beginning on or after 1 January 2006.

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-Current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investment in Associates
FRS 131	Interest in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

The adoption of the new/revised FRSs does not have significant financial impact to the Group other than the effect of the following FRSs:-

(a) FRS 3 : Business Combinations & FRS 136 Impairment of Assets

Prior to adoption of these FRSs, goodwill and reserves on consolidation are amortised on a straight-line basis over its estimated useful economic life not exceeding 25 years, subject to annual review for any impairment.

The adoption of FRS 3 and FRS 136 have resulted in the Group ceasing annual goodwill amortisation. Goodwill is carried at cost less accumulated impairment losses and is now tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. Any impairment loss is recognised in profit or loss and subsequent reversal is not allowed.



The carrying amount of goodwill as at 1 May 2006 of RM4.9m ceased to be amortised. This has the effect of reducing the amortisation charges by RM0.14m in the current quarter ended 31 July 2006.

FRS 3 requires any excess of the Group's interest in the net fair value of acquirees' identifiable assets, liabilities and contingent liabilities over cost of acquisitions (previously referred to as "reserve on consolidation"), to be recognised immediately in profit or loss. In accordance with the transitional provision of FRS 3, the remaining balance of reserve on consolidation brought forward of RM8.4m was derecognised with a corresponding adjustment to the opening balance of retained earnings.

(b) ~~FRS 101 : Presentation of Financial Statements~~

The adoption of the revised FRS 101 has affected the presentation of minority interest, share of results in associates and other disclosures. In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the period. A similar requirement is also applicable to the statement of changes in equity where it requires disclosure, on the face of the statement of changes in equity, total recognised income and expenses for the period, showing separately, the amounts attributable to equity holders of the Company and to minority interest.

The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform with the current period's presentation where applicable.

(c) ~~FRS 140 : Investment Property~~

The adoption of FRS 140 has resulted in a change in accounting policy for investment properties. The Group regards as investment properties any land and buildings that are held for their investment potential and rental income. Investment properties are now stated at fair value, representing open-market value determined by external valuers or as assessed by directors. Gain or losses arising from changes in the fair values of investment properties are recognised in income statement.

Prior to the adoption of FRS 140, investment properties were stated at valuation. In accordance with the transitional provisions of FRS 140, this change in accounting policy is applied retrospectively and the difference between the carrying amounts of the properties and their fair values less applicable deferred tax liabilities is recognised as an adjustment to the opening retained profits. The adoption of this FRS has resulted in changes which have been accounted for by restating the opening balance of the following accounts in the balance sheet.

	As at 1 May 2006 RM'000
Increase in retained earnings	8,006
Decrease in revaluation reserve	(8,006)
	=====



(d) The effect to the Group's comparative figures on adoption of the above FRSs is as follows:-

	As previously stated RM'000	Effects on adoption of FRSs RM'000	As restated RM'000
As at 1 May 2006			
Revaluation reserve	8,006	(8,006)	-
Reserve on consolidation	8,415	(8,415)	-
Retained earnings	126,540	16,421	142,961
	=====	=====	=====

A2. Audit Qualification

There were no audit qualifications on the annual financial statements for the year ended 30 April 2006.

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 interim period of the current 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 except for the repurchases of shares.

On 20 September 2006, the shareholders of the Company renewed their approval for the Company's plan to repurchase its own ordinary shares. During the financial period ended 31 July 2006, the Company repurchased 1,436,300 of its issued ordinary shares from the open market at average price of RM1.22 per share. The repurchase transactions were financed by internally generated funds and are being held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965.

A7. Dividends Paid

The first interim dividend of 4.0 sen per share less income tax of 28% in respect of the previous financial year ended 30 April 2006 was paid on 27 June 2006.

The shareholders have approved the final dividend of 4.0 sen per share less income tax of 28% and a special dividend of 1.0 sen per share less income tax of 28% in respect of the previous financial year ended 30 April 2006 at the Annual General Meeting on 20 September 2006.

Share capital comprise of ordinary shares only.



A8. Segmental Reporting

The segmental analysis for the period ended 31 July 2006 is 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	40,879	9,892	1,991	-	-	52,762
Inter-segment	-	13,041	-	-	(13,041)	-
Total revenue	40,879	22,933	1,991	-	(13,041)	52,762
RESULTS						
Segment results	5,203	615	743	(70)	(265)	6,226
Unallocated corporate expenses						(429)
Operating profit						5,797
Interest expenses						(191)
Interest income						708
Share of results of associates	(15)	219	-	-		204
Taxation						(2,161)
Profit for the period						4,357
ASSETS						
Segment assets	601,670	8,841	96,451	3,044		710,006
Investment in equity method of associates	11,280	14,109	-	-		25,389
Unallocated corporate assets						25,807
Consolidated total assets						761,202

The financial information by geographical location is 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

- i) On 3 July 2006, Glomac Berhad acquired the entire equity interest in Glomac Australia Pty Ltd comprising one ordinary shares of AUD1.00. Simultaneously, Glomac Berhad also subscribed for an additional 99,999 ordinary shares of AUD1.00 each. The total consideration paid for the said shares was AUD100,000.00.
- ii) On 11 September 2006, Glomac Berhad acquired 70% equity interest in FDA Sdn Bhd comprising 175,000 ordinary shares of RM1.00 each for a total consideration of RM175,000.00

A12. Changes in Contingent Liabilities

There were no significant changes in contingent liabilities since the last audited balance sheet date as at 30 April 2006.



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 and Profit Before Tax for the current quarter were higher than the previous year by 13% and 2% respectively. The lower increase in Profit Before Tax was mainly due to the tailing off of the higher margin Aman Suria Damansara and Glomac Square.

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

The Profit Before Tax decrease 75% due to the completion and handover of two major projects, Aman Suria Damansara and Glomac Square in the current quarter.

B3. Commentary on Current Year Prospects

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 2007 will remain satisfactory.

B4. Variance of Actual Profit from Forecast Profit

Not applicable.

B5. Taxation

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

	Quarter & Year Todate Ended 31/07/06 RM'000
Current taxation	1,926
Deferred taxation	(35)
Under provision of prior year tax	270
	<hr/>
	2,161
	=====

The effective tax rates of the Group for the current quarter and year todate are higher than the statutory tax rate mainly due to certain expenses which are 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 year 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) Glomac Regal Sdn Bhd (“GRSB”), a wholly owned subsidiary of Glomac Berhad has on 25 August 2006 signed the Murabahah Underwritten Notes Issuance Facility and Murabahah Medium Term Notes Issuance Facility of up to RM175m with Alliance Investment Bank Berhad (formerly known as Alliance Merchant Bank Berhad), the Principal Advisor/Lead Arranger for the transaction. Currently, the issuance is pending finalisation of certain documentation.
- ii) FDA Sdn Bhd, a 70% owned subsidiary of Glomac Berhad has on 12 September 2006 entered into a Privatisation Agreement with Perbadanan Kemajuan Negeri Selangor (“PKNS”) for the proposed development of approximately 20 acres of land in Section 8, Bandar Baru Bangi, Selangor.

- 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 2006 are as follows:-

	Due within 12 months RM'000	Due after 12 months RM'000	Total as at 31/07/06 RM'000	<i>Total as at 30/04/06 RM'000</i>
Secured				
Hire Purchase and Lease Borrowings	1,207	937	2,144	2,523
Bank Borrowings	57,542	56,144	113,686	106,379
Islamic Private Debt Securities	25,000	60,000	85,000	85,000
	<u>83,749</u>	<u>117,081</u>	<u>200,830</u>	<u>193,902</u>
Unsecured				
Bonds	-	25,000	25,000	25,000
	<u>83,749</u>	<u>142,081</u>	<u>225,830</u>	<u>218,902</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 2006.

B11. Material Litigation

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



B12. Dividend

- a) (i) The final dividend of 4.0 sen per share less income tax of 28% and a special dividend of 1.0 sen per share less income tax of 28% in respect of the previous financial year ended 30 April 2006 was approved by the shareholders at the Annual General Meeting on 20 September 2006.
- (ii) Total amount per share : 5.0 sen less income tax of 28%
- (iii) Previous corresponding period : 5.0 sen less income tax of 28%
- (iv) Date payable : To be determined at a later date
- (v) Entitlement date : To be determined at a later date
- b) The total dividend for the previous financial year ended 30 April 2006 is 9.0 sen per share less income tax of 28%.

No dividend has been proposed for the current financial year.

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 31/07/06	Preceding year corresponding quarter ended (Restated) 31/07/05	Current year todate ended 31/07/06	Preceding year corresponding period ended (Restated) 31/07/05
Profit attributable to equity holders of the Company (RM'000)	4,223	4,183	4,223	4,183
Weighted average number of ordinary shares in issue ('000)	209,060	213,837	209,060	213,837
Basic earning per share (sen)	2.02	1.96	2.02	1.96

b) ~~Diluted Earnings Per Share~~

The diluted earnings per share 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 ESOS, adjusted for the number of such shares that would have been issued at fair value, calculated as below.

The effect of shares option for the current quarter and year todate ended 31 July 2006 was anti-dilutive and has been ignored in the calculation of diluted earnings per share.



Description	Current quarter ended	Preceding year corresponding quarter ended (Restated)	Current year todate ended	Preceding year corresponding period ended (Restated)
	31/07/06	31/07/05	31/07/06	31/07/05
Profit attributable to equity holders of the Company (RM'000)	4,223	4,183	4,223	4,183
Weighted average number of ordinary shares as per basic EPS	209,060	213,837	209,060	213,837
Effect of shares option ('000)	-	12,466	-	12,466
Weighted average number of ordinary shares (diluted)	209,060	226,303	209,060	226,303
Diluted earning per share (sen)	2.02	1.85	2.02	1.85

B14. Provision of Financial Assistance

There has been no additional financial assistance provided to the Group's non-wholly owned subsidiaries or associated companies during the current quarter.

The aggregate amount of financial assistance provided to such companies todate is as follows:-

Type of Financial Assistance	Amount (RM' million)
Corporate Guarantee for:-	
1) Credit Facilities	5.6
2) Equipment Leasing Facilities	2.0
	7.6
	=====

As at 31 July 2006, RM2.3 million is outstanding in respect of the above guarantees.

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



GLOMAC BERHAD (110532-M)
Quarterly Report On Consolidated Results
For The Financial Period Ended 31 July 2006
(The figures have not been audited)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31/07/06 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/07/05 RM'000 (Restated)	CURRENT YEAR TO DATE 31/07/06 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/07/05 RM'000 (Restated)
Revenue	52,762	46,507	52,762	46,507
Operating expenses	(47,707)	(41,807)	(47,707)	(41,807)
Other operating income	742	532	742	532
Operating profit	<u>5,797</u>	<u>5,232</u>	<u>5,797</u>	<u>5,232</u>
Finance cost	(191)	(131)	(191)	(131)
Interest income	708	926	708	926
Share of profits of associated companies	204	390	204	390
Profit before tax	<u>6,518</u>	<u>6,417</u>	<u>6,518</u>	<u>6,417</u>
Taxation	(2,161)	(1,678)	(2,161)	(1,678)
Profit for the period	<u>4,357</u>	<u>4,739</u>	<u>4,357</u>	<u>4,739</u>
Attributable to:-				
Equity holders of the parent	4,223	4,183	4,223	4,183
Minority interest	134	556	134	556
Profit for the period	<u>4,357</u>	<u>4,739</u>	<u>4,357</u>	<u>4,739</u>
Earnings per share (sen)				
(i) Basic	2.02	1.96	2.02	1.96
(ii) Fully Diluted	2.02	1.85	2.02	1.85

(This Unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 30 April 2006)



GLOMAC BERHAD (110532-M)
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 JULY 2006

	As at 31/07/06 (Unaudited) RM'000	As at 30/04/06 (Restated) RM'000
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	9,736	10,068
Investment properties	90,554	90,554
Land held for property development	250,380	231,292
Investment in associated companies	25,389	21,179
Other investment - Unquoted	6,500	6,500
Goodwill on consolidation	4,915	4,915
Deferred tax assets	336	302
	<u>387,810</u>	<u>364,810</u>
CURRENT ASSETS		
Inventories	8,387	8,387
Property development projects	147,202	166,354
Accrued billings	37,673	35,117
Amount due from customers for contract work	8,300	8,424
Trade receivables	36,010	43,113
Other receivables, deposits and prepayments	28,859	29,919
Amount due from associated companies	1,005	1,016
Tax recoverable	3,644	2,729
Fixed deposits and short term placements	18,532	22,249
Cash and bank balances	83,780	79,963
	<u>373,392</u>	<u>397,271</u>
TOTAL ASSETS	<u><u>761,202</u></u>	<u><u>762,081</u></u>
EQUITY AND LIABILITIES		
EQUITY		
Share Capital	216,891	216,891
Reserves:-		
Share Premium	29,040	29,040
Exchange Fluctuation Reserve	1	-
Retained Profit	147,220	142,961
Reserves	176,261	172,001
Treasury Shares	(11,512)	(9,760)
Equity attributable to equity holders of the Company	<u>381,640</u>	<u>379,132</u>
Minority Interest	15,434	15,274
TOTAL EQUITY	<u>397,074</u>	<u>394,406</u>



	As at 31/07/06 (Unaudited)	As at 30/04/06 (Restated)
NON-CURRENT LIABILITIES		
Hire Purchase & Lease Creditors	937	1,205
Islamic Private Debt Securities	60,000	60,000
Bank Borrowings	81,144	70,948
Deferred Taxation	1,575	1,575
	<u>143,656</u>	<u>133,728</u>
CURRENT LIABILITIES		
Trade payables	41,500	46,009
Other payables and accrued expenses	65,073	68,963
Progress billings	24,905	19,609
Amount due to customers for contract work	2,661	3,022
Hire-purchase & lease creditors - current portion	1,207	1,318
Islamic Private Debt Securities	25,000	25,000
Bank borrowings - current portion	57,542	60,431
Provision for taxation	2,584	3,541
Dividend payable	-	6,054
	<u>220,472</u>	<u>233,947</u>
TOTAL EQUITY AND LIABILITIES	<u>761,202</u>	<u>762,081</u>
Net assets per share attributable to ordinary equity holders of the parent - RM	<u>1.83</u>	<u>1.81</u>

(This Unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the year ended 30 April 2006)



GLOMAC BERHAD (110532-M)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 JULY 2006

	← Attributable to equity holders of the Company →							Minority interest	Total Equity	
	← Non distributable →				Distributable					
	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Reserve on consolidation RM'000	Exchange Fluctuation Reserve RM'000	Retained profit RM'000	Treasury shares RM'000			Sub-total RM'000
Balance as 1 May 2006										
As previously stated	216,891	29,040	8,006	8,415	-	126,540	(9,760)	379,132	15,274	394,406
Prior year adjustments - effect of adopting:-										
- FRS 3	-	-	-	(8,415)	-	8,415	-	-	-	-
- FRS 140	-	-	(8,006)	-	-	8,006	-	-	-	-
As restated	216,891	29,040	-	-	-	142,961	(9,760)	379,132	15,274	394,406
Currency translation differences	-	-	-	-	1	-	-	1	-	1
Repurchase of shares	-	-	-	-	-	-	(1,752)	(1,752)	-	(1,752)
Share of associated companies results by minority interest	-	-	-	-	-	-	-	-	26	26
Profit for the period	-	-	-	-	-	4,223	-	4,223	134	4,357
Over provision of first interim dividend for FY2006	-	-	-	-	-	36	-	36	-	36
At 31 July 2006	216,891	29,040	-	-	1	147,220	(11,512)	381,640	15,434	397,074
<i>Balance at 1 May 2005</i>										
As previously stated	216,887	29,038	8,007	9,151	-	102,145	(4,472)	360,756	13,221	373,977
Prior year adjustments - effect of adopting:-										
- FRS 3	-	-	-	(9,151)	-	9,151	-	-	-	-
- FRS 140	-	-	(8,007)	-	-	8,007	-	-	-	-
As restated	216,887	29,038	-	-	-	119,303	(4,472)	360,756	13,221	373,977
Issue of ordinary shares pursuant to ESOS	2	1	-	-	-	-	-	3	-	3
Repurchase of shares	-	-	-	-	-	-	(1,177)	(1,177)	-	(1,177)
Share of associated companies results by minority interest	-	-	-	-	-	-	-	-	54	54
Profit for the period										
- As previously stated	-	-	-	-	-	4,367	-	4,367	556	4,923
- Effect of adopting FRS 3	-	-	-	-	-	(184)	-	(184)	-	(184)
At 31 July 2005	216,889	29,039	-	-	-	123,486	(5,649)	363,765	13,831	377,596

(The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 30 April 2006)



GLOMAC BERHAD (110532-M)
UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 JULY 2006

	Period Ended 31/07/06 RM'000	Period Ended 31/07/05 RM'000 (Restated)
Operating Activities		
Profit before taxation	6,518	6,417
Adjustments for non-cash items	<u>(155)</u>	<u>(512)</u>
Operating profit before working capital changes	6,363	5,905
Net changes in working capital	<u>2,342</u>	<u>8,889</u>
Cash generated from operations	8,705	14,794
Taxes paid	<u>(4,069)</u>	<u>(3,468)</u>
Net cash flows generated from operating activities	<u>4,636</u>	<u>11,326</u>
Investing Activities		
Purchase of property, plant and equipment	(291)	(436)
Others	<u>(3,213)</u>	<u>1,002</u>
Net cash flows generated from / (used in) investing activities	<u>(3,504)</u>	<u>566</u>
Financing Activities		
Proceeds from issuance of shares	-	3
Repurchase of shares	(1,752)	(1,177)
Repayment of Islamic Private Debt Securities	-	-
Drawdown of bank borrowings	26,851	13,837
Repayment of bank borrowings	(14,909)	(1,732)
Bank balances and deposits pledged	8,140	6,591
Dividend paid	(6,018)	(6,185)
Others	<u>(571)</u>	<u>(464)</u>
Net cash flows generated from financing activities	<u>11,741</u>	<u>10,873</u>
Net increase in cash and cash equivalents	12,873	22,765
Cash and cash equivalents at beginning of year	<u>70,364</u>	<u>91,670</u>
Cash and cash equivalents at end of year	<u>83,237</u>	<u>114,435</u>
Cash and cash equivalents consist of:-		
Cash on hand and at banks	83,780	109,418
Fixed and short term deposits	<u>18,532</u>	<u>19,486</u>
Cash and bank balances	102,312	128,904
Bank balances pledged	(159)	(25)
Deposits pledged	(12,329)	(11,431)
Bank overdrafts	<u>(6,587)</u>	<u>(3,013)</u>
	<u>83,237</u>	<u>114,435</u>

(The Unaudited Consolidated Cashflow Statement should be read in conjunction with the Annual Financial Statements for the year ended 30 April 2006)