

# **GLOMAC BERHAD**

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

## **Quarterly Financial Results - 31 January 2006**

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## GLOMAC BERHAD (110532-M)

### Quarterly Report On Consolidated Results For The Financial Period Ended 31 January 2006

*(The figures have not been audited)*

#### UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/01/06 RM'000	31/01/05 RM'000	31/01/06 RM'000	31/01/05 RM'000
Revenue	68,652	65,171	190,395	196,075
Operating expenses	(58,564)	(53,926)	(163,306)	(160,697)
Other operating income	284	365	1,109	1,151
Operating profit	10,372	11,610	28,198	36,529
Finance cost	(658)	(475)	(853)	(1,235)
Interest income	845	1,026	2,536	3,337
Share of profits of associated company	1,074	-	2,722	2,028
Profit before tax	11,633	12,161	32,603	40,659
Taxation	(4,370)	(2,157)	(10,045)	(10,047)
Profit after tax	7,263	10,004	22,558	30,612
Minority interest	(165)	(203)	(1,282)	(537)
Net profit attributable to members of the Company	7,098	9,801	21,276	30,075
Earnings per share (sen)				
(i) Basic	<b>3.34</b>	4.56	<b>9.98</b>	13.93
(ii) Fully Diluted	<b>3.34</b>	4.39	<b>9.98</b>	13.41

*(This Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the year ended 30 April 2005)*

**GLOMAC BERHAD (110532-M)**

**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 JANUARY 2006**

	<b>As at 31/01/06 (Unaudited) RM'000</b>	<b>As at 30/04/05 (Audited) RM'000</b>
PROPERTY, PLANT AND EQUIPMENT	10,725	11,047
INVESTMENT PROPERTIES	90,554	90,554
LAND HELD FOR PROPERTY DEVELOPMENT	257,534	245,037
INVESTMENT IN ASSOCIATED COMPANIES	18,798	17,973
OTHER INVESTMENT - UNQUOTED	6,500	6,500
GOODWILL ON CONSOLIDATION	5,055	5,477
DEFERRED TAX ASSETS	1,999	2,136
<b>CURRENT ASSETS</b>		
Inventories	8,845	8,845
Property development projects	137,515	91,572
Accrued billings	30,461	15,520
Amount due from customers for contract work	5,225	2,863
Trade receivables	42,036	34,404
Other receivables, deposits and prepayments	32,546	42,238
Amount due from associated companies	1,026	1,046
Tax recoverable	3,365	3,498
Fixed deposits and short term placements	21,895	32,919
Cash and bank balances	67,679	78,547
	<u>350,593</u>	<u>311,451</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	41,071	38,233
Other payables and accrued expenses	48,677	30,294
Progress billings	40,792	25,522
Amount due to customers for contract work	2,778	1,931
Hire-purchase & lease creditors - current portion	1,422	1,453
Islamic Private Debt Securities	25,000	20,000
Bank borrowings - current portion	23,744	11,184
Provision for taxation	2,513	5,548
Dividend payable	-	6,185
	<u>185,997</u>	<u>140,350</u>
<b>NET CURRENT ASSETS</b>	164,596	171,101
	<u>555,761</u>	<u>549,824</u>
Financed By:		
Share Capital	216,891	216,887
Reserves:-		
Share Premium	29,040	29,038
Revaluation Reserve	8,006	8,006
Reserve on Consolidation	8,599	9,151
Retained Profit	115,746	102,145
	161,391	148,340
Treasury Shares	(8,285)	(4,472)
<b>SHAREHOLDERS' FUNDS</b>	369,997	360,756
<b>MINORITY INTERESTS</b>	14,365	13,221
<b>NON-CURRENT LIABILITIES</b>		
Hire Purchase & Lease Creditors	1,566	2,443
Islamic Private Debt Securities	60,000	85,000
Bank Borrowings	108,305	86,876
Deferred Taxation	1,528	1,528
	<u>555,761</u>	<u>549,824</u>
<b>NET ASSETS PER SHARE (RM)</b>	<u>1.82</u>	<u>1.74</u>

*(This Unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the year ended 30 April 2005)*

## GLOMAC BERHAD (110532-M)

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 JANUARY 2006

	← Non distributable →				→ Distributable		Total RM'000
	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Revaluation surplus RM'000	Reserve on consolidation RM'000	Retained profit RM'000	
At 1 May 2005	216,887	29,038	(4,472)	8,006	9,151	102,145	360,755
Issue of ordinary shares pursuant to ESOS	4	2	-	-	-	-	6
Amortisation of reserve on consolidation	-	-	-	-	(552)	-	(552)
Repurchase of shares	-	-	(3,813)	-	-	-	(3,813)
Profit for the year	-	-	-	-	-	21,276	21,276
Dividends							
Second and final dividend for 30 April 2005	-	-	-	-	-	(7,675)	(7,675)
<b>At 31 January 2006</b>	<b>216,891</b>	<b>29,040</b>	<b>(8,285)</b>	<b>8,006</b>	<b>8,599</b>	<b>115,746</b>	<b>369,997</b>
<i>At 1 May 2004</i>	<i>216,625</i>	<i>28,871</i>	<i>-</i>	<i>5,566</i>	<i>5,334</i>	<i>76,006</i>	<i>332,402</i>
<i>Issue of ordinary shares pursuant to ESOS</i>	<i>51</i>	<i>19</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>70</i>
<i>Reserve on consolidation arising from acquisition of a subsidiary</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>4,553</i>	<i>-</i>	<i>4,553</i>
<i>Amortisation of reserve on consolidation</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(553)</i>	<i>-</i>	<i>(553)</i>
<i>Repurchase of shares</i>	<i>-</i>	<i>-</i>	<i>(3,206)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(3,206)</i>
<i>Expenses in relation to private placement exercise</i>	<i>-</i>	<i>68</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>68</i>
<i>Profit for the year</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>30,075</i>	<i>30,075</i>
<i>Dividends</i>							
<i>    Second and final dividend for 30 April 2004</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(7,736)</i>	<i>(7,736)</i>
<b>At 31 January 2005</b>	<b>216,676</b>	<b>28,958</b>	<b>(3,206)</b>	<b>5,566</b>	<b>9,334</b>	<b>98,345</b>	<b>355,673</b>

*(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 2005)*

## GLOMAC BERHAD (110532-M)

### UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 JANUARY 2006

	Period Ended 31/01/06 RM'000	Period Ended 31/01/05 RM'000
<b>Operating Activities</b>		
Profit before taxation	32,603	40,659
Adjustments for non-cash items	<u>(2,737)</u>	<u>(2,697)</u>
Operating profit before working capital changes	29,866	37,962
Net changes in working capital	<u>(36,220)</u>	<u>(78,793)</u>
Cash generated from operations	(6,354)	(40,831)
Taxes paid	<u>(12,204)</u>	<u>(8,659)</u>
<b>Net cash flows used in operating activities</b>	<b><u>(18,558)</u></b>	<b><u>(49,490)</u></b>
<b>Investing Activities</b>		
Net cash outflow on acquisition of subsidiary company	0	(5,097)
Purchase of property, plant and equipment	(1,297)	(903)
Others	3,767	1,587
<b>Net cash flows generated from / (used in) investing activities</b>	<b><u>2,470</u></b>	<b><u>(4,413)</u></b>
<b>Financing Activities</b>		
Proceeds from issuance of shares	6	70
Repurchase of shares	(3,813)	(3,206)
Repayment of Islamic Private Debt Securities	(20,000)	(30,000)
Drawdown of bank borrowings	28,690	60,375
Repayment of bank borrowings	(4,905)	(8,222)
Bank balances and deposits pledged	10,712	(3,545)
Dividend paid	(13,860)	(7,736)
Others	<u>(2,125)</u>	<u>(2,201)</u>
<b>Net cash flows (used in) / generated from financing activities</b>	<b><u>(5,295)</u></b>	<b><u>5,535</u></b>
<b>Net decrease in cash and cash equivalents</b>	<b>(21,383)</b>	<b>(48,368)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b><u>91,670</u></b>	<b><u>121,309</u></b>
<b>Cash and cash equivalents at end of year</b>	<b><u>70,287</u></b>	<b><u>72,941</u></b>
<b>Cash and cash equivalents consist of:-</b>		
Cash on hand and at banks	67,679	77,313
Fixed and short term deposits	<u>21,895</u>	<u>11,536</u>
Cash and bank balances	89,574	88,849
Bank balances pledged	(24)	(3,015)
Deposits pledged	(7,310)	(10,256)
Bank overdrafts	<u>(11,953)</u>	<u>(2,637)</u>
	<b><u>70,287</u></b>	<b><u>72,941</u></b>

*(The Unaudited Consolidated Cashflow Statements should be read in conjunction with the Annual Financial Statements for the year ended 30 April 2005)*

**GLOMAC BERHAD**  
**NOTES TO THE UNAUDITED INTERIM REPORT FOR THE FINANCIAL PERIOD 31**  
**JANUARY 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 financial statements should be read in conjunction with the Group's annual financial statements for the year ended 30 April 2005.

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 2005.

**A2. Audit Qualification**

There were no audit qualifications on the annual financial statements for the year ended 30 April 2005.

**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 following:-

- i) Employees' Share Option Scheme ("ESOS")  
During the financial period ended 31 January 2006, the Company issued 4,000 new ordinary shares of RM1.00 each pursuant to the Company's ESOS.
- ii) Repurchase of Shares  
On 30 August 2005, 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 January 2006, the Company repurchased 3,302,800 of its issued ordinary shares from the open market at average price of RM1.15 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 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 2005 was paid on 29 November 2005.

Share capital comprise of ordinary shares only.

## A8. Segmental Reporting

The segmental analysis for the period ended 31 January 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
<b>REVENUE</b>						
External	159,404	25,109	5,882	-	-	190,395
Inter-segment	-	49,696	-	-	(49,696)	-
Total revenue	159,404	74,805	5,882	-	(49,696)	190,395
<b>RESULTS</b>						
Segment results	26,713	2,586	2,316	(96)	(1,969)	29,550
Unallocated corporate expenses						(1,352)
Operating profit						28,198
Interest expenses						(853)
Interest income						2,536
Share of results of associates	76	2,646	-	-		2,722
Taxation						(10,045)
Profit after taxation						22,558
Minority interests						(1,282)
Net profit for the year						21,276
<b>ASSETS</b>						
Segment assets	581,699	15,583	94,988	3,053		695,323
Investment in equity method of associates	5,772	13,026	-	-		18,798
Unallocated corporate assets						27,637
Consolidated total assets						741,758

*The financial information by geographical location is not presented as the Group's activities are 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 during the current financial year other than the following acquisitions:-

- i) The entire equity interest in Glomac City Sdn Bhd (formerly known as Glomac Hotel Management Sdn Bhd) ("GCSB") comprising of two ordinary shares of RM1.00 each for cash consideration of RM2.00 on 24 May 2005.
- ii) 60% of the equity interest in Prominent Excel Sdn Bhd comprising of sixty ordinary shares of RM1.00 each for cash consideration of RM60.00 on 26 October 2005.
- iii) The remaining 49% of the equity interest in Glomac Jaya Sdn Bhd comprising of 49,002 ordinary shares of RM1.00 each for cash consideration of RM3.00 on 31 October 2005.

**A12. Changes in Contingent Liabilities**

There were no significant changes in contingent liabilities since the last audited balance sheet date as at 30 April 2005.

**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**

Operational performance for the current financial year to date was lower than prior year due to the effect of the tailing off of one major project, Aman Suria Damansara. The profit recognition for the recently launched high-end Suria Stonor started to kick-in only towards the end of the second quarter and has not reached its full potential during the quarter.

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

The Profit Before Tax for current quarter was lower by 18% mainly attributed to the lower level of work completed affected by festival holidays, coupled with Suria Stonor project as explained in note B1.

**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 2006 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 Ended 31/01/2006 RM'000	Cumulative Year To date 31/01/2006 RM'000
Current taxation	4,003	8,611
Share of tax of associated companies	272	741
Deferred taxation	(461)	137
Under/(Over) provision of prior year tax	556	556
	<u>4,370</u> =====	<u>10,045</u> =====

The effective tax rates of the Group for the current quarter and year to date are slightly 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  
None.
- b) Status of Utilisation of Proceeds Raised From Corporate Proposal  
Not applicable.

**B9. Group Borrowings and Debt Securities**

The Group borrowings as at 31 January 2006 are as follows:-

	Due within 12 months RM'000	Due after 12 months RM'000	Total as at 31/01/06 RM'000	Total as at 31/10/05 RM'000
<u>Secured</u>				
Hire Purchase and Lease Borrowings	1,422	1,566	2,988	3,392
Bank Borrowings	23,744	83,305	107,049	101,415
Islamic Private Debt Securities	25,000	60,000	85,000	105,000
	<u>50,166</u>	<u>144,871</u>	<u>195,037</u>	<u>209,807</u>
<u>Unsecured</u>				
Bonds	-	25,000	25,000	25,000
	<u>50,166</u>	<u>169,871</u>	<u>220,037</u>	<u>234,807</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 quarter ended 31 January 2006.

**B11. Material Litigation**

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

**B12. Dividend**

- a) (i) For the current financial quarter, the Board of Directors has proposed an interim dividend of 4.0 sen per share less income tax at 28%.
- (ii) Amount per share : 4.0 sen less income tax of 28%
- (iii) Previous corresponding period : 4.0 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 current financial period to date is 4.0 sen per share less income tax of 28%.

### 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
	31/01/06	31/01/05	31/01/06	31/01/05
Net profit attributable to shareholders (RM'000)	7,098	9,801	21,276	30,075
Weighted average number of ordinary shares in issue ('000)	212,275	214,895	213,174	215,931
Basic earning per share (sen)	3.34	4.56	9.98	13.93

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 January 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	Current year todate ended	Preceding year corresponding period ended
	31/01/06	31/01/05	31/01/06	31/01/05
Net profit attributable to shareholders (RM'000)	7,098	9,801	21,276	30,075
Weighted average number of ordinary shares as per basic EPS	212,275	214,895	213,174	215,931
Effect of shares option ('000)	-	8,293	-	8,265
Weighted average number of ordinary shares (diluted)	212,275	223,188	213,174	224,196
Diluted earning per share (sen)	3.34	4.39	9.98	13.41

**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 to date is as follows:-

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

As at 31 January 2006, RM2.5 million is outstanding in respect of the above guarantees.

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