

All abbreviations in this Abridged Prospectus are defined in the "Definitions" section, unless stated otherwise.

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your Shares in our Company, you should at once hand this Abridged Prospectus together with the NPA and RSF (collectively, the "Documents") to the agent through whom you have effected the sale or transfer for onward transmission to the purchaser or transferee. Please address any enquiry concerning the Rights Issue with Warrants to our Share Registrar, **ShareWorks Sdn Bhd** at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur.

These Documents are despatched only to Entitled Shareholders whose names appear in the Record of Depositors maintained by Bursa Depository at 5.00 p.m. on 2 December 2014. The Documents are not intended to (and will not be made to) comply with the laws of any country or jurisdiction other than Malaysia, are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue with Warrants complies with the laws of any country or jurisdiction other than the laws of Malaysia. Entitled Shareholders and/or their transferees and/or their renounees (where applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal adviser as to whether the acceptance or renunciation (as the case may be) of their entitlements to this Rights Issue with Warrants would result in the contravention of any law of such countries or jurisdictions. Our Company, AmInvestment Bank and other experts shall not accept any responsibility or liability in the event that any acceptance or sale/transfer made by our Entitled Shareholders and/or their transferees and/or their renounees (where applicable) is/ shall become illegal, unenforceable, voidable or void in any such country or jurisdiction.

A copy of this Abridged Prospectus has been registered with the SC. The registration of the Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue with Warrants or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Abridged Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of the Abridged Prospectus has also been lodged with the Registrar of Companies who takes no responsibility for the contents.

Our shareholders have approved the Rights Issue with Warrants at the EGM held on 27 August 2014. Bursa Securities had on 15 April 2014 approved the admission of the Warrants to the Official List of Bursa Securities, as well as the listing of and quotation for all the Rights Shares, Warrants and the new Shares arising from the exercise of the Warrants, on the Main Market of Bursa Securities. The approval is not an indication that Bursa Securities recommends the Rights Issue with Warrants, and is in no way reflective of the merits of the Rights Issue with Warrants. Admission of the Warrants to the Official List of Bursa Securities and the listing of and quotation for the Warrants will commence after, among others, receipt of confirmation from Bursa Depository that all the CDS Accounts of successful Entitled Shareholders and/or their transferees and/or their renounees (where applicable) have been duly credited and notices of allotment have been despatched to them.

Our Directors have seen and approved all the documentation relating to this Rights Issue with Warrants. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, there are no false or misleading statements or other facts which if omitted, would make the statements in these Documents false or misleading.

AmInvestment Bank, being the Principal Adviser, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue with Warrants.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" AS SET OUT IN SECTION 6 OF THIS ABRIDGED PROSPECTUS.



GLOBAL ORIENTAL BERHAD

(Company No. 543867-T)

(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF 227,338,321 NEW ORDINARY SHARES OF RM0.50 EACH IN GLOBAL ORIENTAL BERHAD ("RIGHTS SHARE(S)") TOGETHER WITH 113,669,160 FREE DETACHABLE WARRANTS ("WARRANT(S)") AT AN ISSUE PRICE OF RM0.50 PER RIGHTS SHARE ON THE BASIS OF TWO (2) RIGHTS SHARES TOGETHER WITH ONE (1) FREE WARRANT FOR EVERY TWO (2) EXISTING ORDINARY SHARES OF RM0.50 EACH IN GLOBAL ORIENTAL BERHAD HELD AS AT 5.00 P.M. ON 2 DECEMBER 2014

Joint Underwriter



RHB Investment Bank Berhad
(Company No. (19663-P)
(A Participating Organisation of Bursa
Malaysia Securities Berhad)

**Principal Adviser, Managing Underwriter
and Joint Underwriter**



AmInvestment Bank

AmInvestment Bank Berhad

(Company No. 23742-V)

(A Participating Organisation of Bursa Malaysia
Securities Berhad)

Joint Underwriter



**ALLIANCE
INVESTMENT BANK**

Alliance Investment Bank Berhad
(Company No. (21605-D)
(A Participating Organisation of Bursa
Malaysia Securities Berhad)

Joint Underwriter



Affin Hwang Investment Bank Berhad
(Company No. (14389-U)
(Formerly known as HwangDBS Investment
Bank Berhad)
(A Participating Organisation of Bursa
Malaysia Securities Berhad)

Joint Underwriter



KAF Investment Bank Berhad
(Company No.: 20657-W)

IMPORTANT RELEVANT DATES AND TIMES:-

Entitlement date	:	Tuesday, 2 December 2014 at 5.00 p.m.
Last date and time for:-		
Sale of Provisional Rights Shares with Warrants	:	Tuesday, 9 December 2014 at 5.00 p.m.
Transfer of Provisional Rights Shares with Warrants	:	Friday, 12 December 2014 at 4.00 p.m.
Acceptance of and payment for Provisional Rights Shares with Warrants	:	Wednesday, 17 December 2014 at 5.00 p.m.*
Excess Rights Shares with Warrants application and payment	:	Wednesday, 17 December 2014 at 5.00 p.m.*

* Or such later date and time as our Board may decide and announce not less than two (2) Market Days before the stipulated date and time.

ALL ABBREVIATIONS USED ARE DEFINED IN THE “DEFINITIONS” SECTION OF THIS ABRIDGED PROSPECTUS.

THE SC AND BURSA SECURITIES ARE NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF GOB AND TAKE NO RESPONSIBILITY FOR THE CONTENTS OF THIS ABRIDGED PROSPECTUS, MAKE NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIM ANY LIABILITY FOR ANY LOSS SHAREHOLDERS/ INVESTORS MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ABRIDGED PROSPECTUS.

SHAREHOLDERS/ INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, SHAREHOLDERS/ INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

INVESTORS ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE AND MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS ABRIDGED PROSPECTUS IS DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CMSA.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE WITH WARRANTS FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

THE DISTRIBUTION OF THE ABRIDGED PROSPECTUS, TOGETHER WITH THE OTHER DOCUMENTS IS SUBJECT TO MALAYSIAN LAWS. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF OUR SECURITIES BASED ON THE DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. THE DOCUMENTS MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY OUR SECURITIES IN ANY COUNTRY OR JURISDICTION OTHER THAN MALAYSIA. WE AND OUR ADVISERS REQUIRE YOU TO INFORM YOURSELF OF SUCH RESTRICTIONS AND TO OBSERVE THEM.

THE DOCUMENTS HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE WITH WARRANTS UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THE DOCUMENTS.

DEFINITIONS

The following definitions apply throughout this Abridged Prospectus except where the context otherwise requires:-

Act	:	Companies Act 1965
Affin Hwang	:	Affin Hwang Investment Bank Berhad
Alliance	:	Alliance Investment Bank Berhad
Amendment	:	Amendment to our Memorandum of Association to facilitate the Par Value Reduction
AmInvestment Bank or Principal Adviser or Managing Underwriter	:	AmInvestment Bank Berhad
Board or Directors	:	Board of Directors of GOB
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd
Bursa Securities	:	Bursa Malaysia Securities Berhad
CDS Account(s)	:	Central Depository System accounts established by Bursa Depository pursuant to SICDA and Rules of Bursa Depository for the recording of deposits and withdrawals of securities, and for dealings in such securities by depositors
Closing Date	:	17 December 2014 at 5.00 p.m., being last date and time for acceptance of and payment for the Rights Shares with Warrants (or such later date and time as our Board may decide and announce not less than two (2) Market Days before the stipulated date and time)
CMSA	:	Capital Markets and Services Act 2007
Code	:	Malaysian Code on Take-Overs and Mergers 2010
Deed Poll	:	Deed poll dated 19 November 2014 constituting the Warrants
Documents	:	Abridged Prospectus, NPA and RSF, collectively
Duta Kembang	:	Duta Kembang Sdn Bhd
EBITDA	:	Earnings before interest, taxation, depreciation and amortisation
EGM	:	Extraordinary General Meeting
Entitled Shareholders	:	Shareholders of our Company whose names appear on the Record of Depositors and Register of Members on the Entitlement Date
Entitlement Date	:	2 December 2014 at 5.00 p.m., being the date and time on which shareholders of GOB must be registered in our Record of Depositors and Register of Members in order to be entitled to participate in the Rights Issue with Warrants
EPS	:	Earnings per Share

DEFINITIONS (Cont'd)

ESOS	:	Employees' share option scheme of our Company
Excess Rights Shares with Warrants	:	Rights Shares with Warrants which are not taken up or not validly taken up by our Entitled Shareholders and/or their transferees and/or their renounees prior to the Closing Date
Foreign Entitled Shareholders	:	Entitled Shareholders who do not have a registered address in Malaysia or an address for service in Malaysia
FPE	:	Financial period ended/ ending
FYE	:	Financial year ended/ ending 31 March
GOB or our Company	:	Global Oriental Berhad
GOB Group or our Group	:	GOB and its subsidiaries
GOB Share(s) or our Share(s)	:	Ordinary share(s) of RM0.50 each in GOB
Indera Muhibbah	:	Indera Muhibbah Sdn Bhd
Insan Mayang	:	Insan Mayang Sdn Bhd
Joint Underwriters	:	AmInvestment Bank, RHB, Alliance, Affin Hwang and KAF, collectively
KAF	:	KAF Investment Bank Berhad
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	7 November 2014, being the latest practicable date prior to the registration of this Abridged Prospectus
Market Day(s)	:	Any day(s) between Monday and Friday (both days inclusive) which is not a public holiday and on which the Bursa Securities is open for the trading of securities
NA	:	Net assets
NPA	:	Notice of Provisional Allotment in relation to the Rights Issue with Warrants
Official List	:	A list specifying all securities listed on the Main Market of Bursa Securities
Par Value Reduction	:	Par value reduction via the cancellation of RM0.50 of the par value of the ordinary shares of RM1.00 each in GOB completed on 25 September 2014
PBT	:	Profit before taxation
PAT	:	Profit after taxation
Price-Fixing Date	:	6 November 2014, being the date on which the issue price of the Rights Shares and the exercise price of the Warrants were determined and announced by our Company

DEFINITIONS (Cont'd)

Record of Depositors	:	A record of CDS Account holders provided by Bursa Depository to our Company
Register of Members	:	Register of Members of our Company maintained by our Share Registrar pursuant to the Act and includes the Record of Depositors
Reporting Accountants or Auditors or Deloitte or	:	Deloitte
RHB	:	RHB Investment Bank Berhad
Rights Issue with Warrants	:	Renounceable rights issue of 227,338,321 Rights Shares together with 113,669,160 Warrants on the basis of two (2) Rights Shares together with one (1) free Warrant for every two (2) GOB Shares held on the Entitlement Date
Rights Share(s)	:	New Share(s) to be issued pursuant to the Rights Issue with Warrants
RSF	:	Rights Subscription Form in relation to the Rights Issue with Warrants
Rules of Bursa Depository	:	Rules of Bursa Depository issued pursuant to SICDA
SC	:	Securities Commission Malaysia
Share Registrar	:	ShareWorks Sdn Bhd
SICDA	:	Securities Industry (Central Depositories) Act, 1991, including Securities Industry (Central Depositories) Amendment Act, 1998
TERP	:	Theoretical ex-rights price
Undertaking Parties	:	Duta Kembang, Indera Muhibbah and Insan Mayang, collectively
Undertakings	:	Irrevocable written undertakings given by the Undertaking Parties to subscribe in full for their respective Rights Shares entitlements and to apply for excess and/or additional portion of the Rights Shares through Excess Rights Shares with Warrants application and/or provisionally allotted Rights Shares with Warrants acquired from the open market or via private treaty (where applicable) as disclosed in Section 5.1 of this Abridged Prospectus
Underwriting Agreement	:	The underwriting agreement dated 17 November 2014 entered into between our Company and the Joint Underwriters relating to the Rights Issue with Warrants
VWAP	:	Volume-weighted average market price
Warrant(s)	:	Free detachable warrant(s) to be issued pursuant to the Rights Issue with Warrants

DEFINITIONS (Cont'd)

CURRENCIES

HKD	:	Hong Kong Dollar
NTD	:	New Taiwan Dollar
RM and sen	:	Ringgit Malaysia and sen respectively

References to “we”, “us”, “our” and “ourselves” are to GOB, the GOB Group, or the Board, where applicable.

References to “you” are to our Entitled Shareholders.

References to persons include corporations.

References to any statute or legislation include any statutory modification, amendment and re-enactment thereof.

References to time and day are to Malaysian time and day, unless otherwise stated.

Words importing the singular include the plural and vice versa, and words importing the masculine gender include the feminine, neuter genders and vice versa, where applicable.

Any discrepancies in the amounts and percentage figures are due to rounding.

Certain statements in this Abridged Prospectus are forward-looking in nature and subject to uncertainties and contingencies, and thus may or may not be achieved. All forward-looking statements are based on estimates and assumptions made by our Board although believed to be reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause our actual results, performance and achievements, or industry results, to be materially different from any future results, plans, performances and achievements, expressed or implied, by such prospective statements. In light of these uncertainties, the inclusion of the forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty by us or our advisers that the plans and objectives of our Group will be achieved.

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CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name (Designation)	Age	Address	Nationality	Profession
YAM Datuk Seri Tengku Ahmad Shah ibni Almarhum Sultan Salahuddin Abdul Aziz Shah <i>(Independent Non-Executive Chairman)</i>	59	2A, Lorong Duta 1 50480 Kuala Lumpur	Malaysian	Company Director
Othman bin Mohammad <i>(Executive Director)</i>	58	22, Jalan Mempoyan USJ Tanamera 47650 Subang Jaya Selangor Darul Ehsan	Malaysian	Company Director
Wee Beng Aun <i>(Executive Director)</i>	55	B17-7, Livillas Condo No. 1, Jalan 16/20 46350 Petaling Jaya Selangor Darul Ehsan	Malaysian	Company Director
Ta Wee Dher <i>(Executive Director)</i>	25	21, Lorong Taman Pantai 1 Bukit Pantai 59100 Kuala Lumpur	Malaysian	Company Director
Datuk Ahmad Zabri bin Ibrahim <i>(Independent Non-Executive Director)</i>	71	No. 16, Jalan SS 3/80 Kelana Jaya 47300 Petaling Jaya Selangor Darul Ehsan	Malaysian	Company Director
Dato' Hamzah bin Md Rus <i>(Independent Non-Executive Director)</i>	64	No. 4, Jalan SS 7/4 Kelana Jaya 47301 Petaling Jaya Selangor Darul Ehsan	Malaysian	Company Director
Wong Yuk Mou <i>(Independent Non-Executive Director)</i>	59	33B-15-3 Villa Putera Condo Jalan Tun Ismail 50480 Kuala Lumpur	Malaysian	Company Director

AUDIT COMMITTEE

Name	Designation	Directorship
Wong Yuk Mou	Chairman	Independent Non-Executive Director
Datuk Ahmad Zabri bin Ibrahim	Member	Independent Non-Executive Director
Dato' Hamzah bin Md Rus	Member	Independent Non-Executive Director

CORPORATE DIRECTORY (Cont'd)

- COMPANY SECRETARY** : Chin Pei Fung (MAICSA 7029712)
No. 1, Jalan Putra Permai 1A
Taman Equine
43300 Seri Kembangan
Selangor Darul Ehsan
- REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS** : No. 1, Jalan Putra Permai 1A
Taman Equine
43300 Seri Kembangan
Selangor Darul Ehsan
Tel : (603) 8941 7878
Fax : (603) 8941 1818
Email : gob@gob.com.my
Website : www.gob.com.my
- AUDITORS AND REPORTING ACCOUNTANTS** : Deloitte
Level 16, Menara LGB
1, Jalan Wan Kadir
Taman Tun Dr. Ismail
60000 Kuala Lumpur
- SOLICITORS FOR THE RIGHTS ISSUE WITH WARRANTS** : Lee Choon Wan & Co.
Advocates & Solicitors
No. 12, Lorong Dungun
Damansara Heights
50490 Kuala Lumpur
- PRINCIPAL BANKERS**
(in alphabetical order)
- Affin Bank Berhad
17th Floor, Menara Affin
80, Jalan Raja Chulan
50200 Kuala Lumpur
- Alliance Bank Malaysia Berhad
Menara Multi-Purpose
Capital Square
8 Jalan Munshi Abdullah
50100 Kuala Lumpur
- AmBank (M) Berhad
22nd Floor, Bangunan AmBank Group
No.55, Jalan Raja Chulan
50200 Kuala Lumpur
- United Overseas Bank (Malaysia) Berhad
Level 11, Menara UOB
Jalan Raja Laut
P.O. Box 11212
50738 Kuala Lumpur
- SHARE REGISTRAR** : ShareWorks Sdn Bhd
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur

CORPORATE DIRECTORY (Cont'd)

PRINCIPAL ADVISER AND MANAGING UNDERWRITER	:	AmInvestment Bank Berhad 22nd Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur
JOINT UNDERWRITERS	:	AmInvestment Bank Berhad 22nd Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur
		RHB Investment Bank Berhad Level 10, Tower One RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur
		Alliance Investment Bank Berhad Level 17, Menara Multi-Purpose Capital Square 8, Jalan Munshi Abdullah 50100 Kuala Lumpur
		Affin Hwang Investment Bank Berhad <i>(Formerly known as HwangDBS Investment Bank Berhad)</i> 27 th Floor, Menara Boustead 69, Jalan Raja Chulan 50200 Kuala Lumpur
		KAF Investment Bank Berhad Level 14, Chulan Tower 3, Jalan Conlay 50450 Kuala Lumpur
STOCK EXCHANGE LISTED	:	Main Market of Bursa Securities

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GLOBAL ORIENTAL BERHAD
(Company No. 543867-T)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office:-

No. 1, Jalan Putra Permai 1A
Taman Equine
43300 Seri Kembangan
Selangor Darul Ehsan

2 December 2014

Board of Directors:-

YAM Datuk Seri Tengku Ahmad Shah ibni Almarhum Sultan Salahuddin Abdul Aziz Shah
(Independent Non-Executive Chairman)
Othman bin Mohammad *(Executive Director)*
Wee Beng Aun *(Executive Director)*
Ta Wee Dher *(Executive Director)*
Datuk Ahmad Zabri bin Ibrahim *(Independent Non-Executive Director)*
Dato' Hamzah bin Md Rus *(Independent Non-Executive Director)*
Wong Yuk Mou *(Independent Non-Executive Director)*

To: Entitled Shareholders of GOB

Dear Sir/ Madam,

RENOUNCEABLE RIGHTS ISSUE OF 227,338,321 RIGHTS SHARES TOGETHER WITH 113,669,160 WARRANTS AT AN ISSUE PRICE OF RM0.50 PER RIGHTS SHARE ON THE BASIS OF TWO (2) RIGHTS SHARES TOGETHER WITH ONE (1) WARRANT FOR EVERY TWO (2) EXISTING GOB SHARES HELD AT 5.00 P.M. ON 2 DECEMBER 2014

1. INTRODUCTION

On 24 February 2014, AmInvestment Bank announced on our behalf that we proposed to undertake, amongst others, the Rights Issue with Warrants.

On 16 April 2014, AmInvestment Bank announced on our behalf that Bursa Securities had, vide its letter dated 15 April 2014, approved the following:-

- (a) admission of the Warrants to the Official List and the listing and quotation for up to 113,669,160 Warrants to be issued pursuant to the Rights Issue with Warrants;
- (b) listing and quotation for up to 227,338,321 new Rights Shares to be issued pursuant to the Rights Issue with Warrants; and
- (c) listing of up to 113,669,160 new GOB Shares to be issued arising from exercise of the Warrants,

on the Main Market of Bursa Securities, conditional upon the following:-

No.	Conditions Imposed	Status of Compliance
1.	GOB and AmlInvestment Bank must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue with Warrants.	Met/ To be met, where applicable.
2.	GOB and AmlInvestment Bank to inform Bursa Securities upon completion of the Rights Issue with Warrants.	To be met.
3.	GOB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue with Warrants is completed.	To be met.
4.	GOB is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants at the end of each quarter together with a detailed computation of listing fees payable.	To be met.

Our shareholders had approved, amongst others, the Rights Issue with Warrants, at our EGM held on 27 August 2014. A certified true extract of the ordinary resolution pertaining to the Rights Issue with Warrants passed at our EGM is set out in Appendix I of this Abridged Prospectus.

On 18 September 2014, we announced that the High Court of Malaya had on the same day granted an order confirming the Par Value Reduction. On 25 September 2014, AmlInvestment Bank announced on our behalf that the sealed order of the High Court of Malaya confirming the Par Value Reduction has been lodged with the Companies Commission of Malaysia on the same day, thus being the effective date and marking the completion of the Par Value Reduction.

On 6 November 2014, AmlInvestment Bank announced on our behalf that the issue price of the Rights Shares has been fixed at RM0.50 each and the exercise price of the Warrants has been fixed at RM0.80 each.

On 17 November 2014, AmlInvestment Bank announced on our behalf that the Undertaking Parties have provided the Undertakings as set out in Section 5.1 of this Abridged Prospectus and the signing of the Underwriting Agreement as disclosed in Section 5.2 of this Abridged Prospectus. Further, on the same day, AmlInvestment Bank announced on our behalf that the Entitlement Date has been fixed at 5.00 p.m. on 2 December 2014 together with other dates relevant to the Rights Issue with Warrants.

No person is authorised to give any information or to make any representation not contained in this Abridged Prospectus and if given or made, such information or representation must not be relied upon as having been authorised by AmlInvestment Bank or us in connection with the Rights Issue with Warrants.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

2. RIGHTS ISSUE WITH WARRANTS

2.1 Details of Rights Issue with Warrants

In accordance with the terms of the Rights Issue with Warrants as approved by our shareholders at our EGM convened on 27 August 2014, our Company will provisionally allot 227,338,321 Rights Shares together with 113,669,160 Warrants at an issue price of RM0.50 per Rights Share for subscription by our Entitled Shareholders on the basis of two (2) Rights Shares together with one (1) free Warrant for every two (2) existing GOB Shares held by our Entitled Shareholders on the Entitlement Date.

The attached NPA sets out the number of provisionally allotted Rights Shares with Warrants which has been credited into your CDS Account based on your entitlement. You should use the attached RSF to accept the provisionally allotted Rights Shares with Warrants and to apply for Excess Rights Shares with Warrants, if you decide to do so.

You can subscribe/ renounce your entitlements to the Rights Shares with Warrants, in full or in part. If you renounce your entitlement to the Rights Shares, you will also effectively renounce your entitlement to the Warrants attached to the Rights Shares.

Unsubscribed Rights Shares with Warrants will be made available for excess applications by other Entitled Shareholders and/or their transferees and/or their renounees. Our Board intends to allot any Excess Rights Shares with Warrants in a fair and equitable manner, as set out in Section 10.7 of this Abridged Prospectus.

Dealings in our securities are subject to SICDA and the Rules of Bursa Depository. As the Rights Shares, Warrants and new Shares arising from the exercise of the Warrants are all prescribed securities, they will be credited directly to the CDS Accounts of successful applicants and exercising Warrant holders, as the case may be. No physical share certificates or warrant certificates will be issued.

Within eight (8) Market Days from the last date for acceptance of and payment for the Rights Issue with Warrants (or such other period as may be prescribed by Bursa Securities), we shall:-

- (i) allot and issue the Rights Shares with Warrants;
- (ii) despatch notices of allotment to the successful applicants; and
- (iii) apply for the listing of and quotation for the Rights Shares and Warrants.

Notices of allotment will also be despatched to the exercising Warrant holders within eight (8) Market Days from the receipt of the valid exercise form together with the requisite payment.

The Rights Shares and Warrants will be listed and quoted on the Main Market of Bursa Securities two (2) Market Days after an application for quotation has been submitted to Bursa Securities.

If you do not wish to participate in the Rights Issue with Warrants, you do not need to take any action.

You should read this Abridged Prospectus in its entirety before making a decision.

2.2 Basis of Determining the Issue Price of Rights Shares and the Exercise Price of Warrants

(i) Issue Price of Rights Shares

Our Board had on 6 November 2014 fixed the issue price of the Rights Shares at RM0.50 each after taking into consideration the following:-

- (a) the TERP of the GOB Shares of RM0.75, calculated based on the five (5)-day VWAP of the GOB Shares up to and including 5 November 2014 (being the last Market Day preceding the Price-Fixing Date), of RM0.9999. The issue price of RM0.50 per Rights Share is at a discount of approximately 33.33% to the TERP of the GOB Shares of RM0.75;
- (b) the par value of the GOB Shares of RM0.50 each;
- (c) the prevailing market conditions on the Price-Fixing Date; and
- (d) Our Group's funding requirements as set out in Section 4.

(ii) Exercise Price of Warrants

Our Board had on 6 November 2014 fixed the exercise price of the Warrants at RM0.80 each, after taking into consideration the following:-

- (a) the TERP of the GOB Shares of RM0.75, calculated based on the five (5)-day VWAP of the GOB Shares up to and including 5 November 2014 (being the last Market Day preceding the Price-Fixing Date), of RM0.9999. The exercise price of RM0.80 per Warrant is at a premium of approximately 6.67% to the TERP of the GOB Shares of RM0.75;
- (b) the par value of the GOB Shares of RM0.50 each; and
- (c) the prevailing market conditions on the Price-Fixing Date.

2.3 Ranking of Shares

Upon allotment and issuance, the Rights Shares shall rank *pari passu* in all respects with the then existing GOB Shares, save and except that they will not be entitled to any dividends, rights, allotments and/or any other distributions that may be declared, made or paid to the shareholders of GOB, the entitlement date of which is prior to the date of allotment of the Rights Shares.

Upon allotment and issuance, the new Shares to be issued pursuant to the exercise of the Warrants shall rank *pari passu* in all respects with the then existing GOB Shares, save and except that they will not be entitled to any dividends, rights, allotments and/or any other distributions that may be declared, made or paid to the shareholders of GOB, the entitlement date of which is prior to the date of allotment of the new Shares to be issued pursuant to the exercise of the Warrants.

Warrant holders will not be entitled to any voting right or participation in any form of distribution or offer of further securities in our Company until and unless such Warrants are exercised into new GOB Shares.

2.4 Warrants

The Warrants attached to the Rights Shares will be issued without any cost to successful applicants for the Rights Shares.

The free Warrants will be immediately detached from the Rights Shares upon issuance and be separately traded on Bursa Securities.

The salient terms of the Warrants are as follows:-

- | | | |
|-------------------------------|---|---|
| Issuer | : | GOB. |
| Number of Warrants | : | 113,669,160 Warrants. |
| Form and detachability | : | The Warrants will be issued in registered form and will immediately be detached from the Rights Shares upon allotment and issuance and separately traded on Bursa Securities. |
| Issue price | : | The Warrants are to be issued for free to the Entitled Shareholders and/or their transferees and/or their renounees who subscribe to the Rights Shares on the basis of one (1) free Warrant for every two (2) Rights Shares. |
| Board lot | : | For the purpose of trading on Bursa Securities, a board lot for the Warrants shall be 100 units of Warrants or such number as may be prescribed by Bursa Securities from time to time. |
| Exercise Price | : | The exercise price of the Warrants has been fixed at RM0.80 per Warrant, which shall be subject to adjustments under certain circumstances in accordance with the provisions of the Deed Poll during the Exercise Period. |
| Exercise Period | : | The Warrants may be exercised from the period commencing on and including the date of issuance and to the close of business on the Market Day at 5.00 p.m. immediately preceding the fifth (5 th) anniversary of the date of issuance. |
| | | Any Warrant not exercised during the Exercise Period will cease thereafter to be valid for any purpose. |
| Mode of exercise | : | The registered holder of the Warrants is required to lodge the exercise form as set out in the Deed Poll with the Share Registrar of the Company, duly completed and signed together with payment by way of banker's draft or cashier's order or money order or postal order drawn on a bank or post office in Malaysia for the aggregate Exercise Price payable when exercising the Warrants and subscribing for the new GOB Shares. |
| Exercise Rights | : | Each Warrant carries the entitlement, at any time during the Exercise Period, to subscribe for one (1) new GOB Share at the Exercise Price, subject to adjustments in accordance with the provisions of the Deed Poll. |
| Rights of the Warrant holders | : | The Warrant holders are not entitled to any voting rights or to participate in any distribution, rights, allotment and/or offer of further securities in the Company until and unless such Warrant holders exercise their Warrants for the new GOB Shares. |

- Adjustments to the Exercise Price and/or the number of the Warrants : The Exercise Price and/or the number of Warrants in issue shall from time to time be adjusted in accordance with the provisions of the Deed Poll.
- Provision for changes in terms during tenure of the Warrants : Any modification to the Deed Poll (including the form and content of the Warrant Certificate) may be effected only by deed poll, executed by the Company and expressed to be supplemental hereto, and only if certain requirements of the Deed Poll have been complied with.
- Rights in the event of winding up, liquidation, compromise and/or arrangement : If a resolution is passed for a members' voluntary winding up of the Company or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with one (1) or more companies, then:-
- (a) for the purposes of such winding-up, compromise or arrangement has been approved by the Warrant holders, or some person designated by them for such purpose by special resolution, the terms of such winding-up, compromise and arrangement shall be binding on all the Warrant holders; and
 - (b) in any other case, every Warrant holders shall be entitled within six (6) weeks after the passing of such resolution for a member's voluntary winding-up of the Company or the granting of court order approving the compromise or arrangement (as the case may be), to elect to be treated as if the Warrant holders had immediately prior to the commencement of such winding-up, compromise or arrangement exercised the Exercise Rights. Upon the expiration of the six (6) weeks period, any Exercise Rights which have not been exercised will lapse and the Warrants will cease thereafter to be valid for any purpose.
- If the Company is wound up (other than by way of a member's voluntary winding-up), all Exercise Rights which have not been exercised prior to the date of commencement of the winding-up shall cease to be valid for any purpose.
- Transferability : The Warrants shall be transferable in the manner provided under the SICDA and the Rules of Bursa Depository.
- Deed Poll : The Warrants are constituted under the Deed Poll executed by the Company on 19 November 2014.
- Governing Laws : The Warrants and the Deed Poll shall be governed by and construed in accordance with the laws of Malaysia.

2.5 Other Corporate Proposals Approved but Pending Completion

Save for the Rights Issue with Warrants, there are no other corporate proposals which have been approved by the regulatory authorities and pending implementation as at the LPD.

3. PURPOSE OF RIGHTS ISSUE WITH WARRANTS

The Rights Issue with Warrants will enable us to raise funds to be utilised for the purposes set out in Section 4 of this Abridged Prospectus, while also increases our shareholders' funds and enhancing our capital base. The additional funds to be utilised for our working capital would enable us to partly finance our property development projects which will contribute to our future profits.

Having given due consideration to various fund raising methods, our Board is of the opinion that the Rights Issue with Warrants is the most appropriate avenue as it enables us to raise the required funds in a cost-effective manner for better overall cash flow management. The Rights Issue with Warrants also provides an opportunity for the Entitled Shareholders to further participate in our equity without any dilution to their equity interests (provided they fully subscribe for their respective entitlements to the Rights Issue with Warrants) and ultimately, participate in the prospects and future growth of our Group.

Further, the Rights Issue with Warrants is expected to improve liquidity and financial flexibility as well as optimising our capital structure by strengthening our financial position and reducing our gearing level. As we intend to utilise part of the proceeds from the Rights Issue with Warrants to repay a portion of our borrowings, we would also be able to enjoy interest savings.

The Warrants are intended to provide an incentive to the Entitled Shareholders to subscribe for the Rights Shares as well as providing another option for further participation in our equity upon the Warrants being exercised. The exercise of the Warrants will provide us with additional proceeds to finance our future working capital requirements.

4. UTILISATION OF PROCEEDS

The issuance of Rights Shares at RM0.50 each is expected to raise gross proceeds of approximately RM113.67 million, which our Board intends to utilise as follows:-

Proposed Utilisation of Proceeds	Note	RM'000	%	Estimated Timeframe for Utilisation from the Date of Listing of the Rights Shares
Repayment of borrowings	(a)	58,650	51.60	Within 18 months
Working capital	(b)	52,269	45.98	Within 24 months
Estimated expenses in relation to amongst others, the Rights Issue with Warrants	(c)	2,750	2.42	Within 6 months
Total		113,669	100.00	

Notes:-

- (a) The above repayment of borrowings would give rise to an estimated annual interest savings of approximately RM4.54 million, based on an estimated average annual interest rate of 7.74%. As at the LPD, our Group has total borrowings of approximately RM306.97 million.

- (b) Approximately RM52.27 million is proposed to be allocated for our Group's working capital requirements for our day-to-day operations/ projects as follows:-

Working Capital Requirements	⁽ⁱ⁾ RM'000
Financing for our Group's existing and future property development projects ⁽ⁱⁱ⁾	42,000
Payment of staff salaries	5,000
Administrative expenses	5,269
Total	52,269

- (i) Intended utilisation for each component of working capital may differ from actual utilisation, depending on evolving operational requirements.
- (ii) Barring unforeseen circumstances, approximately 70% of allocated proceeds will be utilised to finance existing property development projects, namely Springville Residence and Galleria in Seri Kembangan as well as da:men in USJ, Subang Jaya with the balance of approximately 30% to finance future property development projects. The remaining working capital requirements for our Group's property development projects not funded by the aforementioned proceeds will be funded via internally generated funds and/or borrowings. Nevertheless, the actual utilisation for project financing may differ depending on evolving operational requirements, the timing of project implementation and the availability of project financing at the time of utilisation. The projects are further detailed in Section 7.3 of this Abridged Prospectus.
- (c) The estimated expenses of RM2.75 million in relation to our corporate proposals disclosed in our circular to our shareholders dated 31 July 2014 comprising the Par Value Reduction, the Amendment, the Rights Issue with Warrants and the establishment of ESOS. The estimated expenses include professional fees and fees payable to authorities, underwriting commission, printing costs of circular and abridged prospectus, as well as advertising and miscellaneous expenses.

Any variation to the amounts allocated for repayment of borrowings and estimated expenses in relation to amongst others, the Rights Issue with Warrants, will result in a corresponding adjustment to the portion allocated for working capital purposes.

The number of Warrants which will be exercised into new Shares will determine the amount of proceeds to be raised, which we intend to fully use to finance our future working capital requirements. The full exercise of all Warrants at RM0.80 each will raise proceeds of approximately RM90.94 million.

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5. UNDERTAKINGS AND UNDERWRITING ARRANGEMENTS

The Rights Issue with Warrants will be implemented on a full subscription basis.

5.1 Undertakings

Our Company had on 17 November 2014 procured the following written irrevocable undertakings from our shareholders namely:-

- (a) Duta Kembang to subscribe in full for its Rights Shares entitlements and to apply for excess and/or additional 14,596,064 Rights Shares.

The subscription of the excess and/or additional 14,596,064 Rights Shares will be undertaken through Excess Rights Shares with Warrants application and/or provisionally allotted Rights Shares with Warrants acquired from the open market or via private treaty;

- (b) Indera Muhibbah to subscribe in full for its Rights Shares entitlements; and

- (c) Insan Mayang to subscribe in full for its Rights Shares entitlements and to apply for excess and/or additional 8,000,000 Rights Shares.

The subscription of the excess and/or additional 8,000,000 Rights Shares will be undertaken through Excess Rights Shares with Warrants application and/or provisionally allotted Rights Shares with Warrants acquired from the open market or via private treaty.

Prior to the abovementioned Undertakings obtained on 17 November 2014, our Company had on 18 July 2014 procured written irrevocable undertaking from Duta Kembang to subscribe in full for its 14,866,321 Rights Shares entitlement based on its then shareholding as at 18 July 2014 of 14,866,321 GOB's ordinary shares of RM1.00 each for a total commitment of RM7,433,160.50.

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The details of the Undertakings are as set out below:-

Undertaking Parties	Direct Shareholdings as at 17 November 2014		Rights Shares Entitlement		Excess Rights Shares with Warrants via the Undertakings		Total Rights Shares via the Undertakings	
	No. of Shares held	%	No. of Rights Shares	Commitment (RM)	No. of Rights Shares	Commitment (RM)	Total No. of Rights Shares	Commitment (RM)
Duta Kembang	17,403,936	7.66	17,403,936	8,701,968	14,596,064	7,298,032	32,000,000	16,000,000
Indera Muhibbah	14,900,000	6.55	14,900,000	7,450,000	-	-	14,900,000	7,450,000
Insan Mayang	10,000,000	4.40	10,000,000	5,000,000	8,000,000	4,000,000	18,000,000	9,000,000
TOTAL	42,303,936	18.61	42,303,936	21,151,968	22,596,064	11,298,032	64,900,000	32,450,000

Note:-

Based on the total of 227,338,321 Rights Shares.

The Undertaking Parties have undertaken to subscribe for a total of 64,900,000 Rights Shares with 32,450,000 Warrants representing approximately 28.55% of the total of 227,338,321 Rights Shares with 113,669,160 Warrants.

The Undertaking Parties have confirmed and AmInvestment Bank has verified to the extent possible, that the Undertaking Parties have sufficient financial resources to fulfil their Undertakings.

The Undertaking Parties have also declared that they are not expected to trigger any obligations under the Code pursuant to the Undertakings, and that they will observe and ensure compliance with the applicable provisions of the Code at all times.

5.2 Underwriting

On 17 November 2014, our Company entered into the Underwriting Agreement with the Joint Underwriters to underwrite the remaining 162,438,321 Rights Shares for which no undertaking has been obtained (“**Underwritten Shares**”) representing approximately 71.45% of the Rights Shares at an underwriting commission of 1.75% (“**Underwriting Commission**”), subject to the terms and conditions of the Underwriting Agreement.

The number of Underwritten Shares underwritten by each Joint Underwriter is as set out below:-

Joint Underwriters	No. of Underwritten Shares
AmlInvestment Bank	66,438,321
RHB	40,000,000
Alliance	24,000,000
Affin Hwang	20,000,000
KAF	12,000,000
TOTAL	162,438,321

The Underwriting Commission and all reasonable costs in relation to the Underwriting Arrangement will be fully borne by our Company.

6. RISK FACTORS

You should carefully consider, in addition to other information contained elsewhere in this Abridged Prospectus, the following risk factors (which may not be exhaustive) that may have an impact on the future performance of our Group before subscribing for or investing in the Rights Issue with Warrants. There may be additional risk factors, which are not disclosed below, which are not presently known to us or which we currently deem to be less significant, that may materially and adversely affect our business, financial condition, operating results and prospects in the future.

6.1 Risks Relating to Rights Issue with Warrants

(a) Market Prices of GOB Shares and Warrants

The market prices of our Shares (and the Warrants, when traded) are dependent on numerous factors including share market sentiments and volatility, prevailing interest rates, our expected future profitability and the outlook of the industries in which our Group operates.

There can be no assurance that the future market prices of our securities will not fall below the issue price of the Rights Shares and exercise price of the Warrants.

(b) No Prior Market for the Warrants

The Warrants will be immediately detached from the Rights Shares upon issuance and be separately traded on Bursa Securities.

As there is no prior market for the Warrants, there is no assurance that the Warrants will be actively traded after listing. The Warrants will trade on Bursa Securities at prices which are dependent upon market forces and beyond our control.

(c) Delay in or Abortion of the Implementation of Rights Issue with Warrants

The implementation of the Rights Issue with Warrants may be delayed or aborted if certain 'force majeure' events or circumstances occur. Such events and circumstances may include acts of government, natural disasters, terrorism, strikes, national disorders, states of emergency and health epidemics, most if not all of which are beyond our control.

Our Company has procured the Undertakings set out in Section 5.1 of this Abridged Prospectus. If the Undertakings are not fulfilled for whatever reason, the successful and timely implementation of the Rights Issue with Warrants may be adversely affected.

We will use our best endeavour to successfully implement the Rights Issue with Warrants. However, there can be no assurance that the Rights Issue with Warrants will not be delayed or aborted. In the event that the Rights Issue with Warrants is aborted after we have received your payment for the Rights Issue with Warrants, we will return all monies received from you, without interest, in accordance with Section 243(2) of the CMSA.

(d) Potential Dilution

Entitled Shareholders who do not accept their provisionally allotted Rights Shares with Warrants will have their proportionate ownerships and voting interests in our Company reduced and the percentage of the enlarged issued and paid-up share capital represented by their shareholdings in our Company will also be reduced accordingly. Pursuant thereto, their proportionate entitlement to any dividends, rights allotments and/or other distributions that we may declare, make or pay will correspondingly be diluted.

6.2 Risks Relating to Our Group

(a) Business Risk

Our Group is principally subject to risks inherent in the property development industry. These include, but are not limited to, changes in general economic conditions, government regulations, inflation rates and business conditions such as deterioration in market conditions, availability and rising costs of financing and fluctuating demand for properties. Our Group is also exposed to construction-related risks such as manpower shortages in relation to skilled engineers and technicians, material and labour cost increases, and competition from other industry participants.

In addition, in our Group's ordinary course of business, we enter into joint venture agreements, business arrangements and other contracts to acquire land and/or development rights with third parties for the purposes of developing properties for sale and investment. There is no assurance that such agreements, arrangements and/or contracts will not be terminated due to amongst others, non-fulfilment of terms and conditions therein, and/or non-observance of the obligations by parties concerned, thus resulting in our Group being unable to proceed with the development activities and/or losing our development land or rights to continue with the development activities relating thereto. In order to mitigate such risks, we would continue to observe our obligations under such agreements, arrangements or contracts and closely monitor the compliance with the relevant terms and conditions as well as maintaining a good rapport with our business partners.

There can be no assurance that any materialisation of these risk factors would not have material adverse impact on our Group's business and financial performance. There can also be no assurance that the demand for our properties can continue to be sustained. We will however, continue to seek to mitigate such risks by adopting measures to minimise the adverse impact of such risks should they materialise.

(b) Risk of Termination of Our Joint Venture Agreements

Due to certain of our Group's projects being embarked upon on a joint venture basis, we may:-

- (i) have disagreements or disputes with our joint venture partners that may have an adverse effect on our joint venture development activities; and
- (ii) be subjected to the possibility of a potential breach of the joint venture agreements, which may result in the termination of our joint ventures.

In the event of the above, there can be no assurance that we will be able to resolve and/or address such disagreements, disputes or breaches in a manner which is not unfavourable to us or our interests. In addition, our joint venture partners may:-

- (aa) have economic or business interests or goals that are inconsistent with ours;
- (bb) take actions contrary to their obligations as set out in the joint venture agreements;
- (cc) be unable or unwilling to fulfil their obligations;
- (dd) experience financial difficulties; or
- (ee) have disputes with us as to the extent of their responsibilities and obligations.

Any of these and/or other unforeseeable factors may materially and adversely affect the performance of our joint venture development activities, which may in turn affect our financial condition and results of our operations.

Notwithstanding the above potential risks factors, based on our past track record, we have not encountered any termination and/or abortion of any joint venture development projects that we have undertaken in the past as a result of any default of obligations or breach of responsibilities by us or our joint venture partners. We have always endeavoured to maintain a good working relationship with our joint venture partners and observe our obligations and responsibilities as provided for under the joint venture agreements. Although our Group has never experienced any termination of our joint venture agreements as a result of any default of obligations by us or our partners in the past, there is no assurance that we will not face any such risks in the future.

(c) Performance of the Malaysian Property Market

Our financial performance is largely dependent on the performance of the Malaysian property market. Any adverse developments affecting the Malaysian property market such as the deterioration in property demand may have an adverse impact on our business operations and financial performance.

The Malaysian Government had implemented measures to ensure stability in housing prices and to curb speculative activities in the property market. Measures that are applicable to the residential and commercial properties include amongst others, the upward revision of the real property gain tax, the tightening of the lending policies by introducing a maximum loan-to-value of 70% with regard to third home purchases, the prohibition on property developers from implementing projects that have features of Developers Interest Bearing Scheme (DIBS) and the increase in the minimum price of property that can be purchased by foreign individuals and companies.

Following several cooling measures imposed to curb speculative activity in the property market, the number of residential property transactions decreased 2.7% in the first half of 2014 (July - December 2013: 5.1%). (Source: *Economic Report 2014 / 2015, Minister of Finance Malaysia*)

The future success will depend significantly upon our ability to respond to changing market conditions and demand, and employ marketing strategies that will suitably position our Group to fulfil the need of our target market. However, any further introduction of cooling measures by the Malaysian Government to control price levels of the Malaysian property market may adversely impact our property development business.

(d) Competition Risks

We face competition from various property developers, including on the availability of strategically located and reasonably priced land banks. The property development market is highly competitive and the mismatch in supply and demand will intensify the level of competition, which may amongst others, affect the pricing of the properties. There can be no assurance that buyers will purchase properties from our developments instead of our competitors'.

We will continue to take measures to address the competition risk such as conducting market intelligence study to understand buyers' needs, monitoring and adjusting the development products' design and pricing as well as marketing strategies in response to changing economic conditions and market demand.

(e) Delay in the Completion of Projects

The timely completion of our property development projects is dependent on numerous external factors, some of which may not be entirely within the control of our Group, such as obtaining approvals from regulatory authorities in accordance to our schedule and satisfactory performance for any sub-contractors engaged in relation to our property development projects. Any failure or delay in completing these projects within the expected timeframe may expose our Group to additional costs which may impact our profitability.

In the past two (2) years, one of our Group's property development projects, namely Equine Boulevard in Seri Kembangan, experienced delay in the delivery of vacant possession of shop-offices to the respective purchasers, which was mainly contributed by the delay of third parties in completing the external building works. A litigation suit was brought against the project developer, Taman Equine (M) Berhad, our wholly-owned subsidiary, involving a claim for liquidated damages, where provisions for valid claims have already been made by us accordingly as at the LPD. Please refer to Section 4 (b) in Appendix VII of this Abridged Prospectus for more details on the litigation.

As our Group's profitability and reputation may be affected, we have and will continue to seek to mitigate such risks by striving to ensure that the progress of our projects are closely monitored and reviewed on a timely basis to address any potential hindrance to the delivery or completion of our projects. Additional measures include putting in place effective and efficient project management and human resource planning, as well as cultivating good working relationships with our business associates. Despite these proactive measures on our part, there can be no assurance that completion delays will not occur, resulting in potentially material adverse impact on our Group's business and profitability.

(f) Dependence on Main/ Sub-Contractors

Generally, the property development industry is dependent on the performance of the main/ sub-contractors to ensure quality and timely completion of the respective building and infrastructure works as per their contractual timeline. There is no assurance that any unanticipated delay due to unforeseen circumstances, shortage of supplies of construction materials or labour and unsatisfactory performance of the appointed main/ sub-contractors may not have an adverse effect on the operations and profitability of our Group.

Our Group implements stringent selection criterion to ensure that only main contractors with proven track record and adequate financial resources are engaged to undertake construction works in our Group's development projects. Furthermore, we are not dependent on any single main contractor as we engage the services of many contractors for the development of our projects. In addition, our Group will also seek to mitigate such risks by close monitoring of the contractor's work progress in order to ensure the timely completion of the property development projects.

(g) Financing Risk and Loan Covenants

Our Group finances our operations through internally-generated funds and bank borrowings. All our bank borrowings bear interest and as a result, any increase in interest rates will increase our interest payments and finance costs. Our financial performance may therefore be affected if interest rates increase significantly. For the FYE 2014, our Group incurred total finance costs of approximately RM11.71 million comprising of approximately RM2.41 million which has been expensed off and the balance of approximately RM9.30 million which has been capitalised into the property development costs account.

Our ability to arrange for such external financing and the cost of such financing are dependent on numerous factors, including general economic and capital market conditions, fluctuation of interest rate levels, credit availability from financial institutions, the success and track record of our business, changes in the provisions of tax and securities laws that maybe applicable to our efforts to raise capital, any restrictions imposed by the Malaysian Government and political, social and economic conditions in Malaysia.

We are also bound by loan covenants contained within the facility and loan agreements which we have executed with the financial institutions. These covenants that govern our loans consist of standard commercial terms, are common within such agreements in Malaysia and generally limit our operating and financial flexibilities. Any act or omission by us resulting in breaches to these covenants may result in the lenders exercising their rights to terminate the facilities and/or enforce granted securities. If this occurs, our future financial performance may be affected. We therefore continuously monitor our compliance with such covenants.

We actively review our debt portfolio and assess the amount and nature of our borrowings. We continuously seek measures to reduce our gearing level, and the partial repayment of our borrowings through the proceeds of the Rights Issue with Warrants is one such measure. We believe that our prudent cash flow management will enable us to address the financing and interest rate risks. In addition, the proceeds from the Rights Issue with Warrants would strengthen our balance sheet and improve our ability to obtain the necessary financing, if required.

(h) Political, Economic and Regulatory Considerations

Any adverse change in the political, economic and regulatory environment and uncertainties in Malaysia and globally could have an unfavourable effect to our financial and business prospects. The risk of war, terrorism, riots, changes in political leadership, global economic downturn and unfavourable changes in government policies such as changes in the methods of taxation, interest rates, licensing or introduction of new regulations could also adversely affect the Malaysian economy. Whilst our Group seek to mitigate such risks through prudent financial management, there is no assurance that any changes to these factors will not have a material adverse impact on our financial position or business in the future.

(i) Risk of Unsold Properties

In the event our Group is unable to sell a significant portion of our properties offered in a particular development, the progress of our property development projects and accordingly our financial results may also be affected. Furthermore, the unsold properties that we continue to hold for sale post-completion of the project may be relatively illiquid. Such concern may affect our ability to realise cash and also have an adverse effect on the prices of unsold units in the event that we are required to sell the unsold properties in an expeditious manner. In such an event, our cash flow and financial performances may be affected.

However, based on our past track record, we have consistently achieved more than 70% take-up rates for all our property development projects before their completion. Although we have not experienced any material impact as a result of unsold properties, there is no assurance that we will not face any such risks in the future.

(j) Risk Relating to our Group's Material Litigation, Claim or Arbitration

We may be involved from time to time in disputes with various parties involved in the development and sale of our properties such as main/ sub-contractors, suppliers, purchasers as well as our customers. These disputes may lead to legal and other proceedings, and may cause us to suffer additional costs and delays.

As at the LPD, save as disclosed in Section 4 in Appendix VII of this Abridged Prospectus, our Group is not engaged in any other litigation or arbitration proceedings which have or may have material effects on our business or financial position, and our Directors are unaware of any proceedings threatened or of any fact likely to give rise to any proceedings, which may materially affect our financial position or business.

However, there can be no assurance that there will be no claims or legal proceedings in the future that could adversely affect the operations and profitability of our Group. Our Board and management are aware of such risks and have taken and shall continue to take all precautions necessary to prevent the occurrence of any event which may lead to such claims arising.

7. INDUSTRY OUTLOOK AND FUTURE PROSPECTS

Our Group is mainly involved in property development and our principal activities are set out in Sections 1 and 5 in Appendix II of this Abridged Prospectus. We set out below an overview of the Malaysian economy and outlook of the property industry:-

7.1 Overview and Outlook of the Malaysian Economy

Growth of the Malaysian economy accelerated to 6.4% in the second quarter of 2014 from 6.2% in the first quarter, marking the strongest growth since the fourth quarter in 2010, and bringing the first half growth to 6.3%. Growth was supported by resilient domestic demand and reinforced by higher exports.

The Malaysian economy has benefited from several initiatives and reforms taken over the years to enhance its resilience and competitiveness. Consequently, Malaysia is now well placed to gain further from the gradual global recovery with a more broad-based growth. The nation's strengths include: strong macroeconomic fundamentals such as a diversified economy, low unemployment, strong international reserves; growing role of the private sector as the driver of growth; and a healthy financial system to support economic activity. Thus, the domestic economy will continue to expand in the second half of the year, albeit moderately. For 2014, the economy is projected to grow 5.5% - 6% (2013: 4.7%).

On the demand side, growth will be underpinned by resilient consumer spending, strong private investment activity and improving global demand. On the supply side, all sectors are expected to record positive growth in 2014, with the services and manufacturing sectors spearheading growth. The construction sector is expected to further expand supported by the civil engineering and residential subsectors. Growth in the residential subsector is mainly due to the construction of private residential projects ranging from medium to high-end properties, particularly in the Klang Valley, Pulau Pinang and Johor.

The economic growth momentum in 2014 is expected to continue in 2015 driven by improving external demand and resilient domestic economic activity. Growth will be private-led in line with the Government's efforts to strengthen the private sector's role in the economy. On the supply side, all economic sectors are expected to record positive growth in 2015, with the services and manufacturing sectors remaining the major contributors to growth. Sustained growth in the domestic demand, albeit at a moderate pace, is expected to contribute to the expansion in domestic-related activities.

Meanwhile, the export-oriented industries, particularly the electronics and electrical subsector will benefit from the improvement in external conditions in line with improving global growth. The agriculture sector is expected to expand on account of higher output of palm oil while the construction sector is expected to record higher record higher growth driven by robust activity in the civil engineering and residential subsectors. Hence, the economy is projected to grow 5% - 6% in 2015.

(Source: Economic Performance and Prospects, Economic Report 2014/2015, Ministry of Finance, Malaysia ("MoF"))

7.2 Overview and Outlook of the Malaysian Property Market

The construction sector continued to register a double-digit growth of 14.3% during the first half of 2014 (January – June 2013: 12%). During the period, 19,649 construction projects were undertaken with contract value of RM50.1 billion. The civil engineering subsector contributed 33% to the total construction works, followed by the non-residential (32.3%), residential (29.6%) and special trade (5%). The private sector contributed 71.4% to the total value of construction works. Meanwhile, the higher construction activity was led by the residential and non-residential subsectors, while growth in the civil engineering subsector moderated following the completion of some major projects, including Kuala Lumpur International Airport 2, Second Penang Bridge and Manjung coal-power plant. Moving forward, the sector is expected to grow 12.7% in 2014 (2013: 10.9%) and contribute 4% to gross domestic product, supported by ongoing residential, oil and gas and transportation projects.

Growth in the non-residential subsector turned around sharply by 14% (January - June 2013: -1%) in line with healthy business activity during the first half of 2014. This was reflected by increased construction activities especially for commercial buildings with the incoming supply of shops increasing to 72,117 units (January - June 2013: 66,167 units).

The real estate and business services subsector expanded 8% during the first six months of 2014 (January - June 2013: 6.7%). During the period, the business services segment recorded 8.9% growth (January - June 2013: 7.7%) mainly driven by higher demand for professional services, particularly engineering services in the construction sector as well as computer services. Meanwhile, the real estate segment grew 5.5% (January - June 2013: 4%) following higher real estate transactions which rebounded by 3.3% to 193,430 (January - June 2013: -13.8%; 187,164) with transaction value recording a double-digit growth of 19% to RM82 billion (January - June 2013: -0.3%; RM69 billion). Despite property prices hovering at a high level, the various cooling measures introduced to curb rising property prices and speculative activities have started to gain traction. This was reflected in the slower increase in residential property prices at 8.1% while transactions fell 2.7% during the first half of 2014 (January - June 2013: 11%; 5.1%). Growth of the real estate and business services subsector is projected to sustain at 7.5% in 2014 (2013: 7.5%).

The residential subsector expanded strongly by 22.1% during the first half of 2014 (January - June 2013: 15.7%) supported by higher growth in incoming supply at 9.5% (January - June 2013: 15.3%). Meanwhile, new housing approvals increased significantly by 32.6% to 96,115 units (January - June 2013: 6.8%; 72,461 units). Despite the decline in housing starts at 5.3% to 70,346 units (January - June 2013: 21.1%; 74,270 units), residential activity is expected to remain stable.

The value of total property transactions increase to RM82 billion (January – June 2013: RM68.8 billion), with volume expanding 3.3% to 193,405 transactions during the first six months of 2014. Residential property transactions formed the bulk with a share of 63.5%. However, following several cooling measures imposed to curb speculative activity in the property sector, the number of residential property transactions decreased 2.7% in the first half of 2014 (July - December 2013: 5.1%).

House prices in Malaysia continue to rise, albeit at a slower pace, amid several measures to curb rising house prices since 2010. The increase in house prices was driven by strong demand following favourable labour market conditions and growing household income. The Malaysian House Price Index which measures the change in prices paid for an average house, increased moderately by 6.6% in the second quarter of 2014, compared with 11.3% in the corresponding period in 2013. This was the lowest quarterly rate of increase since the third quarter of 2010. However, higher-than-average prices were recorded in Selangor (10.1%), Pulau Pinang (9.6%) and Kuala Lumpur (9.1%). The highest price increase was recorded for terrace house, which grew 8.2% followed by high-rise units (7.9%), detached (2.5%) and semi-detached (2.4%) houses.

The residential subsector is expected to remain strong in view of the increased demand for housing, particularly from the middle-income group. Demand for affordable housing will remain favourable amid several Government initiatives such as 1Malaysia Housing Programme, Rumah Idaman Rakyat and Rumah Mesra Rakyat. The non-residential subsector is also expected to remain stable supported by encouraging demand for industrial and commercial buildings.

(Source: Economic Performance and Prospects, Economic Report 2014/2015, MoF)

7.3 Prospects of Our Group

Our Group's revenue and profitability were mainly contributed by our Group's core business activity in property development. The property development projects of our Group are located mainly in the growth areas of Klang Valley and Penang. In Klang Valley, our Group has two (2) existing residential development projects in Seri Kembangan and an integrated development with a retail shopping mall in USJ, Subang Jaya, with a combined estimated gross development value in excess of RM1.5 billion.

Details of the existing property development projects as at the LPD are as follows:-

Projects	Type of Development/ Location	Estimated Gross Development Cost (RM 'million)	Estimated Gross Development Value (RM 'million)	Approximate Percentage of Completion	Expected Completion	Take-Up Rate
Springville Residence	Residential/ Seri Kembangan	120	161	31%	2015	93%
Galleria	Residential/ Seri Kembangan	142	155	13%	2016	93%
da:men	Mixed (Retail, residential and commercial)/ USJ, Subang Jaya	1,023	1,224	56%	2015	98%*

Note:-

* Exclude retail mall

Currently, our Group holds land banks in the Klang Valley measuring a total of approximately 130 acres in the Kuala Lumpur city centre, Sungai Long and Seri Kembangan, as well as land banks in Penang measuring approximately 229 acres, mainly in the Batu Kawan area. Our Group will progressively undertake to develop these land banks for our future property development projects.

Our Group's development projects in the Klang Valley will be fuelled by the growing network of highways and infrastructure projects providing easier connectivity between our Group's developments in Taman Equine and various locations. The extension of the Kelana Jaya light rail transit ("LRT") line is close to our Group's integrated development project in USJ, Subang Jaya. Better connectivity will provide the working population with more choices of affordable life-style living in the outskirts of the city besides enhancing housing demand in these areas. In Penang, with the opening of the Second Penang Bridge, our Group's development projects in Batu Kawan are poised to contribute significantly to our Group's revenue and profitability in the coming years.

In line with our expansion plan, our Group will continuously source for new strategic development land and joint venture opportunities. As part of the plan to increase our Group's revenue base, our Group launched 36 units of bungalows in August 2014 with the construction expected to commence in January 2015 while the next launch for FYE 2015 in Klang Valley would be Phase 2 of Galleria, comprising 18 units of shop offices and 240 units of service apartments.

Our Board envisages that the property sector will remain stable as it is expected to be supported by various factors such as positive population growth cycle, rapid urbanisation, consistent gross domestic product growth and catalytic developments such as the construction of Mass Rapid Transit, LRT extension and the implementation of the Economic Transformation Programme projects. These factors and developments are expected to have positive impact on the property industry in general and will also augur well for the property development projects of our Group that benefitted from such positive spin off namely, our Group's integrated development project in USJ, Subang Jaya from the extension of the Kelana Jaya LRT line and our Group's development projects in Batu Kawan with the opening of the Second Penang Bridge as mentioned above.

With the recent introduction of the cooling measures by the Malaysian Government to curb property speculation activities and promote healthy growth of the property industry, our Board is of the view that the impact to our Group is minimal as our Group's projects are located in strategic growth areas in the Klang Valley and Penang and we are responsive to changing market conditions and demand by employing marketing strategies that will suitably position our Group to fulfil the need of our target market.

Our Group will continue to practise prudent management in our business activities.

8. FINANCIAL EFFECTS OF RIGHTS ISSUE WITH WARRANTS

The financial effects arising from the Rights Issue with Warrants are set out as follows:-

8.1 Share Capital

The proforma effects of the Rights Issue with Warrants on our issued and paid-up share capital are as follows:-

	Par Value (RM)	No. of Shares	RM
Issued and paid-up share capital as at the LPD	0.50	227,338,321	113,669,161
New shares arising from Rights Issue	0.50	227,338,321	113,669,160
New shares arising from full exercise of Warrants	0.50	454,676,642	227,338,321
	0.50	113,669,160	56,834,580
Enlarged issued and paid-up share capital #	0.50	568,345,802	284,172,901

Note:-

Without taking into consideration the 9,290,000 ESOS options that had been accepted by the eligible Directors and employees of our Group as granted by our Company on 8 September 2014 at the exercise price of RM1.00 per Share, as the said ESOS options are only exercisable upon completion of the Rights Issue with Warrants.

Assuming that the 9,290,000 ESOS options are fully exercised, our enlarged issued and paid-up share capital will further increase from RM284,172,901 comprising 568,345,802 Shares to RM288,817,901 comprising 577,635,802 Shares.

8.2 Earnings and EPS

The Rights Issue with Warrants is not expected to materially affect our earnings for the FYE 2015, as it is expected to be completed in the fourth (4th) quarter of 2014 with the proceeds targeted to be utilised within six (6) to twenty-four (24) months thereafter.

While our Company's EPS is expected to be diluted because of the additional number of Shares in issue after the completion of the Rights Issue with Warrants, the eventual degree of dilution will depend on the level of returns generated from the utilisation of proceeds arising from the issuance of the Rights Shares and exercise of the Warrants.

Barring unforeseen circumstances, the Rights Issue with Warrants is expected to contribute positively to our future earnings.

For illustrative purposes only, based on our audited consolidated financial statements for the FYE 2014 and on the assumption that the Par Value Reduction and the Rights Issue with Warrants had been effected on 1 April 2013, being the beginning of the FYE 2014, the proforma effects of the Par Value Reduction and the Rights Issue with Warrants on our earnings and EPS for the FYE 2014 are as follows:-

		(I)	(II)	(III)
	Audited as at 31 March 2014 RM'000	^(a) After Par Value Reduction RM'000	After (I) and Rights Issue with Warrants RM'000	After (II) and Full Exercise of the Warrants RM'000
No. of ordinary shares in issue ('000)	227,338	227,338	454,676	568,345
PAT attributable to the equity owners of our Company	39,040	39,040	^{(b) (c)} 43,580	^{(b) (c)} 43,580
Net EPS (sen)	17.17	17.17	9.58	7.67

Notes:-

- (a) The Par Value Reduction was completed on 25 September 2014.
- (b) After taking into consideration the estimated annual interest savings of approximately RM4.54 million based on an estimated average annual interest rate of 7.74% utilising the Rights Issue with Warrants proceeds for the repayment of borrowings amounting to approximately RM58.65 million as disclosed in note (a) in Section 4 of this Abridged Prospectus.
- (c) Without taking into account of the potential positive returns to be generated from the utilisation of approximately RM52.27 million of the Rights Issue with Warrants proceeds for working capital requirements of our Group as disclosed in note (b) in Section 4 of this Abridged Prospectus and the proceeds to be raised from the exercise of the Warrants.

8.3 NA and Gearing

Based on our audited consolidated statement of financial position as at 31 March 2014 and on the assumption that the Par Value Reduction and the Rights Issue with Warrants had been effected as at 31 March 2014, the proforma effects of the Par Value Reduction and the Rights Issue with Warrants on our NA and gearing are as follows:-

		(I)	(II)	(III)
	Audited as at 31 March 2014 RM'000	^(a) After Par Value Reduction RM'000	After (I) and Rights Issue with Warrants RM'000	After (II) and Full Exercise of the Warrants RM'000
Issued capital	227,338	113,669	227,338	284,173
Capital reserve	-	113,669	^{(b) (c)} 90,692	^(d) 110,919
Warrant reserve	-	-	^(e) 20,227	-
Share premium	-	-	-	34,101
Retained earnings	64,176	64,176	64,176	64,176
Shareholders' funds/ NA	291,514	291,514	402,433	493,369
No. of ordinary shares in issue ('000)	227,338	227,338	454,676	568,345
NA per share (RM)	1.28	1.28	0.89	0.87
Total borrowings	221,892	221,892	^(f) 163,242	163,242
Gearing (times)	0.76	0.76	0.41	0.33

Notes:-

- (a) The Par Value Reduction was completed on 25 September 2014.
- (b) After netting off the estimated expenses incidental to amongst others, the Rights Issue with Warrants of RM2.75 million.
- (c) After netting off the fair value allocated to the Warrants.
- (d) After the reversal of the warrant reserve amount upon full exercise of the Warrants.
- (e) The warrant reserve of approximately RM20.23 million is calculated based on the following:-
- (i) Issue price of RM0.50 per Rights Share in arriving at the TERP of GOB Share of RM0.75 resulting in total fair value of approximately RM170.50 million for 227,338,321 Rights Shares;
 - (ii) Assuming fair value of approximately 32.47 sen per Warrant using the Trinomial pricing model sourced from Bloomberg resulting in total fair value of approximately RM36.91 million for 113,669,160 Warrants; and
 - (iii) Total fair value of Warrants of approximately RM36.91 million (as per note (e)(ii) above) in proportion to the total fair value of Warrants and Rights Shares of approximately RM207.41 million (as per notes (e)(i) and (e)(ii) above), multiplied by the total proceeds of approximately RM113.67 million arising from the Rights Issue with Warrants.

- (f) After the utilisation of approximately RM58.65 million to repay part of our Group's borrowings.

The above proforma effects did not take into consideration the 9,290,000 ESOS options that had been accepted by the eligible Directors and employees of our Group as granted by our Company on 8 September 2014 at the exercise price of RM1.00 per Share, as the said ESOS options are exercisable only after the completion of the Rights Issue with Warrants. Consequently, the ESOS is not expected to have any immediate effect on the issued paid-up capital share of our Company until such time when such ESOS options are exercised.

Whilst the granting and acceptance of the ESOS options is expected to result in a charge to the statements of comprehensive income of our Group pursuant to the Financial Reporting Standard 2 on Share-based Payment as issued by the Malaysian Accounting Standard Board ("**FRS 2**"), the recognition of such FRS 2 charge would not have any material impact on the financial position of our Group as the corresponding amount will be classified as an equity reserve which forms part of the shareholders' equity.

Our proforma consolidated statement of financial position as at 31 March 2014 together with the Reporting Accountants' letter are set out in Appendix III of this Abridged Prospectus.

9. STATEMENTS AND INFORMATION ON FINANCIAL CONDITION

9.1 Working Capital

Our Board is of the opinion that our Group will have sufficient working capital for a period of twelve (12) months from the date of this Abridged Prospectus. The opinion is made after taking into account the funds to be generated from our business operations, the banking facilities currently available to our Group as well as the proceeds to be raised from the Rights Issue with Warrants.

9.2 Borrowings

As at the LPD, our Group has total outstanding borrowings of approximately RM306.97 million, all of which are interest-bearing and denominated in RM, as follows:-

	Amount RM'000
<u>Short Term Borrowings</u>	
Term loan	16,100
Revolving credit	80,000
Hire purchase	443
Sub-total	96,543
<u>Long Term Borrowings</u>	
Term loan	74,600
Bridging loan	135,130
Hire purchase	693
Sub-total	210,423
Total borrowings	306,966
Gearing (times)*	1.05

Note:-

* Based on the total borrowings as at the LPD of approximately RM306.97 million in proportion to our audited consolidated NA as at 31 March 2014 of RM291.51 million

Other than disclosed above, we do not have any other borrowings. After having made all reasonable enquiries, there has not been any default on payments of either interest or principal sums for any borrowings throughout the FYE 2014 and the subsequent financial period up to the LPD.

9.3 Contingent Liabilities

As at the LPD, after having made all reasonable enquiries, save for the corporate guarantee given by our Company to financial institutions for credit facilities granted to our subsidiaries amounting to approximately RM479.25 million, our Board is not aware of any contingent liabilities which upon becoming enforceable may have a material impact on our Group's financial position.

9.4 Material Commitments

As at the LPD, save as disclosed below, after having made all reasonable enquiries, our Board is not aware of any material commitments which upon becoming enforceable may have a material impact on our Group's financial position:-

	Amount RM'000
a) Non-cancellable operating lease commitments - In respect of rental of premises	4,682
b) Capital expenditure in respect of acquisition of land - Approved but not contracted for	19,310
Total capital commitments	23,992

Our anticipated sources of funds needed to fulfil the above commitments will be financed from a combination of internally-generated funds and borrowings.

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10. INSTRUCTIONS FOR ACCEPTANCE AND PAYMENT

This Abridged Prospectus and the RSF contain full instructions for the acceptance of and payment for the provisionally allotted Rights Shares as well as application for the Excess Rights Shares with Warrants and the procedures to be followed if you and/or your transferee and/or your renounee wish to sell or transfer all or any part of your/his rights entitlement. You and/or your transferee and/or your renounee are advised to read this Abridged Prospectus, the RSF and the notes and instructions printed therein carefully. The RSF must not be circulated unless accompanied by this Abridged Prospectus.

Acceptance of and/or payment for the provisionally allotted Rights Shares which do not conform strictly to the terms of this Abridged Prospectus, the RSF and the notes and instructions printed therein or which are illegible may be rejected at the absolute discretion of our Board.

10.1 General

If you are an Entitled Shareholder, your CDS Account will be duly credited with the number of provisionally allotted Rights Shares with Warrants which you are entitled to subscribe for, in full or in part, under the terms of the Rights Issue with Warrants. Enclosed with this Abridged Prospectus, you will find the following:-

- (i) the NPA notifying you of the crediting of such provisionally allotted Rights Shares with Warrants into your CDS Account;
- (ii) the RSF to enable you to subscribe for the provisionally allotted Rights Shares with Warrants as well as to apply for Excess Rights Shares with Warrants if you decide to do so; and
- (iii) a reply envelope addressed to our Share Registrar.

This Abridged Prospectus and the RSF are also available at your stockbroker, our registered office, our Share Registrar or from the Bursa Securities' website (<http://www.bursamalaysia.com>).

10.2 NPA

The provisionally allotted Rights Shares with Warrants are prescribed securities under Section 14(5) of the SICDA. All dealings in the provisionally allotted Rights Shares with Warrants will therefore be by book entries through CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. As an Entitled Shareholder, you are required to have valid and subsisting CDS Accounts when making the applications.

10.3 Last Date and Time for Acceptance and Payment

The last date and time for acceptance of and payment for the Rights Shares is at **5.00 p.m. on 17 December 2014**, or such later date and time as our Board may in its absolute discretion determine and announce not less than two (2) Market Days before the stipulated date and time. Proof of time of postage shall not constitute proof of time of receipt by the Share Registrar.

10.4 Procedures for Acceptance and Payment

If you wish to accept your entitlement to the provisionally allotted Rights Shares with Warrants, either in full or in part, please complete Parts I (A) and II of the RSF in accordance with the notes and instructions contained in the RSF. Completed and signed RSFs together with payment must be despatched (at the senders' own risk) using the official envelope by **ORDINARY POST, COURIER or DELIVERED BY HAND** to our Share Registrar at the following address:-

**ShareWorks Sdn Bhd
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Malaysia**

so as to arrive **not later than 5.00 p.m. on 17 December 2014**, being the last date and time for the acceptance of and payment for the provisionally allotted Rights Shares with Warrants or such later date and time as our Board may decide and announce not less than two (2) Market Days before the stipulated date and time. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar.

One (1) RSF must be used for acceptance of the provisionally allotted Rights Shares with Warrants standing to the credit of one (1) CDS Account. Separate RSFs must be used for the acceptance of provisionally allotted Rights Shares with Warrants standing to the credit of more than one (1) CDS Account. Additional copies of the RSF are available from your stockbroker, our registered office, our Share Registrar and from the website of Bursa Securities (<http://www.bursamalaysia.com>). Upon allotment and issuance, the Rights Shares with Warrants will be credited into the CDS Account stated in the RSF.

You are advised to use one (1) reply envelope for each completed RSF.

If you do not wish to fully accept the Rights Shares with Warrants provisionally allotted to you, you may accept part of your entitlement. You must complete both Part I (A) of the RSF by specifying the number of Rights Shares with Warrants which you are accepting (in the stipulated proportions) and Part II of the RSF and deliver the completed and signed RSF together with the relevant payment to our Share Registrar. The portion of the Rights Shares with Warrants that have not been accepted will be allotted to applicants applying for Excess Rights Shares with Warrants in the manner set out in Section 10.7 of this Abridged Prospectus.

You should take note that a trading board lot for the Rights Shares and Warrants comprises one hundred (100) Rights Shares and one hundred (100) Warrants respectively. Successful applicants will be given one (1) Warrant for every two (2) Rights Shares subscribed for. The minimum number of Rights Shares that can be subscribed for or accepted is one (1) Rights Share. However, the minimum number of Warrants that can be issued and allotted with the accepted Rights Shares is one (1) Warrant. Applicants who subscribe for the minimum of one (1) Rights Share will not be entitled to any free Warrant. In order to be entitled for one (1) free Warrant, applicants would have to subscribe for a minimum of two (2) Rights Shares. Fractions of a Warrant will be dealt with by our Board as it may deem fit, expedient and in the best interest of our Company.

Each completed RSF must be accompanied by remittance in RM for the full exact amount in the form of Banker's Draft or Cashier's Order or Money Order or Postal Order drawn on a bank or post office in Malaysia and must be made payable to **"GOB RIGHTS ISSUE ACCOUNT"**, crossed **"A/C PAYEE ONLY"** and endorsed on the reverse side with your name (in block letters) and your CDS Account number. Cheques and other modes of payment are not acceptable.

Applications accompanied by payments other than in the manner stated above or with any excess or insufficient remittances may not be accepted, at the absolute discretion of our Board. Details of the remittances must be filled in the appropriate boxes provided in the RSF.

You should note that all RSF and remittance so lodged with our Share Registrar shall be irrevocable and cannot be subsequently withdrawn.

Applications shall not be deemed to have been accepted by reason of the remittance being presented for payment. Our Board reserves the right not to accept any such application or to accept any such application in part only, without assigning any reason.

Our Company and the Share Registrar will not issue any acknowledgement of receipt of the RSF or application monies in respect of the Rights Issue with Warrants.

If acceptance of and payment for the Rights Shares with Warrants provisionally allotted to you (whether in full or in part, as the case may be) are not received by our Share Registrar by 5.00 p.m. on 17 December 2014 or such later date and time as our Board may decide and announce, you/your transferee/your renounee will be deemed to have declined the entitlement and it will be cancelled.

In the event the Rights Shares with Warrants are not fully taken up, our Board will then have the right to allot such Rights Shares with Warrants to applicants who have applied for the Excess Rights Shares with Warrants in the manner as set out in Section 10.7 of this Abridged Prospectus. Our Board reserves the right not to accept or to accept any application in part only, without providing any reason.

10.5 Procedures for Sale or Transfer of Provisional Allotments

You can renounce your entitlement to the provisionally allotted Rights Shares with Warrants, which can be traded on Bursa Securities from 3 December 2014 up to and including 9 December 2014 or transfer your entitlement to the provisionally allotted Rights Shares with Warrants from 3 December 2014 up to and including 12 December 2014.

As the provisionally allotted Rights Shares with Warrants are prescribed securities, you/your transferee/your renounee may sell or transfer all or part of your/his entitlement immediately through your/his stockbroker without first having to request for a split of the provisionally allotted Rights Shares with Warrants standing to the credit of your/his CDS Account. You/Your transferee/Your renounee may sell all or part of your/his entitlement on the open market or transfer such entitlement to persons allowed by the Rules of Bursa Depository, during the period up to the last date and time for trading/transfer of the provisionally allotted Rights Shares with Warrants.

In selling or transferring all or part of the provisionally allotted Rights Shares with Warrants, you/your transferee/your renounee are not required to deliver any document (including the RSF) to your/his stockbroker. You/Your transferee/Your renounee must however ensure that there is a sufficient number of provisionally allotted Rights Shares with Warrants standing to the credit of your/his CDS Account available for settlement of the sale or transfer.

If you/your transferee/your renounee have sold or transferred only part of the provisionally allotted Rights Shares with Warrants, you/your transferee/your renounee may still accept the balance of the provisionally allotted Rights Shares with Warrants by completing Parts I (A) and II of the RSF and following the procedures set out in Section 10.4 of this Abridged Prospectus for acceptance and payment.

10.6 Procedures for Acceptance by Transferees and/or Renounees

Transferees and/or renounees who wish to accept the provisionally allotted Rights Shares with Warrants must obtain a copy of the RSF from their stockbrokers, our registered office, our Share Registrar or from the Bursa Securities' website (<http://www.bursamalaysia.com>), complete the RSF and submit it with the remittance to our Share Registrar in accordance with the notes and instructions printed in the RSF.

The procedures for acceptance and payment are the same as that those set out in Sections 10.4 and 10.7 of this Abridged Prospectus.

Transferees and/or renounees are advised to read, understand and consider carefully the contents of this Abridged Prospectus and adhere to the notes and instructions contained in this Abridged Prospectus and the RSF.

10.7 Procedures for Application for Excess Rights Shares with Warrants

You may apply for additional Rights Shares with Warrants in excess of your entitlement by:-

- (i) completing Part I (B) of the RSF (in addition to Parts I (A) and II); and
- (ii) forwarding it with a **separate remittance (in RM)** for the **exact** full amount payable in respect of the Excess Rights Shares with Warrants applied for,

to our Share Registrar so as to arrive not later than **5.00 p.m. on 17 December 2014**, or such later date and time as our Board may decide and announce not less than two (2) Market Days before the stipulated date and time.

Payment must be made in the form of Banker's Draft or Cashier's Order or Money Order or Postal Order drawn on a bank or post office in Malaysia and must be made payable to "**GOB EXCESS RIGHTS ISSUE ACCOUNT**", crossed "**A/C PAYEE ONLY**" and endorsed on the reverse side with your name (in block letters) and your CDS Account number. Cheques and other modes of payment are not acceptable.

Applications accompanied by payments other than in the manner stated above or with excess or insufficient remittances may or may not be accepted, at the absolute discretion of our Board.

Applications for the Excess Rights Shares with Warrants shall not be deemed to have been accepted by reason of the remittance being presented for payment. Our Board reserves the right not to accept any such application or to accept any such application in part only, without assigning any reason.

Our Company and the Share Registrar will not issue any acknowledgement of receipt of the RSF or application monies in respect of Excess Rights Shares with Warrants applications.

Our Board intends to allot any Excess Rights Shares with Warrants on a fair and equitable basis in the following priority:-

- (a) firstly, to minimise the incidence of odd lots;
- (b) secondly, for allocation to our Entitled Shareholders who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lot, calculated based on their respective shareholdings as at the Entitlement Date;
- (c) thirdly, for allocation to our Entitled Shareholders who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights Shares with Warrants applications; and
- (d) fourthly, the remaining balance (if any) for allocation to transferee(s)/renounee(s) who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights Shares with Warrants applications.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares with Warrants applied under Part I (B) of the RSF in such manner as our Board deems fit and expedient in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board set out in Section 10.7(a) to 10.7(d) of this Abridged Prospectus are achieved.

10.8 Laws of Foreign Jurisdictions

The Documents have not been and will not be made to comply with the laws of any foreign country or jurisdiction and have not been and will not be lodged, registered or approved under any applicable securities or equivalent legislation (or with or by any relevant authority or other relevant body) of any country or jurisdiction other than Malaysia.

The distribution of the Documents, as well as the acceptance of the provisionally allotted Rights Shares and the subscription for or the acquisition of the Rights Shares with Warrants may be restricted or prohibited (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain countries or jurisdiction under the relevant laws of those countries or jurisdictions.

The Documents are not intended to be issued, circulated or distributed, and the Rights Issue with Warrants will not be made or offered or deemed made or offered, in any country or jurisdiction other than Malaysia or to persons who are or may be subject to the laws of any country or jurisdiction other than the laws of Malaysia. The Rights Issue with Warrants to which this Abridged Prospectus relates is only available to Entitled Shareholders receiving the Documents or otherwise within Malaysia.

As a result, the Documents have not been and will not be sent to our Foreign Entitled Shareholders, who may however collect them from our Share Registrar who will be entitled to request such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the Documents.

If you are a Foreign Entitled Shareholder, our Company will not make or be bound to make any enquiry as to whether you have an address or an address for service in Malaysia if not otherwise stated in our Record of Depositors as at the Entitlement Date and will not accept or be deemed to accept any liability whether or not any enquiry or investigation is made in connection therewith. Our Company will assume that the Rights Issue with Warrants and the acceptance thereof by you would be in compliance with the terms and conditions of the Rights Issue with Warrants and would not be in breach of the laws of any jurisdiction. Our Company will further assume that you had accepted the Rights Issue with Warrants in Malaysia and will at all applicable times be subjected to the laws of Malaysia.

Foreign Entitled Shareholders may only accept or transfer or renounce all or any part of their entitlements and exercise any other rights in respect of the Rights Issue with Warrants to the extent that it would be lawful to do so, and our Company, our Board and officers, AmInvestment Bank and/or other experts ("**Parties**") would not in connection with the Rights Issue with Warrants, be in breach of the laws of any country or jurisdiction to which the Foreign Entitled Shareholders are or might be subjected to. Foreign Entitled Shareholders shall be solely responsible to seek advice from their legal and/or professional advisers as to the laws of the countries or jurisdictions to which they are or might be subjected to. The Parties shall not accept any responsibility or liability in the event any acceptance or renunciation made by Foreign Entitled Shareholders is or shall become unlawful, unenforceable, voidable or void in any such countries or jurisdictions. Foreign Entitled Shareholders will also have no claims whatsoever against the Parties in respect of their entitlements or to any net proceeds thereof.

Our Company reserves the right, in our absolute discretion, to treat any acceptance as invalid, if we believe that such acceptance may violate applicable legal or regulatory requirements. The provisionally allotted Rights Shares with Warrants relating to any acceptance which is treated as invalid will be included in the pool of Excess Rights Shares with Warrants available for excess applications by other Entitled Shareholders and/or their transferees and/or their renounees.

Each person, by accepting the delivery of the Documents, accepting any provisionally allotted Rights Shares with Warrants by signing any of the forms accompanying this Abridged Prospectus or subscribing for or acquiring the Rights Shares with Warrants will be deemed to have represented, warranted, acknowledged and agreed in favour of (and which representations, warranties, acknowledgements and agreements will be relied upon by) the Parties as follows:-

- (a) the Parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which our Foreign Entitled Shareholders are or might be subjected to;
- (b) the Foreign Entitled Shareholders have complied with the laws to which the Foreign Entitled Shareholders are or might be subjected to in connection with the acceptance or renunciation;
- (c) the Foreign Entitled Shareholders are not a nominee or agent of a person in respect of whom the Parties would by acting on the acceptance or renunciation of the provisionally allotted Rights Shares with Warrants, be in breach of the laws of any jurisdiction to which that person is or might be subjected to;
- (d) the Foreign Entitled Shareholders are aware that the Rights Shares with Warrants can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (e) the Foreign Entitled Shareholders have obtained a copy of this Abridged Prospectus and have had access to such financial and other information and have been provided the opportunity to ask such questions to the representatives of the Parties and receive answers thereto as the Foreign Entitled Shareholders deem necessary in connection with the decision of the Foreign Entitled Shareholders to subscribe for or purchase the Rights Shares with Warrants; and
- (f) the Foreign Entitled Shareholders have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares with Warrants, and are and will be able and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares with Warrants.

Notwithstanding anything herein, Foreign Entitled Shareholders and any other person having possession of this Abridged Prospectus or its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto. No person in any territory outside of Malaysia receiving this Abridged Prospectus or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for or acquire any Rights Shares with Warrants, unless such offer, invitation or solicitation could lawfully be made without compliance with any registration or other regulatory or legal requirements on such territory.

10.9 CDS Accounts and Notices of Allotment

Bursa Securities has already prescribed the securities of our Company listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares and Warrants are prescribed securities and as such, all dealings in the Rights Shares and Warrants will be by book entry through CDS Accounts and will be governed by the SICDA and Rules of Bursa Depository. You must have a valid and subsisting CDS Account in order to subscribe for the Rights Shares with Warrants. Failure to comply with these specific instructions or inaccuracy of the CDS Account number may result in your application being rejected.

The acceptance of the Rights Shares with Warrants by you or your transferee(s) or renouncee(s) shall constitute consent to receiving such provisionally allotted Rights Shares with Warrants as prescribed securities which will be credited directly into your or your transferee'(s) or your renouncee'(s) CDS Account.

All allotted Excess Rights Shares with Warrants will be directly credited into the CDS Accounts of successful applicants.

No physical share and warrant certificates will be issued to successful applicants in respect of the Rights Shares with Warrants.

Notices of allotment will be despatched to successful applicants by ordinary post at the applicants' own risk to their addresses as shown in our Record of Depositors, within eight (8) Market Days from the Closing Date.

Application monies for unsuccessful or partially successful applications will be fully or partially returned, as the case may be, without interest and by ordinary post at the applicants' own risk to their addresses as shown in our Record of Depositors, within fifteen (15) Market Days from the Closing Date.

11. TERMS AND CONDITIONS

The issuance of Rights Shares with Warrants pursuant to the Rights Issue with Warrants is governed by the terms and conditions set out in this Abridged Prospectus, the accompanying NPA, RSF and the Deed Poll.

12. FURTHER INFORMATION

Please refer to the enclosed Appendices for further information.

Yours faithfully
For and on behalf of our Board
GLOBAL ORIENTAL BERHAD


WEE BENG ANN
Executive Director

APPENDIX I – CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTION PERTAINING TO THE RIGHTS ISSUE WITH WARRANTS PASSED AT OUR EGM ON 27 AUGUST 2014

GLOBAL ORIENTAL BERHAD
(Company No. 543867-T)
(Incorporated In Malaysia)

CERTIFIED TRUE EXTRACT OF MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY HELD ON THE 27TH DAY OF AUGUST 2014

The following resolutions were put to vote and were duly passed by Shareholders of the Company:

ORDINARY RESOLUTION 1

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF 227,338,321 NEW ORDINARY SHARES OF RM0.50 EACH IN THE COMPANY (“RIGHTS SHARE(S)”) TOGETHER WITH 113,669,160 FREE DETACHABLE WARRANTS (“WARRANT(S)”) ON THE BASIS OF TWO (2) RIGHTS SHARES TOGETHER WITH ONE (1) FREE WARRANT FOR EVERY TWO (2) ORDINARY SHARES OF RM0.50 EACH IN GOB (“GOB SHARE(S)” OR THE “SHARE(S)”) HELD AFTER THE PROPOSED PAR VALUE REDUCTION VIA THE CANCELLATION OF RM0.50 OF THE PAR VALUE OF EXISTING ORDINARY SHARE OF RM1.00 EACH IN GOB (“PROPOSED PAR VALUE REDUCTION”) ON AN ENTITLEMENT DATE TO BE DETERMINED LATER (“PROPOSED RIGHTS ISSUE WITH WARRANTS”)

THAT subject to the passing of Special Resolution 1 and Special Resolution 2, the receipt of approvals from the relevant authorities and/or parties and upon completion of the Proposed Par Value Reduction, approval be and is hereby given to the Board of Directors of GOB (“**Board**”) to allot and issue by way of a renounceable rights issue of 227,338,321 Rights Shares together with 113,669,160 free Warrants on the basis of two (2) Rights Shares together with one (1) free Warrant for every two (2) GOB Shares held after the Proposed Par Value Reduction by the shareholders of GOB whose names appear in the Company’s Record of Depositors at the close of business on an entitlement date to be determined and announced by the Board (“**Entitlement Date**”) (“**Entitled Shareholders**”);

THAT approval be and is hereby given to the Board to allot and issue such further Warrants (“**Additional Warrants**”) as may be required or permitted to be issued pursuant to any adjustments under the terms and provisions of the deed poll to be executed, constituting the Warrants (“**Deed Poll**”);

THAT approval be and is hereby given to the Board to allot and issue such number of new Shares credited as fully paid-up to be issued pursuant to the exercise of the Warrants and Additional Warrants (if any);

THAT upon allotment and issuance, the Rights Shares shall rank *pari passu* in all respects with the then existing GOB Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid to the shareholders of GOB, the entitlement date of which is prior to the date of allotment of the Rights Shares;

THAT upon allotment and issuance, the new Shares to be issued pursuant to the exercise of the Warrants and Additional Warrants (if any) shall rank *pari passu* in all respects with the then existing GOB Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid to the shareholders of GOB, the entitlement date of which is prior to the date of allotment of the new Shares to be issued pursuant to the exercise of the Warrants and Additional Warrants (if any);

THAT any Rights Shares which are not taken up or validly taken up shall be made available for excess Rights Shares applications **AND** the Board be and is hereby authorised to allocate any such excess Rights Shares in a fair and equitable manner on a basis to be determined later;

THAT any fractional entitlement that may arise from the Proposed Rights Issue with Warrants will be disregarded **AND** the Board be and is hereby authorised to deal with any such fractional entitlement in such manner as the Board in its discretion may deem fit or in the best interest of the Company;

APPENDIX I – CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTION PERTAINING TO THE RIGHTS ISSUE WITH WARRANTS PASSED AT OUR EGM ON 27 AUGUST 2014 (Cont'd)

GLOBAL ORIENTAL BERHAD
(Company No. 543867-T)

Certified True Extract of Minutes of the Extraordinary General Meeting of the Company held on the 27th day of August 2014

THAT authority be and is hereby given to the Board to utilise the proceeds to be raised from the Proposed Rights Issue with Warrants for the purposes as set out in Section 2.3.6 of the circular to the shareholders of GOB dated 31 July 2014 **AND** the Board be and is hereby authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary, expedient and/or appropriate and in the best interest of the Company, subject to the receipt of approvals from the relevant authorities (if required);

AND THAT the Board be and is hereby authorised to do all things and acts and/or sign and execute all documents including without limitation, the Deed Poll as the Board may deem fit, necessary, expedient and/or appropriate in order to implement, finalise and/or give effect to the Proposed Rights Issue with Warrants with full powers to assent to any term, condition, modification, variation and/or amendment as may be required or permitted by any relevant authorities and/or parties, as a consequence of any such requirement and/or as the Board may deem fit, necessary, expedient and/or appropriate and in the best interest of the Company.

CERTIFIED TRUE COPY BY:



OTHMAN BIN MOHAMMAD
Executive Director



CHIN PEI FUNG
MAICSA 7029712
Company Secretary

APPENDIX II – INFORMATION ON OUR COMPANY

1. HISTORY AND PRINCIPAL ACTIVITIES

Our Company was incorporated in Malaysia under the Act as a public limited company on 4 April 2001 under the name of Equine Capital Berhad and was listed on the Main Market of Bursa Securities on 28 October 2003. We assumed our present name of Global Oriental Berhad on 3 September 2012.

Our Company is an investment holding company. Our Group is principally involved in the development of residential and commercial properties. The principal activities of our subsidiaries are as set out in Section 5 of Appendix II of this Abridged Prospectus.

2. SHARE CAPITAL

As at the LPD, our Company has the following authorised and issued and paid-up share capital:-

Type	No. of Shares	Par Value (RM)	Amount (RM)
Authorised	1,000,000,000	0.50	500,000,000.00
Issued and paid-up	227,338,321	0.50	113,669,160.50

Details of the changes in the issued and paid-up share capital of our Company for the last three (3) years up to the LPD are as follows:-

Date of Allotment	No. of Shares Allotted	Par Value (RM)	Consideration/ Type of Issue	Cumulative Issued and Paid-up Share Capital (RM)
25.09.2014	-	0.50	Par Value Reduction	113,669,160.50

3. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

The percentage shareholdings of our Company's substantial shareholders will remain the same provided that they subscribe in full for their respective entitlements to the Rights Shares with Warrants, and exercise their entitled Warrants in full.

The proforma effects of the Rights Issue with Warrants on the shareholdings of the substantial shareholders of our Company as at the LPD are as follows:-

Scenario 1	The scenario that assumes all our Undertaking Parties subscribe for their respective entitlements for the Rights Shares with Warrants
Scenario 2	The scenario that assumes all our Undertaking Parties subscribe for their respective entitlements for the Rights Shares with Warrants and apply for excess and/or additional portion of the Rights Shares through Excess Rights Shares with Warrants application and/or provisionally allotted Rights Shares with Warrants acquired from the open market or via private treaty as disclosed in Section 5.1 of this Abridged Prospectus

APPENDIX II – INFORMATION ON OUR COMPANY (Cont'd)

The following proforma effects exclude any assumption on the exercise of ESOS options that have been accepted by our Directors as granted by our Company on 8 September 2014, as the said ESOS options are exercisable only after the completion of the Rights Issue with Warrants.

Scenario 1

Substantial Shareholders	Existing Shareholdings as at 17 November 2014		(a) After Rights Issue with Warrants		After Rights Issue with Warrants and Assuming Full Exercise of Warrants	
	Direct No. of Shares	Indirect % No. of Shares	Direct No. of Shares	Indirect % No. of Shares	Direct No. of Shares	Indirect % No. of Shares
Duta Kembang	17,403,936	7.66	34,807,872	7.66	43,509,840	7.66
Othman bin Mohammad	-	(b) 27,403,936 12.05	-	(b) 54,807,872 12.05	-	(b) 68,509,840 12.05
Lee Kwee Siong	-	(b) 27,403,936 12.05	-	(b) 54,807,872 12.05	-	(b) 68,509,840 12.05
Baharum bin Harun	-	(b) 27,403,936 12.05	-	(b) 54,807,872 12.05	-	(b) 68,509,840 12.05
Indera Muhibbah	14,900,000	6.55	29,800,000	6.55	37,250,000	6.55
Dato' Choo Chuo Siong	-	(c) 14,900,000 6.55	-	(c) 29,800,000 6.55	-	(c) 37,250,000 6.55

Notes:-

- (a) Assuming all Entitled Shareholders fully subscribe for their entitlements of Rights Shares.
 (b) Deemed interested through Duta Kembang and Insan Mayang by virtue of Section 6A of the Act.
 (c) Deemed interested through Indera Muhibbah by virtue of Section 6A of the Act.

APPENDIX II – INFORMATION ON OUR COMPANY (Cont'd)

Scenario 2

Substantial Shareholders	Existing Shareholdings as at 17 November 2014		(a) After Rights Issue with Warrants		After Rights Issue with Warrants and Assuming Full Exercise of Warrants	
	Direct No. of Shares	Indirect No. of Shares	Direct No. of Shares	Indirect No. of Shares	Direct No. of Shares	Indirect No. of Shares
Duta Kembang	17,403,936	-	(b) 49,403,936	-	65,403,936	-
Othman bin Mohammad	-	(c) 27,403,936	-	(c) 77,403,936	-	(c) 102,403,936
Lee Kwee Siong	-	(c) 27,403,936	-	(c) 77,403,936	-	(c) 102,403,936
Baharum bin Harun	-	(c) 27,403,936	-	(c) 77,403,936	-	(c) 102,403,936
Indera Muhibbah	14,900,000	-	29,800,000	-	37,250,000	-
Dato' Choo Chuo Siong	-	(d) 14,900,000	-	(d) 29,800,000	-	(d) 37,250,000
Insan Mayang	10,000,000	-	(e) 28,000,000	-	37,000,000	-

Notes:-

- (a) Assuming all Entitled Shareholders fully subscribe for their entitlements of Rights Shares, other than the Excess Rights Shares with Warrants subscribed by the Undertaking Parties.
- (b) Inclusive of 14,596,064 Rights Shares with 7,298,032 Warrants via the Undertakings for the excess and/or additional Rights Shares.
- (c) Deemed interested through Duta Kembang and Insan Mayang by virtue of Section 6A of the Act.
- (d) Deemed interested through Indera Muhibbah by virtue of Section 6A of the Act.
- (e) Inclusive of 8,000,000 Rights Shares with 4,000,000 Warrants via the Undertakings for the excess and/or additional Rights Shares.

APPENDIX II – INFORMATION ON OUR COMPANY (Cont'd)**4. DIRECTORS**

The designation, age, address, nationality and profession of each of our Directors are as set out in the Corporate Directory section of this Abridged Prospectus.

Save as disclosed below, none of our Directors have any direct or indirect shareholding in our Company as at the LPD.

The following proforma effects exclude any assumption on the exercise of ESOS options that have been accepted by our Directors as granted by our Company on 8 September 2014, as the said ESOS options are exercisable only after the completion of the Rights Issue with Warrants.

Scenario 1

Director	Existing Shareholding as at the LPD				^(a) After Rights Issue with Warrants				After Rights Issue with Warrants and Assuming Full Exercise of Warrants			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Othman bin Mohammad	-	-	^(c) 27,403,936	12.05	-	-	^(c) 54,807,872	12.05	-	-	^(b) 68,509,840	12.05

Notes:-

- (a) Assuming all Entitled Shareholders fully subscribe for their entitlements of Rights Shares.
- (b) Deemed interested through Duta Kembang and Insan Mayang by virtue of Section 6A of the Act.

Scenario 2

Director	Existing Shareholding as at the LPD				^(a) After Rights Issue with Warrants				After Rights Issue with Warrants and Assuming Full Exercise of Warrants			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Othman bin Mohammad	-	-	^(b) 27,403,936	12.05	-	-	^(b) 77,403,936	17.02	-	-	^(b) 102,403,936	18.02

Notes:-

- (a) Assuming all Entitled Shareholders fully subscribe for their entitlements of Rights Shares.
- (b) Deemed interested through Duta Kembang and Insan Mayang by virtue of Section 6A of the Act and inclusive of:-
- (i) 14,596,064 Rights Shares and 7,298,032 Warrants via the Undertaking by Duta Kembang for the excess and/or additional Rights Shares; and
 - (ii) 8,000,000 Rights Shares and 4,000,000 Warrants via the Undertaking by Insan Mayang for the excess and/or additional Rights Shares.

APPENDIX II – INFORMATION ON OUR COMPANY (Cont'd)**5. SUBSIDIARIES AND ASSOCIATED COMPANIES**

Our subsidiaries as at the LPD are as follows:-

Company	Date/ Place of Incorporation	Issued and Paid-Up Share Capital	Effective Equity Interest (%)	Principal Activities
Kuala Lumpur Industries Berhad	25 October 1963/ Malaysia	RM65,538,000	100.0	Dormant
Syarikat Tenaga Sahabat Sdn Bhd	3 March 1975/ Malaysia	RM740,000	100.0	Property development
Kelab Taman Equine Sdn Bhd	28 May 1979/ Malaysia	RM400,000	100.0	Property development
Kuala Lumpur Industries Holdings Berhad	9 October 1987/ Malaysia	RM3,037,591	100.0	Dormant
Perwira Nadi Trading Sdn Bhd	7 July 1988/ Malaysia	RM2,060,000	65.0	Trading
Taman Equine Industrial Sdn Bhd	13 December 1990/ Malaysia	RM3	100.0	Property development
Taman Equine Riding Sdn Bhd	5 March 1991/ Malaysia	RM3	100.0	Property development
Equine Park Stud Sdn Bhd	12 September 1991/ Malaysia	RM100,000	100.0	Property development
Pertanian Taman Equine Sdn Bhd	7 January 1992/ Malaysia	RM2	100.0	Property development
Taman Equine (M) Sdn Bhd	20 May 1992/ Malaysia	RM12,002,150	100.0	Investment holding and property development
Permai Construction Sdn Bhd	10 March 1994/ Malaysia	RM2,600,000	100.0	Construction
Parkamaya Sdn Bhd	7 October 1995/ Malaysia	RM2,600,000	100.0	Retail space leasing and retail businesses
Tujuan Ehsan Sdn Bhd	29 August 1997/ Malaysia	RM2,501,000	100.0	Property development
Penaga Pesona Sdn Bhd	12 June 2001/ Malaysia	RM2,600,000	100.0	Property development
Exceed Concept Sdn Bhd	18 March 2002/ Malaysia	RM2	100.0	Project developer

APPENDIX II – INFORMATION ON OUR COMPANY (Cont'd)

Company	Date / Place of Incorporation	Issued and Paid-Up Share Capital	Effective Equity Interest (%)	Principal Activities
Pedoman Ikhtisas Sdn Bhd	15 February 2012/ Malaysia	RM1,000,000 and RM960,784 preference shares	100.0	Property development
Versatile Flagship Sdn Bhd	21 September 2012/ Malaysia	RM300,000	100.0	Investment holding
Fame Action Sdn Bhd	9 October 2012/ Malaysia	RM1,000,000	100.0	Property development
Mutual Crest Sdn Bhd	10 October 2013/ Malaysia	RM2	100.0	Treasury services
Indirectly Held Through Taman Equine (M) Sdn Bhd				
Equine Park Country Resort Sdn Bhd	9 January 1996/ Malaysia	RM3,000,000	100.0	Property development
Indirectly Held Through Versatile Flagship Sdn Bhd				
Modern Treasures Sdn Bhd	5 October 2012/ Malaysia	RM300,000	100.0	Restaurant operator
Prima Pengkalan Sdn Bhd	5 October 2012/ Malaysia	RM650,000	100.0	Restaurant operator
Bright Express Sdn Bhd	9 October 2012/ Malaysia	RM300,000	100.0	Restaurant operator
Champion Vista Sdn Bhd	9 October 2012/ Malaysia	RM350,000	100.0	Restaurant operator
Dekad Sinaran Sdn Bhd	12 October 2012/ Malaysia	RM350,000	100.0	Restaurant operator
Vista Versatile Sdn Bhd	15 October 2012/ Malaysia	RM2	100.0	Restaurant operator
Global Oriental (Hong Kong) Limited	20 March 2014/ Hong Kong	HKD 1.00	100.0	Dormant
Global Oriental (Taiwan) Limited	26 June 2014/ Taiwan	NTD 50,000	100.0	Dormant
Indirectly Held Through Perwira Nadi Trading Sdn Bhd				
Perwira Nadi (M) Sdn Bhd	8 May 2003/ Malaysia	RM50,000	100.0	Distributorship license holder

We do not have any associated companies as at the LPD.

APPENDIX II – INFORMATION ON OUR COMPANY (Cont'd)

6. PROFIT AND DIVIDEND RECORD

The following profit and dividend record is based on our audited consolidated financial statements for FYE 2012 to FYE 2014 and unaudited consolidated financial statements for the six (6)-month FPE 30 September 2013 to FPE 30 September 2014:-

	Audited			Unaudited	
	FYE 2012	FYE 2013	FYE 2014	Six (6)-month FPE 30 September 2013	Six (6)-month FPE 30 September 2014
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	277,542	271,460	352,102	160,722	213,862
Cost of sales	(210,661)	(192,361)	(241,082)	(121,061)	(151,122)
Gross profit	66,881	79,099	111,020	39,661	62,740
Other operating income	21,449	4,432	6,860	1,848	3,493
Administration and marketing expenses	(41,159)	(37,024)	(61,240)	(25,796)	(36,698)
Other operating expenses	(9,491)	(2,469)	-	-	-
Finance costs	(1,738)	(1,093)	(2,412)	(901)	(2,990)
PBT	35,942	42,945	54,228	14,812	26,545
Income tax expense	(3,812)	(12,450)	(15,188)	(3,918)	(10,270)
Profit for the financial year	32,130	30,495	39,040	10,894	16,275
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the financial year	32,130	30,495	39,040	10,894	16,275
Attributable to:-					
- Equity owners of our Company	32,130	30,495	39,040	10,894	15,001
- Non-controlling interests	-	-	-	-	1,274
	32,130	30,495	39,040	10,894	16,275
Number of shares in issue ('000)	227,338	227,338	227,338	227,338	227,338
EBITDA	37,766	44,336	57,545	16,608	30,484
Gross profit margin (%)	24.10	29.14	31.53	24.68	29.34
Net profit margin (%)	11.58	11.23	11.09	6.78	7.61
Net EPS attributable to equity owners of our Company					
- Basic (sen)	14.13	13.41	17.17	*9.58	*13.20
- Diluted (sen)	N/A	N/A	N/A	N/A	N/A

Note:-

N/A Not applicable

* Annualised

APPENDIX II – INFORMATION ON OUR COMPANY (Cont'd)**Commentaries:-****(a) Audited FYE 2012**

Our Group's revenue of approximately RM277.54 million for the FYE 2012 was approximately RM128.49 million (86.21%) higher than the revenue for the FYE 2011 of approximately RM149.05 million due to revenue recognised upon the completion of the disposal of a parcel of leasehold land coupled with higher revenue recognised arising from Equine Boulevard, Villa Avenue and Equator projects in Seri Kembangan as well as Callisia project in Batu Kawan, Penang.

Our Group's PBT of approximately RM35.94 million for the FYE 2012 rose significantly by approximately RM26.18 million (268.23%) compared to approximately RM9.76 million for the FYE 2011 due to profit recognition on the disposal of a parcel of leasehold land and higher profit contribution arising from commercial and residential development projects in Seri Kembangan as well as in Batu Kawan, Penang.

(b) Audited FYE 2013

Our Group's revenue of approximately RM271.46 million for the FYE 2013 decreased by approximately RM6.08 million (2.19%) from our revenue of approximately RM277.54 million for the FYE 2012 due to the completion of major projects such as Equine Boulevard and Villa Avenue in Seri Kembangan during the financial year. Nevertheless, new development projects such as the Villa Heights project in Seri Kembangan and da:men project in USJ, Subang Jaya had contributed positively to our Group's revenue for the FYE 2013.

Our Group's PBT of approximately RM42.95 million for the FYE 2013 however increased by approximately RM7.01 million (19.50%) from approximately RM35.94 million in the FYE 2012 due to higher profit recognition for the Villa Heights project in Seri Kembangan coupled with lower operating expenses incurred.

(c) Audited FYE 2014

Our Group's revenue of approximately RM352.10 million for the FYE 2014 was approximately RM80.64 million (29.71%) higher compared to approximately RM271.46 million for the FYE 2013 due to revenue recognition arising from ongoing commercial and residential development projects such as Equator and Villa Heights in Seri Kembangan and da:men project in USJ, Subang Jaya.

Our Group's PBT of approximately RM54.23 million for the FYE 2014 was approximately RM11.28 million (26.26%) higher than our PBT of approximately RM42.95 million for the FYE 2013, due to higher profit contribution from development projects in Seri Kembangan and USJ, Subang Jaya.

(d) Unaudited six (6)-month FPE 30 September 2014

Our Group's revenue of approximately RM213.86 million for the six (6)-month FPE 30 September 2014 compared to approximately RM160.72 million for the previous six (6)-month FPE 30 September 2013, was approximately RM53.14 million (33.06%) higher. Similarly our Group's PBT of approximately RM26.55 million for the six (6)-month FPE 30 September 2014 compared to approximately RM14.81 million for the previous six (6)-month FPE 30 September 2013 was approximately RM11.74 million (79.27%) higher. The increase in our Group's revenue and PBT was mainly due to the maiden revenue recognition from the newly-acquired subsidiary company, namely Perwira Nadi Trading Sdn Bhd and also higher revenue recognition arising from the ongoing development project in USJ, Subang Jaya.

APPENDIX II – INFORMATION ON OUR COMPANY (Cont'd)**7. HISTORICAL SHARE PRICES**

The monthly highest and lowest prices of our shares as traded on Bursa Securities for the past twelve (12) months preceding the date of this Abridged Prospectus, are as follows:-

Month	High (RM)	Low (RM)
<u>2013</u>		
November *	0.825	0.750
December *	0.780	0.720
<u>2014</u>		
January *	0.845	0.725
February *	0.860	0.750
March *	0.830	0.740
April *	1.220	0.795
May *	1.070	0.960
June *	1.030	0.975
July *	1.150	0.975
August *	1.190	1.020
September *	1.180	1.050
October	1.070	0.795

Note:-

* Ordinary shares of RM1.00 each prior to the Par Value Reduction, which became effective on 25 September 2014

Last transacted market price for our shares on 21 February 2014, being the last Market Day immediately prior to the announcement of, amongst others, the Rights Issue with Warrants on 24 February 2014 was RM0.850.

Last transacted market price for our Shares as at the LPD was RM0.995.

Last transacted market price for our Shares on 27 November 2014, being the last Market Day immediately prior to the ex-rights date for the Rights Issue with Warrants, was RM0.885.

(Source: Bloomberg)

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**APPENDIX III – OUR PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING
ACCOUNTANTS' LETTER**



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**INDEPENDENT ASSURANCE REPORT
ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION
TO THE DIRECTORS OF GLOBAL ORIENTAL BERHAD AND ITS SUBSIDIARY
COMPANIES**

Report on the Compilation of Pro Forma Financial Information

We have completed our assurance engagement to report on the compilation of pro forma financial information of Global Oriental Berhad (“GOB” or “the Company”) and its subsidiary companies (“GOB Group”) as at 31 March 2014 prepared by the Directors of GOB (“Directors”). The pro forma financial information consists of the pro forma consolidated statement of financial position of GOB Group as at 31 March 2014 and related notes as set out in the accompanying attachment and stamped by us for the purpose of identification. The pro forma financial information has been prepared for inclusion in the Abridged Prospectus to be issued by the Company in relation to the renounceable rights issue of 227,338,321 new ordinary shares of RM0.50 each in GOB (“GOB Share(s)” or “Share(s)”) (“Right Share(s)”) together with 113,669,160 free detachable warrants (“Warrant(s)”) for every two (2) Right Shares together with one (1) free Warrant for every two (2) existing Shares held (“Rights Issue With Warrants”).

The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described in Note 2 to the pro forma financial information and specified in Division 5 (Abridged Prospectus), Part I of the Prospectus Guidelines issued by the Securities Commission Malaysia (“SC”).

The pro forma financial information has been compiled by the Directors solely to illustrate the impact of the events as set out in Notes 3 and 4 to the pro forma financial information on GOB Group’s financial position as at 31 March 2014 as if the transactions had been completed on that date. As part of this process, information about GOB Group’s financial position has been extracted by the Directors from GOB Group’s audited consolidated financial statements for the financial year ended 31 March 2014, on which an audit report has been published.

The Directors’ Responsibility for the Pro Forma Financial Information

The Directors are responsible for compiling the pro forma financial information on the basis as described in Note 2 to the pro forma financial information.

**APPENDIX III – OUR PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING
ACCOUNTANTS' LETTER (Cont'd)**

Our Responsibilities

Our responsibility is to express an opinion about whether the pro forma financial information has been properly compiled, in all material respects, by the Directors on the basis as set out in Note 2 of the pro forma financial information.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires that the auditors comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors has compiled, in all material respects, the pro forma financial information on the basis as described in Note 2 to the pro forma financial information.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information is solely to illustrate the impact of a significant event or transaction on the unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for the purpose of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction as at 31 March 2014 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgment, having regard to the our understanding of the nature of GOB Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**APPENDIX III – OUR PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING
ACCOUNTANTS' LETTER (Cont'd)**

Opinion

In our opinion, the pro forma financial information has been properly compiled on the basis stated.

Other Matters

This report is issued for the sole purpose for inclusion in the Abridged Prospectus and should not be used or relied upon for any other purpose. We accept no duty of responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this report in connection with any transaction other than the abovementioned corporate exercise.



**DELOITTE
AF0080
Chartered Accountants**



**KAMARUL BAHARIN BIN TENGKU ZAINAL ABIDIN
Partner – 2903/11/15 (J)
Chartered Accountant**

21 November 2014

**APPENDIX III – OUR PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING
ACCOUNTANTS' LETTER (Cont'd)**

NOTES TO THE PRO FORMA FINANCIAL INFORMATION AS AT 31 MARCH 2014

1. GENERAL

The pro forma financial information consists of the pro forma consolidated statement of financial position of GOB Group as at 31 March 2014.

2. BASIS OF PREPARATION

The pro forma financial information of GOB Group has been prepared for illustration purpose only, to show the effects on the audited consolidated statement of financial position of GOB Group as at 31 March 2014, had the significant subsequent events after 31 March 2014 as in Note 3 and the Rights Issue with Warrants as well as the utilisation of proceeds arising from the Rights Issue with Warrants as described in Note 4 been affected on that date, and should be read in conjunction with the notes thereto.

The pro forma financial information has also been properly prepared using the audited consolidated financial statements of GOB Group for the financial year ended 31 March 2014, prepared in accordance with Financial Reporting Standards in Malaysia, and in a manner consistent with both the format of the consolidated financial statements and the accounting policies adopted by GOB Group.

3. SIGNIFICANT SUBSEQUENT EVENTS AFTER 31 MARCH 2014

The significant subsequent events after 31 March 2014 entail the following:

(a) Par value reduction via the cancellation of RM0.50 of the par value of the Company's existing ordinary shares of RM1.00 each, resulting in the Company's issued and paid-up share capital of RM227,338,321 comprising 227,338,321 ordinary shares of RM1.00 each, being reduced to RM113,669,160 comprising 227,338,321 ordinary shares of RM0.50 each ("Par Value Reduction"). The credit arising from the Par Value Reduction of RM113,669,160 will be credited to the Company's capital reserve account. The Par Value Reduction has been effected on 25 September 2014.

(b) Establishment of an employees' share option scheme of up to fifteen percent (15%) of the issued and paid-up share capital (excluding treasury shares) of the Company ("ESOS").

9,290,000 ESOS options had been accepted by the eligible Directors and employees of GOB Group as granted by the Company on 8 September 2014 at the exercise price of RM1.00 per Share. The pro forma effects as presented in Note 5 did not take into consideration the ESOS options as the said ESOS options are exercisable only after the completion of the Rights Issue with Warrants. Consequently, the ESOS is not expected to have any immediate effect on the issued paid-up capital share of GOB until such time when such ESOS options are exercised.

Whilst the granting and acceptance of the ESOS options is expected to result in a charge to the statements of comprehensive income of GOB Group pursuant to the Financial Reporting Standard 2 on Share-based Payment as issued by the Malaysian Accounting Standard Board ("FRS 2"), the recognition of such FRS 2 charge would not have any material impact on the financial position of GOB Group as the corresponding amount will be classified as an equity reserve which forms part of the shareholders' equity.

**APPENDIX III – OUR PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING
ACCOUNTANTS' LETTER (Cont'd)**

4. CORPORATE PROPOSAL

The corporate proposal entails the following:

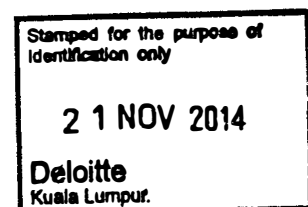
(a) Rights issue with warrants

The Company is undertaking a renounceable rights issue of 227,338,321 new ordinary shares of RM0.50 each in the Company (“Share(s)” or “GOB Shares”) (“Rights Share(s)”) at an issue price of RM0.50 each, together with 113,669,160 free detachable warrants (“Warrant(s)”) on the basis of two (2) Rights Shares together with one (1) free Warrant for every two (2) existing Shares held (“Rights Issue with Warrants”).

(b) Utilisation of proceeds

The proceeds arising from the Rights Issue with Warrants are intended to be utilised in the following manner:

	RM'000
Repayment of borrowings	58,650
Working capital	52,269
Estimated expenses in relation to amongst others, the Rights Issue with Warrants	2,750
	<u>113,669</u>



APPENDIX III – OUR PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER (Cont'd)

5. PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014

	Audited as at 31 March 2014 RM'000	Significant subsequent adjustment RM'000	After significant subsequent event RM'000	Adjustments RM'000	Pro forma I RM'000	Adjustments RM'000	Pro forma II RM'000
ASSETS							
Non-Current Assets							
Property, plant and equipment	17,296	-	17,296	-	17,296	-	17,296
Investment properties	4,600	-	4,600	-	4,600	-	4,600
Other investment	1	-	1	-	1	-	1
Land held for property development	174,846	-	174,846	-	174,846	-	174,846
Deferred tax assets	18,221	-	18,221	-	18,221	-	18,221
Trade receivables	921	-	921	-	921	-	921
Total Non-Current Assets	215,885		215,885		215,885		215,885
Current Assets							
Inventories	12,022	-	12,022	-	12,022	-	12,022
Property development costs	387,339	-	387,339	-	387,339	-	387,339
Accrued billings	33,426	-	33,426	-	33,426	-	33,426
Trade receivables	51,558	-	51,558	-	51,558	-	51,558
Other receivables, deposits and prepayments	81,658	-	81,658	-	81,658	-	81,658
Tax recoverable	135	-	135	-	135	-	135
Short term funds	2,029	-	2,029	-	2,029	-	2,029
Fixed deposits, cash and bank balances	61,354	-	61,354	52,269	113,623	90,936	204,559
Total Current Assets	629,521		629,521		681,790		772,726
TOTAL ASSETS	845,406		845,406		897,675		988,611

(Forward)

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APPENDIX III – OUR PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER (Cont'd)

	Audited as at 31 March 2014 RM'000	Significant subsequent event adjustment RM'000	After significant subsequent event RM'000	Adjustments RM'000	Pro forma I RM'000	Adjustments RM'000	Pro forma II RM'000
EQUITY AND LIABILITIES							
Equity attributable to equity holders of the Company							
Issued capital	227,338	(113,669)	113,669	113,669	227,338	56,835	284,173
Capital reserve	-	113,669	113,669	(22,977)	90,692	20,227	110,919
Warrant reserve	-	-	-	20,227	20,227	(20,227)	-
Share premium	-	-	-	-	-	34,101	34,101
Retained earnings	64,176	-	64,176	-	64,176	-	64,176
Total Equity	291,514		291,514		402,433		493,369
Liabilities							
Non-Current and Deferred Liabilities							
Borrowings – secured	116,387	-	116,387	-	116,387	-	116,387
Deferred tax liabilities	19,760	-	19,760	-	19,760	-	19,760
Trade payables	89,810	-	89,810	-	89,810	-	89,810
Total Non-Current and Deferred Liabilities	225,957		225,957		225,957		225,957

(Forward)

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APPENDIX III – OUR PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER (Cont'd)

	Audited as at 31 March 2014 RM'000	Significant subsequent event adjustment RM'000	After significant subsequent event RM'000	Adjustments RM'000	Pro forma I RM'000	Adjustments RM'000	Pro forma II RM'000
Current Liabilities							
Trade payables	127,660	-	127,660	-	127,660	-	127,660
Other payables and accruals	30,141	-	30,141	-	30,141	-	30,141
Provisions	48,552	-	48,552	-	48,552	-	48,552
Borrowings - secured	105,505	-	105,505	(58,650)	46,855	-	46,855
Tax liabilities	16,077	-	16,077	-	16,077	-	16,077
Total Current Liabilities	327,935		327,935		269,285		269,285
Total Liabilities	553,892		553,892		495,242		495,242
TOTAL EQUITY AND LIABILITIES	845,406		845,406		897,675		988,611
Ratio:							
Number of shares ('000)	227,338		227,338		454,676		568,345
Net assets per share (RM)	1.28		1.28		0.89		0.87
Interest bearing borrowings (RM'000)	221,892		221,892		163,242		163,242
Gearing (times)	0.76		0.76		0.41		0.33

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**APPENDIX III – OUR PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING
ACCOUNTANTS' LETTER (Cont'd)**

5.1 Pro forma adjustments to Pro forma Consolidated Statement of Financial Position

5.1.1 Pro forma I

Pro forma I incorporate adjustments relating to the significant subsequent events after 31 March 2014 and Rights Issue with Warrants as well as the utilisation of gross proceeds arising from the Rights Issue with Warrants as described in Notes 3 and 4 above.

With the issuance of 113,669,160 Warrants pursuant to the Rights Issue with Warrants, the fair value of the Warrants of approximately RM20,227,093 allocated to the warrant reserve account from the capital reserve account is calculated based on the following:

- (i) The issue price of RM0.50 per Rights Share in arriving at the theoretical ex-rights price of GOB Shares ("TERP") of RM0.75, calculated based on the five-day volume weighted average price of GOB Shares up to and including 5 November 2014 (being the last trading day immediately preceding the price-fixing date on 6 November 2014) of RM0.9999, resulting in total fair value of approximately RM170,503,741 for 227,338,321 Rights Shares.
- (ii) Assuming fair value of approximately 32.47 sen per Warrant using the Trinomial pricing model sourced from Bloomberg based on the input date as at 5 November 2014, resulting in total fair value of approximately RM36,908,376 for 113,669,160 Warrants; and
- (iii) Total fair value of Warrants of approximately RM36,908,376 (as per Note 5.1.1 (ii)) in proportion to the total fair value of Warrants and Rights Shares of approximately RM207,412,117 (as per Notes 5.1.1 (i) and (ii)) multiplied by the total proceeds arising from the Rights Issue with Warrants of approximately RM113,669,161.

The estimated expenses in relation to amongst others, the Rights Issue with Warrants amounting to RM2,750,000 are deducted from the capital reserve account.

5.1.2 Pro forma II

Pro forma II incorporate Pro forma I and assuming full exercise of 113,669,160 Warrants at an exercise price of RM0.80 per Warrant giving rise to a share premium of RM34,100,748. The gross proceeds arising from the full exercise of the Warrants will be utilised to finance future working capital requirement. The warrant reserve of RM20,227,093 is transferred to the capital reserve account.

**APPENDIX III – OUR PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING
ACCOUNTANTS' LETTER (Cont'd)**

5.2 Notes to Pro Forma Consolidated Statement of Financial Position

5.2.1 Fixed Deposits, Cash and Bank Balances

	RM'000
As at 31 March 2014	61,354
Arising from Rights Issue with Warrants	113,669
Repayment of borrowings	(58,650)
Payment of estimated expenses	(2,750)
	<hr/>
Pro forma I	113,623
Arising from Full Exercise of Warrants	90,936
	<hr/>
Pro forma II	204,599
	<hr/> <hr/>

5.2.2 Issued Capital

	RM'000
As at 31 March 2014	227,338
Arising from Par Value Reduction	(113,669)
	<hr/>
Effect of Significant Subsequent Event	113,669
Arising from Rights Issue with Warrants	113,669
	<hr/>
Pro forma I	227,338
Arising from Full Exercise of Warrants	56,835
	<hr/>
Pro forma II	284,173
	<hr/> <hr/>

5.2.3 Capital Reserve

	RM'000
As at 31 March 2014	-
Arising from Par Value Reduction	113,669
	<hr/>
Effect of Significant Subsequent Event	113,669
Arising from Rights Issue with Warrants	(20,227)
Estimated expenses	(2,750)
	<hr/>
Pro forma I	90,692
Arising from Full Exercise of Warrants	20,227
	<hr/>
Pro forma II	110,919
	<hr/> <hr/>

**APPENDIX III – OUR PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING
ACCOUNTANTS' LETTER (Cont'd)**

5.2.4 Warrant Reserve

	RM'000
As at 31 March 2014	-
Arising from Rights Issue with Warrants	<u>20,227</u>
Pro forma I	20,227
Arising from Full Exercise of Warrants	<u>(20,227)</u>
Pro forma II	<u>-</u>

5.2.5 Share Premium

	RM'000
As at 31 March 2014	-
Arising from Full Exercise of Warrants	<u>34,101</u>
Pro forma II	<u>34,101</u>

5.2.6 Borrowings - current

	RM'000
As at 31 March 2014	105,505
Repayment of borrowings	<u>(58,650)</u>
Pro forma I/Pro forma II	<u>46,855</u>

**APPENDIX III – OUR PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014 TOGETHER WITH THE REPORTING
ACCOUNTANTS' LETTER (Cont'd)**

APPROVAL BY THE BOARD OF DIRECTORS

Approved and adopted by the Board of Directors of Global Oriental Berhad (“Board”) in accordance with a resolution dated 21 November 2014.

Signed on behalf of the Board,



Othman bin Mohammad
Director

Selangor Darul Ehsan
21 November 2014

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21 NOV 2014

Deloitte
Kuala Lumpur.

**APPENDIX IV – OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE
2014 TOGETHER WITH THE AUDITORS’ REPORT**

Company No. 543867 - T

GLOBAL ORIENTAL BERHAD
(Company No. 543867 - T)
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

**REPORT OF DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**
(In Ringgit Malaysia)

**APPENDIX IV – OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE
2014 TOGETHER WITH THE AUDITORS’ REPORT (Cont’d)**

Company No. 543867 - T

GLOBAL ORIENTAL BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

FINANCIAL STATEMENTS

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APPENDIX IV – OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 2014 TOGETHER WITH THE AUDITORS' REPORT (Cont'd)

Company No. 543867 - T

GLOBAL ORIENTAL BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES
DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2014.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the subsidiary companies are set out in Note 14 to the Financial Statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	The Group RM'000	The Company RM'000
Profit before tax	54,228	46
Income tax expense	(15,188)	(237)
Profit/(Loss) for the financial year	<u>39,040</u>	<u>(191)</u>
Profit attributable to:		
Equity holders of the Company	39,040	
Non-controlling interests	-	
	<u>39,040</u>	

In the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend the payment of any dividend in respect of the current financial year.

APPENDIX IV – OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 2014 TOGETHER WITH THE AUDITORS' REPORT (Cont'd)

Company No. 543867 - T

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the financial year, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to realise their book value in the ordinary course of business had been written down to their estimated realisable values.

At the date of this report, the Directors are not aware of any circumstances:

- (a) which would render the amount of bad debts written off or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

APPENDIX IV – OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 2014 TOGETHER WITH THE AUDITORS' REPORT (Cont'd)

Company No. 543867 - T

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year and secures the liability of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the succeeding financial year.

DIRECTORS

The following Directors served on the Board of the Company since the date of the last report:

Y.A.M. Datuk Seri Tengku Ahmad Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah
Datuk Ahmad Zabri bin Ibrahim
Dato' Hamzah bin Md Rus
Othman bin Mohammad
Wee Beng Aun
Wong Yuk Mou
Ta Wee Dher

In accordance with Article 77 of the Company's Articles of Association, Dato' Hamzah bin Md Rus and Encik Othman bin Mohammad retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Pursuant to Section 129(2) of the Companies Act, 1965, Datuk Ahmad Zabri bin Ibrahim, who is over seventy years of age retires and a resolution will be proposed for his re-appointment as director under the provision of Section 129(6) of the Act to hold office until the conclusion of the following Annual General Meeting of the Company.

APPENDIX IV – OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 2014 TOGETHER WITH THE AUDITORS’ REPORT (Cont’d)

DIRECTORS’ INTERESTS

The shareholdings in the Company and its subsidiary companies of those who were Directors at the end of the financial year as recorded in the Register of Directors’ Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows:

	Number of ordinary shares of RM1.00 each			Balance as of 31.3.2014
	Balance as of 1.4.2013	Bought	Sold	
Shares in the Company				
Indirect interest				
Othman bin Mohammad	27,403,936	-	-	27,403,936

By virtue of his interest in shares through Insan Mayang Sdn. Bhd., Duta Kembang Sdn. Bhd., Perharap Sdn. Bhd. and Temasya Permai Sdn. Bhd., Encik Othman bin Mohammad is deemed to be interested in the shares of the Company and its subsidiary companies to the extent that the Company has an interest by virtue of Section 6A of the Companies Act, 1965.

Other than as stated above, none of the other Directors who held office at the end of the financial year had any interest in the ordinary shares in the Company or its related corporations.

DIRECTORS’ BENEFITS

Since the end of the previous financial year, none of the Directors has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as disclosed in Note 9 to the Financial Statements) by reason of a contract made by the Company or a related company with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for any benefits which may be deemed to have arisen by virtue of those transactions entered into in the ordinary course of business between its subsidiary company and the companies in which certain Directors are deemed to have financial interests as disclosed in Note 21 to the Financial Statements.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

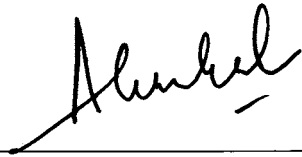
**APPENDIX IV – OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE
2014 TOGETHER WITH THE AUDITORS' REPORT (Cont'd)**

Company No. 543867 - T

AUDITORS

The auditors, Messrs. Deloitte (formerly known as Deloitte KassimChan), have indicated their willingness to continue in office.

Signed on behalf of the Board
in accordance with a resolution of the Directors,



**Y.A.M. DATUK SERI TENGKU AHMAD SHAH
IBNI ALMARHUM SULTAN SALAHUDDIN
ABDUL AZIZ SHAH**



OTHMAN BIN MOHAMMAD

Selangor Darul Ehsan
16 July 2014

APPENDIX IV – OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 2014 TOGETHER WITH THE AUDITORS' REPORT (Cont'd)

Company No. 543867 - T

Deloitte

Deloitte (AF 0080)
Chartered Accountants
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
GLOBAL ORIENTAL BERHAD**
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of **GLOBAL ORIENTAL BERHAD**, which comprise the statements of financial position of the Group and of the Company as of 31 March 2014 and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 86.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

(Forward)

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APPENDIX IV – OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 2014 TOGETHER WITH THE AUDITORS' REPORT (Cont'd)

Company No. 543867 - T

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and the Company as of 31 March 2014 and their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that:

- (a) in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary companies of which we have acted as auditors, have been properly kept in accordance with the provisions of the Act;
- (b) we have considered the accounts and auditors' reports of all the subsidiary companies, of which we have not acted as auditors, which are disclosed in Note 14 to the financial statements;
- (c) we are satisfied that the accounts of the subsidiary companies that have been consolidated in the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group, and we have received satisfactory information and explanations as required by us for these purposes; and
- (d) our auditors' reports on the accounts of the subsidiary companies were not subject to any qualification and did not include any adverse comment made under Section 174(3) of the Act.

(Forward)

APPENDIX IV – OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 2014 TOGETHER WITH THE AUDITORS’ REPORT (Cont’d)

Company No. 543867 - T

Other Reporting Responsibilities


The supplementary information set out in Note 40 to the Financial Statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on 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 (“MIA Guidance”) and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility towards any other person for the contents of this report.



DELOITTE
AF 0080
Chartered Accountants



KAMARUL BAHARIN BIN TENGKU ZAINAL ABIDIN
Partner - 2903/11/15 (J)
Chartered Accountant

16 July 2014

**APPENDIX IV – OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE
2014 TOGETHER WITH THE AUDITORS' REPORT (Cont'd)**

Company No. 543867 - T

GLOBAL ORIENTAL BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

	Note	The Group		The Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue	5	352,102	271,460	1,256	-
Cost of sales	7	(241,082)	(192,361)	-	-
Gross profit		111,020	79,099	1,256	-
Other operating income		6,860	4,432	39	38
Administration and marketing expenses		(61,240)	(37,024)	(1,128)	(683)
Other operating expenses		-	(2,469)	-	-
Finance costs	8	(2,412)	(1,093)	(121)	-
Profit/(Loss) before tax	9	54,228	42,945	46	(645)
Income tax expense	10	(15,188)	(12,450)	(237)	-
Profit/(Loss) for the financial year		39,040	30,495	(191)	(645)
Other comprehensive income for the financial year		-	-	-	-
Total comprehensive income/(loss) for the financial year		39,040	30,495	(191)	(645)
Profit and total comprehensive income for the financial year attributable to:					
Equity holders of the Company		39,040	30,495		
Non-controlling interests		-	-		
		<u>39,040</u>	<u>30,495</u>		
Earnings per ordinary share attributable to equity holders of the Company (sen):					
Basic	11	<u>17.17</u>	<u>13.41</u>		

The accompanying Notes form an integral part of the Financial Statements.

**APPENDIX IV – OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE
2014 TOGETHER WITH THE AUDITORS' REPORT (Cont'd)**

Company No. 543867 - T

GLOBAL ORIENTAL BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

**STATEMENTS OF FINANCIAL POSITION
AS OF 31 MARCH 2014**

	Note	The Group		The Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	12	17,296	18,787	-	-
Investment properties	13	4,600	4,600	-	-
Investment in subsidiary companies	14	-	-	193,128	193,128
Other investment	15	1	1	-	-
Land held for property development	16	174,846	188,902	-	-
Deferred tax assets	17	18,221	14,668	-	-
Trade receivables	20	921	1,474	-	-
Total Non-Current Assets		<u>215,885</u>	<u>228,432</u>	<u>193,128</u>	<u>193,128</u>
Current Assets					
Inventories	18	12,022	13,658	-	-
Property development costs	19	387,339	377,316	-	-
Accrued billings		33,426	22,374	-	-
Trade receivables	20	51,558	55,408	-	-
Other receivables, deposits and prepayments	20	81,658	20,255	50,143	305
Amount owing by subsidiary companies	14	-	-	130,619	136,730
Tax recoverable		135	850	77	-
Short term funds	22	2,029	-	-	-
Fixed deposits, cash and bank balances	23	61,354	39,972	1,317	1,232
		629,521	529,833	182,156	138,267
Asset held for sale	24	-	1,476	-	-
Total Current Assets		<u>629,521</u>	<u>531,309</u>	<u>182,156</u>	<u>138,267</u>
TOTAL ASSETS		<u><u>845,406</u></u>	<u><u>759,741</u></u>	<u><u>375,284</u></u>	<u><u>331,395</u></u>

(Forward)

**APPENDIX IV – OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE
2014 TOGETHER WITH THE AUDITORS’ REPORT (Cont’d)**

Company No. 543867 - T

	Note	The Group		The Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Issued capital	25	227,338	227,338	227,338	227,338
Reserves	26	64,176	25,136	35,381	35,572
Total Equity		<u>291,514</u>	<u>252,474</u>	<u>262,719</u>	<u>262,910</u>
Liabilities					
Non-Current and Deferred Liabilities					
Borrowings - secured	27	116,387	44,694	40,000	-
Deferred tax liabilities	17	19,760	21,177	-	-
Trade payables	31	89,810	130,954	-	-
Total Non-Current and Deferred Liabilities		<u>225,957</u>	<u>196,825</u>	<u>40,000</u>	<u>-</u>
Current Liabilities					
Progress billings		-	82,581	-	-
Trade payables	31	127,660	116,755	-	-
Other payables and accruals	31	30,141	56,355	419	280
Amount owing to subsidiary companies	14	-	-	47,146	43,205
Provisions	32	48,552	21,946	-	-
Borrowings - secured	27	105,505	26,320	25,000	25,000
Tax liabilities		16,077	6,485	-	-
Total Current Liabilities		<u>327,935</u>	<u>310,442</u>	<u>72,565</u>	<u>68,485</u>
Total Liabilities		<u>553,892</u>	<u>507,267</u>	<u>112,565</u>	<u>68,485</u>
TOTAL EQUITY AND LIABILITIES		<u>845,406</u>	<u>759,741</u>	<u>375,284</u>	<u>331,395</u>

The accompanying Notes form an integral part of the Financial Statements.

APPENDIX IV – OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 2014 TOGETHER WITH THE AUDITORS' REPORT (Cont'd)

Company No. 543867 - T

GLOBAL ORIENTAL BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Attributable to the equity holders of the Company		
	Issued capital	Distributable reserve - (Accumulated losses)/	Total
The Group	RM'000	Retained earnings	RM'000
Balance as of 1 April 2012	227,338	(5,359)	221,979
Total comprehensive income for the financial year	-	30,495	30,495
Balance as of 31 March 2013	<u>227,338</u>	<u>25,136</u>	<u>252,474</u>
Balance as of 1 April 2013	227,338	25,136	252,474
Total comprehensive income for the financial year	-	39,040	39,040
Balance as of 31 March 2014	<u>227,338</u>	<u>64,176</u>	<u>291,514</u>
The Company	Issued capital	Distributable reserve -	Total
	RM'000	Retained earnings	RM'000
Balance as of 1 April 2012	227,338	36,217	263,555
Total comprehensive loss for the financial year	-	(645)	(645)
Balance as of 31 March 2013	<u>227,338</u>	<u>35,572</u>	<u>262,910</u>
Balance as of 1 April 2013	227,338	35,572	262,910
Total comprehensive loss for the financial year	-	(191)	(191)
Balance as of 31 March 2014	<u>227,338</u>	<u>35,381</u>	<u>262,719</u>

The accompanying Notes form an integral part of the Financial Statements.

**APPENDIX IV – OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE
2014 TOGETHER WITH THE AUDITORS' REPORT (Cont'd)**

Company No. 543867 - T

GLOBAL ORIENTAL BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
Profit/(Loss) for the financial year	39,040	30,495	(191)	(645)
Adjustments for:				
(Reversal of)/Provision for				
liquidated and ascertained damages	(136)	343	-	-
Interest expense	2,412	1,093	121	-
Income tax expense recognised in profit or loss	15,188	12,450	237	-
Provision for sales incentives	4,200	1,932	-	-
Provision for bumiputra quota penalties	1,322	151	-	-
Property, plant and equipment written off	116	1	-	-
Dividend income	-	-	(1,256)	-
Depreciation of property, plant and equipment	2,998	1,647	-	-
Interest income	(2,093)	(1,349)	(39)	(38)
Gain on disposal of assets held for sale	(524)	(650)	-	-
Increase in fair value adjustments of investment properties	-	(350)	-	-
Interest income imputed on interest free financial asset - long term receivables	(89)	(21)	-	-
Bad debts written off	2	-	-	-
Allowance for doubtful debts - net	180	120	-	-
Loss/(Gain) on disposal of property, plant and equipment	1,262	(30)	-	-
Operating Profit/(Loss) Before Working Capital Changes	63,878	45,832	(1,128)	(683)

(Forward)

The accompanying Notes form an integral part of the Financial Statements.

APPENDIX IV – OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 2014 TOGETHER WITH THE AUDITORS’ REPORT (Cont’d)

Company No. 543867 - T

	The Group		The Company	
	2014	2013	2014	2013
	RM’000	RM’000	RM’000	RM’000
Decrease/(Increase) in:				
Land held for property development	14,056	(3,848)	-	-
Inventories	1,636	3,250	-	-
Property development costs	24,874	441	-	-
Accrued billings	(11,052)	(5,755)	-	-
Trade and other receivables, deposits and prepayments	(6,758)	(14,610)	6,274	833
(Decrease)/Increase in:				
Progress billings	(82,581)	555	-	-
Trade and other payables	(56,908)	(2,782)	4,079	(5)
Cash Generated (Used In)/ From Operations	(52,855)	23,083	9,225	145
Tax (paid)/refund	(9,851)	(10,075)	-	62
Dividend received from a subsidiary company (net of tax)	-	-	942	-
Interest received	2,093	1,349	39	38
Interest paid	(11,591)	(4,870)	(121)	-
Liquidated and ascertained damages paid	(2,237)	(5,141)	-	-
Sales incentives paid	(1,320)	(3,988)	-	-
Bumiputra quota penalties paid	(821)	(715)	-	-
Net Cash (Used In)/From Operating Activities	(76,582)	(357)	10,085	245
CASH FLOWS USED IN INVESTING ACTIVITIES				
Proceeds from disposal of property, plant and equipment	2,042	30	-	-
Proceeds from disposal of assets held for sale	2,000	2,967	-	-
Subscription of an additional issued share capital of a subsidiary company	-	-	-	(546)
Acquisition of subsidiary companies	-	-	**-	**-
Deposit for acquisition of a subsidiary company	(50,000)	-	(50,000)	-
Additions to property, plant and equipment*	(4,852)	(17,563)	-	-
Placement of short term funds	(2,029)	-	-	-
Placement of fixed deposits	(325)	(2,176)	(39)	(38)
Net Cash Used In Investing Activities	(53,164)	(16,742)	(50,039)	(584)

APPENDIX IV – OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 2014 TOGETHER WITH THE AUDITORS' REPORT (Cont'd)

Company No. 543867 - T

	Note	The Group		The Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Drawdown of bank borrowings		178,430	54,893	40,000	-
Repayment of bank borrowings		(26,888)	(26,943)	-	-
Repayment of hire-purchase creditors		(416)	(383)	-	-
Net Cash From Financing Activities		151,126	27,567	40,000	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS					
		21,380	10,468	46	(339)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR					
		32,399	21,931	36	375
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR					
	33	53,779	32,399	82	36

*Additions to property, plant and equipment consist of the following:

	The Group	
	2014 RM'000	2013 RM'000
Payment by cash	4,852	17,563
Financed by hire-purchase	75	574
Total (Note 12)	4,927	18,137

** The Company acquired subsidiary companies for a cash consideration of RM9 (2013: RM2) as disclosed in Note 14.

The accompanying Notes form an integral part of the Financial Statements.

APPENDIX IV – OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 2014 TOGETHER WITH THE AUDITORS’ REPORT (Cont’d)

Company No. 543867 - T

GLOBAL ORIENTAL BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The Company is an investment holding company. The principal activities of the subsidiary companies are set out in Note 14. There have been no significant changes in the nature of these activities during the financial year.

The registered office and principal place of business of the Company are both located at No. 1, Jalan Putra Permai 1A, Taman Equine, 43300 Seri Kembangan, Selangor Darul Ehsan.

The financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency. All information presented in RM has been rounded to the nearest thousand (RM’000), unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 16 July 2014.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards (“FRSs”), the applicable approved accounting standards in Malaysia issued by the Malaysian Accounting Standards Board (“MASB”).

Malaysian Financial Reporting Standard (“MFRS Framework”)

On 19 November 2011, the Malaysian Accounting Standards Board (“MASB”) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards 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.

Transitioning Entities, 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, which allowed these entities an option to continue with the FRS Framework. Following the announcement by the MASB on 7 August 2013, the transitional period for Transitioning Entities was extended for an additional year.

APPENDIX IV – OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 2014 TOGETHER WITH THE AUDITORS’ REPORT (Cont’d)

Company No. 543867 - T

The Group falls within the scope definition of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare its first set of MFRS financial statements for the year ending 31 March 2016 when the MFRS Framework is mandated by MASB.

The Group is currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. At the date of authorisation for issue of these financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adopting the new MFRS Framework on the Group’s first set of financial statements prepared in accordance with the MFRS Framework cannot be determined and estimated reliably until the process is complete.

Adoption of New and Revised Financial Reporting Standards

In the current financial year, the Group and the Company adopted all the new and revised FRS and Issues Committee Interpretations (“IC Interpretations”) and amendments to FRSs and IC Interpretation issued by MASB that are relevant to their operations and effective for annual financial periods beginning on or after 1 April 2013.

FRS 7	Financial Instruments: Disclosures (Amendments relating to Disclosures - Offsetting Financial Assets and Financial Liabilities)
FRS 10	Consolidated Financial Statements
FRS 10	Consolidated Financial Statements (Amendments relating to Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance)
FRS 12	Disclosures of Interests in Other Entities
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)
FRS 13	Fair Value Measurement
FRS 101	Presentation of Financial Statements (Amendments relating to Presentation of Items of Other Comprehensive Income)
FRS 119	Employee Benefits (IAS 19 as amended by IASB in June 2011)
FRS 127	Separate Financial Statements (IAS 27 as amended by IASB in May 2011)
FRS 128	Investment in Associates and Joint Ventures (IAS 28 as amended by IASB in May 2011)
	Annual Improvements to FRSs 2009 - 2011 cycle

The adoption of these new and revised FRSs and IC Interpretations did not result in significant changes in the accounting policies of the Group and of the Company and has no significant effect on the financial performance or position of the Group and of the Company.

APPENDIX IV – OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 2014 TOGETHER WITH THE AUDITORS’ REPORT (Cont’d)

Company No. 543867 - T

FRSs and IC Interpretations in Issue But Not Yet Effective

At the date of authorisation for issue of these financial statements, the new and revised Standards and IC Interpretations which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below.

FRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009) ¹
FRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010) ¹
FRS 9	Financial Instruments (Hedge Accounting and amendments to FRS 9, FRS 7 and FRS 139) ¹
FRS 10	Consolidated Financial Statements (Amendments relating to Investment Entities) ²
FRS 12	Disclosures of Interests in Other Entities (Amendments relating to Investment Entities) ²
FRS 119	Employee Benefits (Amendments relating to Defined Benefit Plans: Employee Contributions) ³
FRS 127	Separate Financial Statements (2011) (Amendments relating to Investment Entities) ²
FRS 132	Financial Instruments: Presentation (Amendments relating to Offsetting Financial Assets and Financial Liabilities) ²
FRS 136	Impairment of Assets (Amendments relating to Recoverable Amounts Disclosures for Non-Financial Assets) ²
FRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to Novation of Derivatives and Continuation of Hedge Accounting) ²
IC Interpretation 21	Levies ²
	Amendments to FRS contained in the document entitled Annual Improvements to FRSs 2010 - 2012 Cycle ³
	Amendments to FRS contained in the document entitled Annual Improvements to FRSs 2011 - 2013 Cycle ³

¹ The mandatory effective date of FRS 9 (IFRS 9 issued by IASB in November 2009 and October 2010 respectively) which was for annual period beginning on or after 1 January 2015 has been removed with the issuance of FRS 9 Financial Instruments: Hedge Accounting and amendments to FRS 9, FRS 7 and FRS 139. The effective date of FRS 9 will be decided when IASB’s IFRS 9 project is closer to completion. However, each version of the FRS 9 is available for early adoption

² Effective for annual periods beginning on or after 1 January 2014

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

The Directors anticipate that the abovementioned Standards and IC Interpretations will be adopted in the annual financial statements of the Group and of the Company when they become effective and that the adoption of these Standards and IC Interpretations will have no material impact on the financial statements of the Group and of the Company in the period of initial application.

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3. SIGNIFICANT ACCOUNTING POLICIES**Basis of Accounting**

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the accounting policies stated below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 2, leasing transactions that are within the scope of FRS 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 102 or value in use in FRS 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Subsidiary Companies and Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiary companies. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of subsidiary companies begins when the Company obtains control over the subsidiary companies and ceases when the Company loses control of the subsidiary companies. Specifically, income and expenses of a subsidiary company acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary companies.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiary companies are identified separately from the Group's equity therein. The interests of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiary companies that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary companies. Any difference between the amount by which the non-controlling interests are adjusted at the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

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Where the Group loses control of subsidiary companies, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary companies and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary companies are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary companies at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 139 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business Combinations

Acquisitions of subsidiary companies and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant FRSs. Changes in the fair value of contingent consideration classified as equity are not recognised.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 3 (revised) are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 112 *Income Taxes* and FRS 119 *Employee Benefits* respectively;

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- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with FRS 2 *Share-based Payment*; and
- assets (or disposal groups) that are classified as held for sale in accordance with FRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

Revenue

Revenue is measured at the fair value of the consideration received or receivable net of discounts and rebates.

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be reliably measured and specific recognition criteria have been met for each of the Group's activities as follows:

- (a) Revenue from sale of property development projects and sale of completed property units

Property development revenue is recognised in respect of all development units that have been sold. Revenue from sale of property development projects is recognised based on stage of completion. The stage of completion is based on the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Revenue from the sale of completed property unit is measured at the fair value of the consideration received or receivable and is recognised when the entity has transferred the significant risks and rewards of ownership of the unit, and when it is probable that the economic benefits associated with the transaction will flow to the entity and the amount of revenue can be measured reliably.

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(b) Revenue from construction contracts

Revenue relating to construction contracts is recognised based on the percentage of completion of the contract as measured by the proportion of construction costs incurred for work performed to-date to the estimated total contract costs where the outcome of the contracts can be reliably estimated.

(c) Rental income from investment properties

Rental income is accounted for on a straight line basis over the lease terms on ongoing leases. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight line basis.

(d) Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition.

(e) Revenue from sale of food and beverage

Sale of food and beverage is recognised when food and beverage is served, net of service tax.

(f) Revenue from sale of goods

Revenue from sale of goods is recognised upon delivery of products and when the risks and rewards of ownership have passed to customers. Sales represent gross invoice value of goods sold less discounts and returns.

(g) Rental income

Rental income is accrued on a time apportion basis, by reference to the agreements entered.

(h) Dividend income

Dividend income is recognised when the right to receive payment is established.

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Employee Benefits

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, bonuses and non-monetary benefits are recognised as an expense in the year when employees have rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Bonuses are recognised an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(b) Defined contribution plans

The Group and subsidiary companies incorporated in Malaysia make contributions to a statutory provident fund and recognise the contribution payable:

(i) after deducting contributions already paid as liability; and

(ii) as an expense in the financial year in which the employees render their services.

Income Tax

Income tax on the profit or loss for the financial year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax is accounted for using the “liability” method in respect of temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of the financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

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Deferred tax is measured at tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the end of the reporting period. Deferred tax is recognised in profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Property, Plant and Equipment and Depreciation

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the item and restoring the site on which it is located for which the Group is obligated to incur when the item is acquired.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item and which have different useful lives, are depreciated separately.

After initial recognition, property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation on other property, plant and equipment is calculated to write off the cost of the assets to its residual values on a straight line basis over their estimated useful lives. The principal depreciation periods and rates are as follows:

Buildings	50 years
Computers and software	33⅓%
Furniture, fittings and equipment	10%
Motor vehicles	20%
Kitchen equipment, bar equipment and utensils	10%
Renovation	11% - 15%

At the end of each reporting period, the carrying amount of any item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

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The residual values, useful lives and depreciation method are reviewed at the end of each reporting period end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss and the revaluation surplus related to those assets, if any, is transferred directly to retained earnings.

Property, Plant and Equipment Acquired Under Hire-Purchase Arrangements

Property, plant and equipment acquired under hire-purchase arrangements are capitalised as property, plant and equipment and the corresponding obligations recorded as liabilities in the financial statements. The capital element of the lease instalments is applied to reduce the outstanding obligations whereas the interest element is charged against profit or loss so as to give a constant periodic rate of charge on the remaining balance outstanding at the end of each reporting period.

Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value.

Fair values of investment properties are arrived at by reference to market evidence of transaction prices for similar properties. It is performed by registered independent valuers with appropriate recognised professional qualification and has recent experience in the location and category of the investment properties being valued.

Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The gains or losses arising from the retirement or disposal of investment properties are determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset.

Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

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Impairment of Non-Financial Assets

At the end of each reporting period, the Group reviews the carrying amounts of their non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit (“CGU”) to which the asset belongs.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

An asset’s recoverable amount is the higher of an asset’s or CGU’s fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset, other than goodwill, is reversed if, and only if, there has been a change in the estimates used to determine the asset’s or CGU’s recoverable amount since the last impairment loss was recognised. The carrying amount of an asset, other than goodwill, is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset, other than goodwill, is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

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Investment in Subsidiary Companies

An investment in a subsidiary company, which is eliminated on consolidation, is stated in the Company’s separate financial statements at cost less impairment losses, if any.

On disposal of such an investment, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

Property Development Activities

(a) Land held for property development

Land held for property development, stated at cost less accumulated impairment losses, if any, is classified as non-current assets when no development work has been carried out or where development activities are not expected to be completed within the normal operating cycle.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(b) Property development costs

Property development costs comprise all cost that are directly attributable to the development activities or that can be allocated on a reasonable basis to such activities. They comprise the cost of land under development, construction costs and other related development costs common to the whole project including administrative overheads and borrowing costs.

Development properties on which development activities have commenced or where it can be demonstrated that the development activities can be completed within the normal operating cycle are classified as current assets.

Property development revenue is recognised in respect of all development units that have been sold. Revenue recognition commences when the sale of the development unit is effected, upon the commencement of development and construction activities and when the financial outcome can be reliably estimated. The attributable portion of property development costs is recognised as an expense in the period in which the related revenue is recognised. The amount of such revenue and expenses recognised is determined by reference to the stage of completion of development activity at the end of the reporting period. The stage of completion is measured by reference to the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

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When the financial outcome of the development activity can be estimated reliably, property development revenue and expenses are recognised by using the stage of completion method. The stage of completion is measured by reference to the proportion that property development costs incurred bear to the estimated total costs for the property development.

When the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that are probable of recovery.

Any expected loss on development project is recognised as an expense immediately, including costs to be incurred over the defect liability period.

Property development costs not recognised as an expense are recognised as an asset and are stated at the lower of cost and net realisable value.

Where revenue recognised in the profit or loss exceeds billings to purchasers, the balance is shown as accrued billings under trade and other receivables (within current assets). Where billings to purchasers exceed revenue recognised in profit or loss, the balance is shown as progress billings under payables (within current liabilities).

Construction Contracts

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customers.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are probable of recovery. Contract costs are recognised as expenses in the year in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss are recognised as an expense immediately as a provision for foreseeable loss.

Amount due from contract customers represents the excess of cost incurred to date and portion of profit or loss attributable to work performed to date over progress billings while amount due to contract customers represents the excess of progress billings over costs incurred to date and portion of profit or loss attributable to work performed to date.

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Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get them ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The amount of borrowing costs eligible for capitalisation is determined based on actual interest incurred on borrowings made specifically for the purpose of obtaining a qualifying asset and less any investment income on the temporary investment of that borrowing.

All other borrowing costs are recognised as finance costs in profit or loss in the financial year in which they are incurred.

Inventories

Inventories mainly consist of completed development properties, trading merchandise, raw materials, packing materials, food, beverages and consumables, which are stated at the lower of cost and net realisable value.

The cost of completed development properties comprises cost of land and relevant development expenditure.

Costs of trading merchandise, packing materials, food, beverages and consumables comprise the original purchase price plus cost incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs to completion and the estimated costs necessary to make the sale.

Non-Current Assets Held for Sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable.

The sale is expected to qualify for recognition as a completed sale within one (1) year from the date of classification. However, an extension of the period required to complete the sale does not preclude the assets (or disposal groups) from being classified as held for sale if the delay is caused by events or circumstances beyond the control of the Group and there is sufficient evidence that the Group remains committed to its plan to sell the assets (or disposal groups).

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Immediately before the initial classification as held for sale, the carrying amounts of the non-current assets (or all the assets and liabilities in a disposal group) are measured in accordance with applicable FRSS. On initial classification as held for sale, non-current assets or disposal groups (other than investment properties, deferred tax assets, employee benefits assets, and financial assets carried at fair value) are measured at the lower of carrying amount before the initial classification as held for sale and fair value less costs to sell. The differences, if any, are recognised in profit or loss as impairment loss.

Non-current assets held for sale are classified separately on the face of the statement of financial position and are stated at the lower of carrying amount immediately before initial classification and fair value less costs to sell and are not depreciated. Any cumulative income or expense recognised directly in equity relating to the non-current asset classified as held for sale is presented separately.

If the Group has classified an asset as held for sale but subsequently the criteria for classification is no longer met, the Group ceases to classify the asset as held for sale. The Group measures a non-current asset that ceases to be classified as held for sale (or ceases to be included in a disposal group classified as held for sale) at the lower of:

- (a) its carrying amount before the asset was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset not been classified as held for sale; and
- (b) its recoverable amount at the date of the subsequent decision not to sell.

Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the effect of the time value of money is material, the amount of a provision will be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision will be reversed.

Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

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Provision for liquidated and ascertained damages in respect of projects undertaken by certain subsidiary companies is recognised based on the estimated claim in reference to the applicable sale and purchase agreements.

Provision for bumiputra quota penalties on non-compliance of bumiputra quotas is recognised based on estimated penalties imposed by local authorities.

Financial Instruments

Financial instruments are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments.

(a) Financial Assets

Where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, such financial assets are recognised and organised on trade date.

Financial instruments are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets ‘at fair value through profit or loss’ (“FVTPL”), ‘held-to-maturity’ investments, ‘available-for-sale’ (“AFS”) financial assets and ‘loans and receivables’. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

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(i) AFS Financial Assets

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investment or financial assets at FVTPL. All AFS assets are measured at fair value at the end of the reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of the reporting period.

Dividends on AFS equity instruments are recognised in profit or loss when the Group’s right to receive the dividends is established.

(ii) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

(iii) Impairment of Financial Assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investments have been affected.

For equity investments classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group’s past experience of collecting payments and an increase in the number of delayed payments in the portfolio past the average credit period.

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For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the financial asset’s original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

(iv) **Derecognition of Financial Assets**

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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(b) Equity Instruments and Financial Liabilities issued by the Group

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

(i) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

(ii) Financial Liabilities

Financial liabilities of the Group, including borrowings are initially measured at fair value, net of transaction costs. It is subsequently measured at amortised cost using the effective interest method, with the interest expense recognised on an effective yield basis.

Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period to the net carrying amount on initial recognition.

(iii) Derecognition of Financial Liabilities

The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or they expire.

Statements of Cash Flows

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows.

Cash and cash equivalents, which comprise deposits with licensed banks and other financial institutions, cash on hand and at bank, and bank overdrafts, are short-term, highly liquid investments and are readily convertible to cash with insignificant risks of changes in value.

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Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that are related to transactions with any of the Group’s other components. An operating segment’s operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Contingent Liabilities

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstance where there is a liability that cannot be recognised because it cannot be measured reliably.

In the acquisition of subsidiary companies by the Group under a business combination, the contingent liabilities assumed are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements made in applying accounting policies

The following are judgements made by management in the process of applying the Group’s accounting policies that have the most significant effect on the amounts recognised in the financial statements.

(a) Classification between investment properties and land held for property development

The Group has developed certain criteria based on FRS 140 Investment Property in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

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Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

(b) Contingent liabilities

The determination of treatment of contingent liabilities is based on management’s view of the expected outcome of the contingencies for matters in the ordinary course of the business.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are discussed below:

(i) Impairment on land held for property development

The Group determines whether land held for property development is impaired based on an estimation of the value-in-use of the subsidiary companies to which land held for property development is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the existing and future projects of the subsidiary companies and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(ii) Property development

The Group recognises revenue and expenses from property development in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is exercised in determining the stage of completion, the extent of recovery of the property development costs incurred, the total estimated property development revenue and property development costs. The Group’s judgement is based on past experience and by reference to work performed by specialists.

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(iii) **Revenue from construction contracts**

Note 3 describe the revenue recognition and the use of percentage of completion method for construction contracts. The percentage of completion method requires the Group to make reasonably dependable estimates of progress towards completion of contracts and contract costs. If the Group was unable to make reasonably dependable judgements, the Group would not recognise any profit before a contract is completed, but would recognise a loss as soon as the loss becomes evident.

(iv) **Deferred tax assets**

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(v) **Income taxes**

Judgement is required in determining the capital allowances and deductibility of certain expenses when estimating the provision for income taxes. There were transactions during the ordinary course of business for which the ultimate tax determination of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax in the period in which the outcome is known.

(vi) **Allowance for doubtful debts**

The policy for allowance for doubtful debts of the Group is based on the evaluation of collectability and on management’s estimate. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of the customer. If the financial conditions of the customer which the Group deal with were to deteriorate, resulting in an impairment of its ability to make payments, additional allowance may be required.

(vii) **Valuation of investment properties**

Fair values for investment property are arrived at by reference to market evidence of transaction prices for similar properties, performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

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(viii) Provision for liquidated and ascertained damages

Provision for liquidated and ascertained damages (“LAD”) is in respect of projects undertaken by the Group and is recognised for expected LAD claims based on the terms of the applicable sale and purchase agreements. Significant judgement is required in determining the amount of provision for LAD to be made. The Group evaluates the amount of provision required based on past experience and the industry norm. As of 31 March 2014, the amount of provisions made for LAD is disclosed in Note 32.

(ix) Provision for bumiputra quota penalties

Provision for bumiputra quota penalties is in respect of projects undertaken by the Group and is recognised for expected bumiputra quota penalties claims based on estimated penalties imposed by local authorities. Significant judgement is required in determining the amount of provision for bumiputra quota penalties to be made. The Group evaluate the amount of provision required based on past experience and the industry norm. As of 31 March 2014, the amount of provision made for bumiputra quota penalties is disclosed in Note 32.

5. REVENUE

	The Group		The Company	
	2014	2013	2014	2013
	RM’000	RM’000	RM’000	RM’000
Property development revenue	326,137	250,518	-	-
Sale of completed units	6,426	16,331	-	-
Food and beverage and others	19,539	4,611	-	-
Dividend from a subsidiary company	-	-	1,256	-
	<u>352,102</u>	<u>271,460</u>	<u>1,256</u>	<u>-</u>

6. SEGMENT REPORTING**(a) Reporting format**

Segment information is presented in respect of the Group’s business segments, which reflect the Group’s internal reporting structure that are regularly reviewed by the Group’s chief operating decision maker for the purposes of allocating resources to the segment and assessing its performance.

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(b) Reportable segments

The accounting policies of the reportable segments are the same as the Group’s accounting policies as described in Note 3.

For management purposes, the Group is organised into the following operating divisions:

Property development	: Development of residential and commercial properties, and sale of development land
Construction	: Construction of property development projects and other similar construction activities
Investment holding	: Investment holding
Others	: Restaurant operator, retail space leasing and retail businesses

(c) Allocation basis and inter-segment pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Inter-segment prices between reportable segments are based on similar terms as those available to external parties. Segment revenue, expenses and results include transfer between reportable segments. These inter-segment transactions are eliminated on consolidation.

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Information regarding the Group's reportable segments is presented below:

The Group 2014	Property development RM'000	Construction RM'000	Investment holding RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue						
External sales	332,563	-	-	19,539	-	352,102
Inter-segment sales	-	103,266	-	-	(103,266)	-
	<u>332,563</u>	<u>103,266</u>	<u>-</u>	<u>19,539</u>	<u>(103,266)</u>	<u>352,102</u>
Results						
Segment results	101,694	6,954	(1,791)	(9,542)	(42,768)	54,547
Interest income	1,980	74	39	-	-	2,093
Unallocated expenses: - finance costs						(2,412)
Profit before tax						54,228
Income tax expense						(15,188)
Profit for the financial year						<u>39,040</u>

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The Group 2014	Property development RM'000	Construction RM'000	Investment holding RM'000	Others RM'000	Elimination RM'000	Total RM'000
Other information						
Segment assets	757,021	58,291	51,987	25,838	(47,731)	<u>845,406</u>
Segment liabilities	459,673	69,071	65,610	7,269	(47,731)	<u>553,892</u>
Capital expenditure (Note 12) Property, plant and equipment written off	54	15	214	4,644	-	4,927
Depreciation of property, plant and equipment (Note 12)	2	-	-	114	-	116
Non-cash expenses other than depreciation	336	487	25	2,150	-	2,998
(Forward)	5,515	-	-	1,556	(40)	7,031

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The Group 2013	Property development RM'000	Construction RM'000	Investment holding RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue						
External sales	266,849	-	-	4,611	-	271,460
Inter-segment sales	-	79,962	-	-	(79,962)	-
	<u>266,849</u>	<u>79,962</u>	<u>-</u>	<u>4,611</u>	<u>(79,962)</u>	<u>271,460</u>
Results						
Segment results	59,363	(81)	(1,127)	(5,854)	(9,612)	42,689
Interest income	1,284	27	38	-	-	1,349
Unallocated expenses: - finance costs						(1,093)
Profit before tax						42,945
Income tax expense						(12,450)
Profit for the financial year						<u>30,495</u>

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The Group 2013	Property development RM'000	Construction RM'000	Investment holding RM'000	Others RM'000	Elimination RM'000	Total RM'000
Other information						
Segment assets	724,597	54,757	1,806	20,124	(43,019)	758,265
Asset held for sale						1,476
Total assets						759,741
Segment liabilities	455,507	59,140	25,503	10,136	(43,019)	507,267
Capital expenditure (Note 12)	207	651	-	17,279	-	18,137
Property, plant and equipment written off	1	-	-	-	-	1
Depreciation of property, plant and equipment (Note 12)	485	422	-	740	-	1,647
Non-cash expenses other than depreciation	1,185	37	-	-	(37)	1,185

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7. COST OF SALES

	The Group	
	2014	2013
	RM’000	RM’000
Property development costs	229,440	182,120
Cost of completed units sold	2,467	7,950
Food and beverage and others	9,175	2,291
	<u>241,082</u>	<u>192,361</u>

8. FINANCE COSTS

The finance costs of the Group and the Company are made up of the following:

	The Group		The Company	
	2014	2013	2014	2013
	RM’000	RM’000	RM’000	RM’000
Interest expense on:				
- bank loans	11,443	4,693	121	-
- interest imputed on interest free financial liability - retention sums	119	36	-	-
- interest imputed on interest free financial liability - landowner’s entitlement	1,846	19,623	-	-
- bank overdrafts	69	113	-	-
- hire-purchase	80	86	-	-
	<u>13,557</u>	<u>24,551</u>	<u>121</u>	<u>-</u>
Less: Finance charges capitalised on property development costs:				
- interest imputed on interest free financial liability (Note 19)	(1,846)	(19,623)	-	-
- interest expense capitalised in property development costs (Note 19)	(9,299)	(3,835)	-	-
	<u>2,412</u>	<u>1,093</u>	<u>121</u>	<u>-</u>

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9. PROFIT/(LOSS) BEFORE TAX

Profit/(Loss) before tax is arrived at:

		The Group		The Company	
		2014	2013	2014	2013
	Note	RM’000	RM’000	RM’000	RM’000
After charging:					
Auditors’ fee:					
Statutory:					
- current year		320	276	85	70
Others		5	5	5	5
Allowance for doubtful debts:					
- trade		180	-	-	-
- non-trade		-	123	-	-
Depreciation of property, plant and equipment	12	2,998	1,647	-	-
Directors’ remuneration:					
Fees:					
- payable by the Company		204	204	204	204
Other emoluments:					
- payable by the Company		43	41	43	41
- payable by the subsidiary companies		1,282	1,102	-	-
Loss on disposal of property, plant and equipment		1,262	-	-	-
Provision for liquidated and ascertained damages	32	-	343	-	-
Provision for bumiputra quota penalties		1,322	151	-	-
Provision for sales incentives		4,200	1,932	-	-
Rental of premises		3,198	1,438	-	-
Rental of equipment		133	79	-	-
Pre-operating expenses		2	1,069	-	-
Property, plant and equipment written off		116	1	-	-
Staff costs*		17,812	10,269	-	-
Bad debts written off		2	-	-	-

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	Note	The Group		The Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
And crediting:					
Reversal of provision for liquidated and ascertained damages	32	136	-	-	-
Interest income imputed on interest free financial asset - long-term receivables		89	21	-	-
Gain on disposal of property, plant and equipment		-	30	-	-
Gain on disposal of asset held for sale		524	-	-	-
Interest income from:					
- late payment by purchasers		603	540	-	-
- fixed deposits		598	403	39	38
- others		892	406	-	-
Allowance for doubtful debts no longer required		-	3	-	-
Rental income		373	367	-	-
Realised foreign exchange gain		42	-	-	-
Increase in fair value of investment properties	13	-	350	-	-

* Staff costs comprise:

	The Group	
	2014 RM'000	2013 RM'000
Salaries and wages	14,176	8,969
EPF and SOCSO contributions	1,624	911
Others	2,012	389
	<u>17,812</u>	<u>10,269</u>

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The remuneration of key management personnel (including Directors of the Company) for the financial year was as follows:

	The Group		The Company	
	2014	2013	2014	2013
	RM’000	RM’000	RM’000	RM’000
Short term employee benefits	2,233	2,875	247	245
Contributions to defined contribution plans	245	322	-	-
Benefits-in-kind	85	149	-	-
	<u>2,563</u>	<u>3,346</u>	<u>247</u>	<u>245</u>

10. INCOME TAX EXPENSE

	The Group		The Company	
	2014	2013	2014	2013
	RM’000	RM’000	RM’000	RM’000
Estimated tax payable:				
- current year	22,713	12,012	237	-
- (over)/underprovision in prior years	(2,555)	624	-	-
	<u>20,158</u>	<u>12,636</u>	<u>237</u>	<u>-</u>
Deferred tax (Note 17):				
- relating to origination and reversal of temporary differences	(5,442)	527	-	-
- over/(under)provision in prior years	472	(713)	-	-
	<u>(4,970)</u>	<u>(186)</u>	<u>-</u>	<u>-</u>
	<u>15,188</u>	<u>12,450</u>	<u>237</u>	<u>-</u>

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The numerical reconciliations of income tax expense applicable to profit/(loss) before tax at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	The Group		The Company	
	2014	2013	2014	2013
	RM’000	RM’000	RM’000	RM’000
Profit/(Loss) before tax	<u>54,228</u>	<u>42,945</u>	<u>46</u>	<u>(645)</u>
Tax at statutory tax rate 25%	13,557	10,736	12	(161)
Tax effects in respect of:				
- non-allowable expenses	3,236	2,273	225	161
- non-taxable income	(352)	(830)	-	-
Deferred tax assets not recognised	830	360	-	-
(Over)/Underprovision of tax payable in prior years	(2,555)	624	-	-
Over/(Under)provision of deferred tax in prior years	<u>472</u>	<u>(713)</u>	<u>-</u>	<u>-</u>
Income tax expense recognised in profit or loss	<u>15,188</u>	<u>12,450</u>	<u>237</u>	<u>-</u>

The details of deferred tax assets not recognised of the Group are disclosed in Note 17(c).

11. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share for the financial year is calculated by dividing the profit attributable to the equity holders of the Company by the number of ordinary shares in issue during the financial year as follows:

	The Group	
	2014	2013
Profit for the financial year attributable to the equity holders of the Company (RM’000)	<u>39,040</u>	<u>30,495</u>
Number of ordinary shares in issue (‘000)	<u>227,338</u>	<u>227,338</u>
Basic earnings per ordinary share (sen)	<u>17.17</u>	<u>13.41</u>

The Group does not have any convertible instruments as at the end of financial year and accordingly diluted earnings per share are not applicable.

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12. PROPERTY, PLANT AND EQUIPMENT

The Group	Buildings RM'000	Computers and software RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Kitchen equipment, bar equipment and utensils RM'000	Renovation RM'000	Total RM'000
Cost							
As of 1 April 2012	138	1,795	1,402	3,060	-	954	7,349
Additions	-	920	1,467	678	2,511	12,561	18,137
Disposals	-	-	-	(151)	-	-	(151)
Written off	-	-	(1)	-	-	-	(1)
As of 31 March							
2013/1 April 2013	138	2,715	2,868	3,587	2,511	13,515	25,334
Additions	-	231	782	78	1,034	2,802	4,927
Disposals	-	(51)	(325)	-	(1,225)	(2,111)	(3,712)
Written off	-	(5)	(56)	(96)	(8)	(57)	(222)
As of 31 March 2014	138	2,890	3,269	3,569	2,312	14,149	26,327
(Forward)							

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The Group	Buildings RM'000	Computers and software RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Kitchen equipment, bar equipment and utensils RM'000	Renovation RM'000	Total RM'000
Accumulated depreciation							
As of 1 April 2012	96	1,587	910	1,602	-	856	5,051
Charge for the year	28	224	191	563	82	559	1,647
Disposals	-	-	-	(151)	-	-	(151)
As of 31 March 2013/1 April 2013	124	1,811	1,101	2,014	82	1,415	6,547
Charge for the year	14	415	261	554	227	1,527	2,998
Disposals	-	(13)	(25)	-	(98)	(272)	(408)
Written off	-	(2)	(5)	(96)	(1)	(2)	(106)
As of 31 March 2014	138	2,211	1,332	2,472	210	2,668	9,031
Net book value							
31 March 2013	14	904	1,767	1,573	2,429	12,100	18,787
31 March 2014	-	679	1,937	1,097	2,102	11,481	17,296

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- (a) During the financial year, the Group made the following cash payments to purchase property, plant and equipment:

	The Group	
	2014	2013
	RM’000	RM’000
Purchase of property, plant and equipment	4,927	18,137
Financed by hire-purchase arrangements	<u>(75)</u>	<u>(574)</u>
Cash payments on purchase of property, plant and equipment	<u><u>4,852</u></u>	<u><u>17,563</u></u>

- (b) Included in the net book value of property, plant and equipment of the Group are assets acquired under hire-purchase as follows:

	The Group	
	2014	2013
	RM’000	RM’000
Motor vehicles	<u><u>1,070</u></u>	<u><u>1,532</u></u>

13. INVESTMENT PROPERTIES

The Group	Balance as of 1.4.2013 RM’000	Fair value adjustments RM’000	Balance as of 31.3.2014 RM’000
At fair value:			
Leasehold land	3,700	-	3,700
Buildings	<u>900</u>	<u>-</u>	<u>900</u>
	<u><u>4,600</u></u>	<u><u>-</u></u>	<u><u>4,600</u></u>
The Group	Balance as of 1.4.2012 RM’000	Fair value adjustments RM’000	Balance as of 31.3.2013 RM’000
At fair value:			
Leasehold land	3,350	350	3,700
Buildings	<u>900</u>	<u>-</u>	<u>900</u>
	<u><u>4,250</u></u>	<u><u>350</u></u>	<u><u>4,600</u></u>

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The investment properties of a subsidiary company with a carrying amount of RM4,600,000 (2013: RM4,600,000) have been charged as securities for credit facilities granted to the Group as disclosed in Note 28.

The unexpired lease period of leasehold land is 94 (2013: 95) years.

Direct operating expenses arising from investment properties generating rental income during the financial year are as follows:

	The Group	
	2014	2013
	RM’000	RM’000
Quit rent and assessment	62	10

Fair value information

Investment properties are stated at director’s assessment of valuation which is determined annually by reference to a professional valuation. The latest professional valuation was carried out on 27 March 2013 by registered independent valuers, using comparison method of valuation, which is regarded to approximate the market value.

Accordingly, the fair values of freehold commercial properties fall under Level 2 of the fair value hierarchy for financial years ended 31 March 2014 and 31 March 2013.

Transfer between Level 1 and Level 2 fair values

There was no transfer between Level 1 and 2 fair values during the financial year.

14. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company	
	2014	2013
	RM’000	RM’000
Unquoted equity shares, at cost	193,214	193,214
Less: Impairment losses	(86)	(86)
	193,128	193,128

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The details of the subsidiary companies are as follows:

Name of company	Country of incorporation	Effective Equity Interest		Principal activities
		2014 %	2013 %	
Subsidiary companies of Global Oriental Berhad:				
Exceed Concept Sdn. Bhd. (“ECSB”)	Malaysia	100	100	Project developer
Equine Park Stud Sdn. Bhd. (“EPS”)	Malaysia	100	100	Property development
Kelab Taman Equine Sdn. Bhd. (“KTE”)	Malaysia	100	100	Property development
Kuala Lumpur Industries Holdings Berhad (“KLIH”)	Malaysia	100	100	Dormant
Kuala Lumpur Industries Berhad (“KLIB”)	Malaysia	100	100	Dormant
Penaga Pesona Sdn. Bhd. (“PPSB”)	Malaysia	100	100	Property development
Syarikat Tenaga Sahabat Sdn. Bhd. (“STS”)	Malaysia	100	100	Property development
Taman Equine Riding Sdn. Bhd. (“TER”)	Malaysia	100	100	Property development
Fame Action Sdn. Bhd. (“FASB”) [#]	Malaysia	100	*100	Restaurant operator (business discontinued during the financial year)
Parkamaya Sdn. Bhd. (“PSB”)	Malaysia	100	*100	Retail space leasing and retail businesses
Pedoman Ikhtisas Sdn. Bhd. (“PISB”)	Malaysia	100	*100	Dormant
Permai Construction Sdn. Bhd. (“PCSB”)	Malaysia	100	*100	Construction
Pertanian Taman Equine Sdn. Bhd. (“PTE”)	Malaysia	100	*100	Property development
Taman Equine Industrial Sdn. Bhd. (“TEI”)	Malaysia	100	*100	Property development

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Name of company	Country of incorporation	Effective Equity Interest		Principal activities
		2014 %	2013 %	
Tujuan Ehsan Sdn. Bhd. (“TESB”)	Malaysia	100	*100	Property development
Mutual Crest Sdn. Bhd. (“MCSB”)	Malaysia	100	-	Treasury services
Taman Equine (M) Sdn. Bhd. (“TEM”)	Malaysia	100	100	Investment holding and property development
Versatile Flagship Sdn. Bhd. (“VFSB”)	Malaysia	100	100	Investment holding
Subsidiary company of TEM:				
Equine Park Country Resort Sdn. Bhd. (“EPCR”)	Malaysia	100	100	Property development
Subsidiary companies of VFSB#:				
Bright Express Sdn. Bhd. (“BESB”)	Malaysia	100	100	Restaurant operator
Champion Vista Sdn. Bhd. (“CVSB”)	Malaysia	100	100	Restaurant operator
Dekad Sinaran Sdn. Bhd. (“DSSB”)	Malaysia	100	100	Dormant
Modern Treasures Sdn. Bhd. (“MTSB”)	Malaysia	100	100	Restaurant operator
Prima Pengkalan Sdn. Bhd. (“Prima”)	Malaysia	100	100	Restaurant operator
Vista Versatile Sdn. Bhd. (“VVSB”)	Malaysia	100	100	Restaurant operator

Audited by a firm other than Deloitte (formerly known as Deloitte KassimChan).

* During the financial year, the Group undertaken an internal restructuring exercise involving the transfer of the ownership of the subsidiary companies from TEM and VFSB as disclosed below.

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(a) Acquisition of subsidiary companies

During the financial year, Company acquired the entire share equity of MCSB, a private limited company incorporated in Malaysia, with an authorised share capital of RM400,000 comprising 400,000 ordinary shares of RM1 each, of which 2 ordinary shares have been issued and fully paid-up, for a cash consideration of RM2.

In previous financial year,

- (i) The Company acquired the entire share equity of VFSB, a private limited company incorporated in Malaysia, with an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1 each, of which 2 ordinary shares have been issued and fully paid-up, for a cash consideration of RM2.
- (ii) VFSB acquired the entire share equity of the following companies for a cash consideration of RM2 respectively:
- BESB, a private limited company incorporated in Malaysia, with an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1 each, of which 2 ordinary shares have been issued and fully paid-up.
 - Prima, a private limited company incorporated in Malaysia, with an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1 each, of which 2 ordinary shares have been issued and fully paid-up.
 - MTSB, a private limited company incorporated in Malaysia, with an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1 each, of which 2 ordinary shares have been issued and fully paid-up.
 - CVSB, a private limited company incorporated in Malaysia, with an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1 each, of which 2 ordinary shares have been issued and fully paid-up.
 - FASB, a private limited company incorporated in Malaysia, with an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1 each, of which 2 ordinary shares have been issued and fully paid-up.
 - VVSB, a private limited company incorporated in Malaysia, with an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1 each, of which 2 ordinary shares have been issued and fully paid-up.

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- DSSB, a private limited company incorporated in Malaysia, with an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1 each, of which 2 ordinary shares have been issued and fully paid-up.

The financial effects of the acquisitions in current and previous financial year are as follows:

	The Group	
	2014	2013
	RM'000	RM'000
Revenue	-	4,055
Decrease in the Group's net profit for the financial year	(9)	(2,851)

Summary of effects of the acquisition on the financial position of the Group as of 31 March :

	The Group	
	2014	2013
	RM'000	RM'000
Property, plant and equipment	-	8,479
Current assets	131	2,528
Current liabilities	(140)	(13,558)
Decrease in the Group's net assets	(9)	(2,551)

The fair value of assets acquired and the liabilities assumed in the acquisition of the subsidiary companies are as follows:

	The Group	
	2014	2013
	RM	RM
Total purchase price	2	2
Less: Cash flows on acquisition net of cash acquired	-	-
Cash of subsidiary company acquired	2	2

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(b) Reorganisation of group structure

During the financial year, the Company undertook an internal restructuring exercise involving the transfer of the ownership of the following subsidiary companies from TEM and VFSB for a cash consideration of RM1 each to enhance the overall operational efficiency of the Group:

- 2 ordinary shares of RM1 each in the capital of PTE from TEM;
- 3 ordinary shares of RM1 each in the capital of TEI from TEM;
- 2,600,000 ordinary shares of RM1 each in the capital of PCSB from TEM;
- 2,600,000 ordinary shares of RM1 each in the capital of PSB from TEM;
- 2,501,000 ordinary shares of RM1 each in the capital of TESB from TEM;
- 1,000,000 ordinary shares of RM1 each in the capital of PISB from TEM; and
- 350,000 ordinary shares of RM1 each in the capital of FASB from VFSB.

(c) Subscription of additional ordinary shares in existing subsidiary companies

During the financial year,

- (i) VFSB subscribed for additional ordinary shares in the following subsidiary companies:

Name of Company	Number of ordinary share of RM1 each	Cash consideration RM
FASB	349,998	349,998
DSSB	349,998	349,998
	<hr/>	<hr/>

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- (ii) TEM subscribed for additional ordinary shares in the following subsidiary company:

Name of Company	Number of ordinary share of RM1 each	Cash consideration RM
PISB	<u>999,998</u>	<u>999,998</u>

In previous financial year,

- (i) The Company subscribed for additional ordinary shares in the following subsidiary companies:

Name of Company	Number of ordinary share of RM1 each	Cash consideration RM
KTE	246,053	246,053
VFSB	<u>299,998</u>	<u>299,998</u>

- (ii) VFSB subscribed for additional ordinary shares in the following subsidiary companies:

Name of Company	Number of ordinary share of RM1 each	Cash consideration RM
BESB	299,998	299,998
MTSB	299,998	299,998
Prima	<u>499,998</u>	<u>499,998</u>

- (iii) TEM subscribed for additional ordinary shares in the following subsidiary company:

Name of Company	Number of ordinary share of RM1 each	Cash consideration RM
PCSB	<u>1,800,000</u>	<u>1,800,000</u>

- (d) Amount owing by/(to) subsidiary companies represent advances and payments made on behalf which are unsecured, interest-free and repayable on demand.

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15. OTHER INVESTMENT

	The Group	
	2014	2013
	RM’000	RM’000
Available for sale:		
Unquoted equity shares in Malaysia, at cost	<u>1</u>	<u>1</u>

16. LAND HELD FOR PROPERTY DEVELOPMENT

	The Group	
	2014	2013
	RM’000	RM’000
At beginning of the financial year	188,902	185,054
Additions during the financial year	8,316	10,676
Transferred to property development costs (Note 19)	<u>(22,372)</u>	<u>(6,828)</u>
At end of the financial year	<u>174,846</u>	<u>188,902</u>

	The Group	
	2014	2013
	RM’000	RM’000
At cost		
Long term prepaid lease payments for land	122,590	132,859
Development costs	<u>52,256</u>	<u>56,043</u>
	<u>174,846</u>	<u>188,902</u>

Land held for property development of the Group amounting to RM151,631,802 (2013: RM167,604,396) has been charged to banks for credit facilities granted to the Group as disclosed in Notes 28 and 30.

In previous financial year, certain land held for development with a total land cost of RM43,745,422 was in the process of being transferred to the name of a subsidiary company. The transfer has been completed in the current financial year.

As of 31 March 2014, the unexpired lease period of the leasehold land ranging from 79 to 98 years (2013: 80 to 95 years).

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17. DEFERRED TAX (ASSETS)/LIABILITIES

	The Group	
	2014	2013
	RM'000	RM'000
Presented after appropriate offsetting:		
Deferred tax assets, net	(18,221)	(14,668)
Deferred tax liabilities, net	<u>19,760</u>	<u>21,177</u>
	<u>1,539</u>	<u>6,509</u>

- (a) The movement in deferred tax assets and liabilities during the financial year is as follows:

	The Group	
	2014	2013
	RM'000	RM'000
At beginning of financial year	6,509	6,695
Recognised in profit or loss (Note 10):		
- crystallisation of surplus on revaluation of long term leasehold land in subsidiary companies that is reflected as cost to the Group	(1,401)	(2,350)
- property, plant and equipment	(16)	(9)
- provisions	(4,724)	1,201
- unabsorbed capital allowances	(10)	114
- unutilised tax losses	1,181	858
	<u>(4,970)</u>	<u>(186)</u>
At end of financial year	<u>1,539</u>	<u>6,509</u>

- (b) The components and movements of deferred tax liabilities at end of the financial year are as follows:

The Group	Property, plant and equipment RM'000	Revaluation surplus* RM'000	Total RM'000
2014			
At beginning of financial year	68	21,109	21,177
Recognised in profit or loss	<u>(16)</u>	<u>(1,401)</u>	<u>(1,417)</u>
At end of financial year	<u>52</u>	<u>19,708</u>	<u>19,760</u>

(Forward)

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	Property, plant and equipment RM’000	Revaluation surplus* RM’000	Total RM’000
2013			
At beginning of financial year	77	23,459	23,536
Recognised in profit or loss	<u>(9)</u>	<u>(2,350)</u>	<u>(2,359)</u>
At end of financial year	<u>68</u>	<u>21,109</u>	<u>21,177</u>

* These are surplus on revaluation of investment properties, land held for property development, property development costs and inventories that are reflected as the cost of the Group.

- (c) The components and movements of deferred tax assets at end of the financial year are as follows:

The Group	Provisions RM’000	Unutilised tax losses RM’000	Unabsorbed capital allowances RM’000	Total RM’000
2014				
At beginning of financial year	2,507	12,161	-	14,668
Recognised in profit or loss	<u>4,724</u>	<u>(1,181)</u>	<u>10</u>	<u>3,553</u>
At end of financial year	<u>7,231</u>	<u>10,980</u>	<u>10</u>	<u>18,221</u>
2013				
At beginning of financial year	3,708	13,019	114	16,841
Recognised in profit or loss	<u>(1,201)</u>	<u>(858)</u>	<u>(114)</u>	<u>(2,173)</u>
At end of financial year	<u>2,507</u>	<u>12,161</u>	<u>-</u>	<u>14,668</u>

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The amounts of temporary differences, unused tax losses and unabsorbed capital allowances for which no deferred tax assets have been recognised in the financial statements due to uncertainty of its realisation are as follows:

	The Group	
	2014	2013
	RM’000	RM’000
Provisions	5,926	4,807
Unutilised tax losses	11,923	10,472
Unabsorbed capital allowances	2,622	1,909
	<u>20,471</u>	<u>17,188</u>

Deferred tax assets have not been recognised in respect of these items as it is not probable that taxable profits of certain subsidiary companies will be available against which the deductible temporary differences can be utilised.

The unused tax losses and unabsorbed capital allowances are available for offset against future taxable profits of the subsidiary companies, subject to the agreement by the tax authorities.

18. INVENTORIES

	The Group	
	2014	2013
	RM’000	RM’000
Completed development properties:		
- at cost	10,338	11,909
- at net realisable value	1,092	1,172
Others - at cost	592	577
	<u>12,022</u>	<u>13,658</u>

Completed development properties of the Group amounting to RMNil (2013: RM5,177,526) have been charged to banks for credit facilities granted to the Group as disclosed in Notes 28 and 30.

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19. PROPERTY DEVELOPMENT COSTS

	The Group	
	2014	2013
	RM'000	RM'000
At beginning of financial year	546,142	562,202
Costs incurred during the financial year:		
- transferred from land held for property development (Note 16)*	22,372	6,828
- interest imputed on landowners' entitlement	1,846	19,623
- development costs	218,126	160,869
	<u>788,486</u>	<u>749,522</u>
Transferred to inventories	(816)	(4,123)
Reversal of completed projects	(26,644)	(199,257)
	761,026	546,142
Costs charged to profit or loss:		
- previous years	(168,826)	(188,280)
- current year	(231,505)	(179,803)
- reversal of completed projects	26,644	199,257
	<u>(373,687)</u>	<u>(168,826)</u>
At end of financial year	<u><u>387,339</u></u>	<u><u>377,316</u></u>
Included in the property development costs are as follows:		
- long term prepaid leasehold lands	22,094	15,691
- development costs	176,817	121,867
- landowners' entitlement	188,428	239,758
	<u>387,339</u>	<u>377,316</u>

* Transfer from land held for property development consists of the following:

	The Group	
	2014	2013
	RM'000	RM'000
Land costs	12,477	3,334
Development costs	9,895	3,494
	<u>22,372</u>	<u>6,828</u>

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Interest amounting to RM9,299,099 (2013: RM3,834,849) are capitalised in the development costs of the Group at the rate of 7.88% (2013: 7.55%) per annum.

Property development costs of the Group amounting to RM387,339,379 (2013: RM371,452,561) have been charged to banks for credit facilities granted to the Group as disclosed in Notes 28 and 30.

20. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**(a) Trade receivables:**

	The Group	
	2014	2013
	RM'000	RM'000
Non-current:		
Stakeholders' sum	921	1,474
Current:		
Trade receivables	52,098	55,803
Less: Allowance for doubtful debts	(540)	(395)
	51,558	55,408
	52,479	56,882

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost. All amounts other than stakeholders' sum are classified as current assets.

The credit terms offered by the Group in respect of trade receivables (other than development land buyers) range from 14 to 30 days (2013: 14 to 30 days) from the date of invoice and progress billing. The amount outstanding from purchasers, bears interest at rate ranging from 10% to 12% (2013: 10 to 12%) per annum.

The credit terms offered by the Group to development land buyers varies according to their respective sale and purchase agreements.

At the end of the financial year, there were no customers which individually represent more than 10% of the total trade receivables balances.

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period but against which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances nor do they have a legal right to offset against any amounts owed by the Group to the counterparty.

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Movement in allowance for doubtful debts:

	The Group	
	2014	2013
	RM'000	RM'000
At beginning of the financial year	395	398
Allowance made during the financial year	180	-
Amount no longer required during the financial year	-	(3)
Amount written off	(35)	-
	<u>540</u>	<u>395</u>
Ageing of past due but not impaired:		
Past due < 2 months	13,248	7,648
Past due 2 - 4 months	2,875	9,457
Past due > 4 months	15,182	11,666
	<u>31,305</u>	<u>28,771</u>
Ageing of impaired:		
Past due > 4 months	<u>540</u>	<u>395</u>

(b) Other receivables, deposits and prepayments:

	The Group		The Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Other receivables	22,560	18,648	2	-
Refundable deposits	3,316	2,925	2	302
Deposit for acquisition of a subsidiary company	50,000	-	50,000	-
Prepayments	<u>7,116</u>	<u>27</u>	<u>139</u>	<u>3</u>
	82,992	21,600	50,143	305
Less: Allowance for doubtful debts	<u>(1,334)</u>	<u>(1,345)</u>	<u>-</u>	<u>-</u>
	<u>81,658</u>	<u>20,255</u>	<u>50,143</u>	<u>305</u>

- (i) Included in other receivables is an amount of RM15,848,821 (2013: RM14,297,110) owing by a former associate of the Group. The amount arose mainly from collections from purchasers received on behalf by the former associate.

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- (ii) During the financial year, deposit for acquisition of a subsidiary company represents the purchase consideration for the acquisition of 65% equity interest in Perwira Nadi Trading Sdn. Bhd. amounting to RM50,000,000 which was completed subsequent to the financial year end.

Movement in allowance for doubtful debts:

	The Group	
	2014	2013
	RM’000	RM’000
At beginning of the financial year	1,345	1,222
Allowance made during the financial year	-	123
Amount written off	(11)	-
	<u>1,334</u>	<u>1,345</u>
At end of the financial year	<u>1,334</u>	<u>1,345</u>

21. RELATED PARTY TRANSACTIONS

Significant related party disclosures during the financial year are as follows:

	The Group		The Company	
	2014	2013	2014	2013
	RM’000	RM’000	RM’000	RM’000
Remuneration paid to key management personnel (Note 9)	2,563	3,346	247	245
Sales of development properties to Directors, key management personnel and/or family member(s)	<u>1,942</u>	<u>3,695</u>	<u>-</u>	<u>-</u>

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel of the Group and of the Company include Executive Directors and Non-Executive Directors of the Company and certain members of senior management of the Group and of the Company.

22. SHORT TERM FUNDS

	The Group	
	2014	2013
	RM’000	RM’000
Available for sale:		
Investment in funds in Malaysia	<u>2,029</u>	<u>-</u>

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23. FIXED DEPOSITS, CASH AND BANK BALANCES

	The Group		The Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Fixed deposits with licensed banks	6,995	6,670	1,235	1,196
Cash in hand and at banks	31,363	10,106	82	36
Housing Development Accounts	22,996	23,196	-	-
	<u>61,354</u>	<u>39,972</u>	<u>1,317</u>	<u>1,232</u>

- (a) Fixed deposits with licensed banks have maturity periods ranging from 1 to 12 months (2013: 3 to 12 months) and earn interest at the effective interest rates ranging from 2.95% to 3.20% (2013: 3.00% to 3.20%) per annum.
- (b) Included in fixed deposits with licensed banks are deposits pledged for bank guarantees and borrowings granted to the Group and the Company as disclosed in Note 28 as follows:

	The Group		The Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Deposits pledged with licensed banks	<u>6,995</u>	<u>6,670</u>	<u>1,235</u>	<u>1,196</u>

- (c) Bank balances held under Housing Development Accounts which are maintained in designated Housing Development Accounts pursuant to the Housing Development (Control and Licensing) Act, 1966 and Housing Development (Housing Development Account) Regulations, 1991 in connection with the Group's property development projects. The utilisation of these balances are restricted, before completion of the housing development and fulfilling all relevant obligations to the purchasers, the cash could only be withdrawn from such accounts for the purpose of completing the particular projects concerned.
- (d) Information on financial risks of fixed deposits, cash and bank balances are disclosed in Note 34.

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24. ASSETS HELD FOR SALE

	The Group	
	2014	2013
	RM’000	RM’000
Investment in an associated company	-	1,476

On 20 October 2008, Taman Equine (M) Sdn. Bhd., a subsidiary company entered into a share sale agreement with an independent third party to dispose of its entire 25% equity interest in its associated company, Batu Kawan Development Sdn. Bhd., for a total cash consideration of RM2.0 million. The said disposal has been completed during the financial year.

25. SHARE CAPITAL

	The Group and The Company	
	2014	2013
	RM’000	RM’000
Authorised:		
500,000,000 ordinary shares of RM1.00 each	<u>500,000</u>	<u>500,000</u>
Issued and fully paid-up:		
227,338,321 ordinary shares of RM1.00 each	<u>227,338</u>	<u>227,338</u>

26. RESERVES

In accordance with the Finance Act 2007, the single tier income tax system became effective from the year of assessment 2008. Under this system, tax on a Company’s profit is a final tax, and dividends paid are exempted from tax in the hands of the shareholders. Unlike the previous full imputation system, the recipient of the dividend would no longer be able to claim any tax credit.

Companies with Section 108 tax credit are given an irrevocable option to disregard the tax credit or to continue to utilise such tax credits until the tax credits are fully utilised or upon the expiry of the 6 year transitional period on 31 December 2013, whichever is earlier. During the transitional period, the Section 108 tax credit will be reduced by any tax credits utilised and any tax paid will not be added to this account.

The Company had not previously made the irrevocable option to disregard the Section 108 tax credits. Accordingly, the Company will be under the single tier tax system upon the expiry of the transitional period on 31 March 2014. Any remaining balance of the Section 108 tax credits as of that date shall be disregarded.

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27. BORROWINGS - SECURED

	The Group		The Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Current liabilities				
Bank loans	104,500	25,000	25,000	25,000
Hire-purchase creditors	425	417	-	-
Bank overdrafts	580	903	-	-
	<u>105,505</u>	<u>26,320</u>	<u>25,000</u>	<u>25,000</u>
Non-current liabilities				
Bank loans	115,512	43,470	40,000	-
Hire-purchase creditors	875	1,224	-	-
	<u>116,387</u>	<u>44,694</u>	<u>40,000</u>	<u>-</u>
	<u>221,892</u>	<u>71,014</u>	<u>65,000</u>	<u>25,000</u>
Total borrowings				
Bank loans (Note 28)	220,012	68,470	65,000	25,000
Hire-purchase creditors (Note 29)	1,300	1,641	-	-
Bank overdrafts (Note 30)	580	903	-	-
	<u>221,892</u>	<u>71,014</u>	<u>65,000</u>	<u>25,000</u>

Information on financial risks of the borrowings is disclosed in Note 34.

The borrowings are denominated in Ringgit Malaysia.

The Group's bank loans bear interest at floating rate and hence, their carrying amounts approximate the fair values.

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28. BANK LOANS

	The Group		The Company	
	2014	2013	2014	2013
	RM’000	RM’000	RM’000	RM’000
<u>Secured</u>				
Bridging loan I	1,041	-	-	-
Bridging loan II	-	2,799	-	-
Bridging loan III	677	2,768	-	-
Bridging loan IV	77,294	32,903	-	-
Term loan I	-	5,000	-	-
Term loan II	10,000	-	-	-
Term loan III	20,000	-	-	-
Term loan IV	4,000	-	-	-
Term loan V	40,000	-	40,000	-
Tawarruq flexi term financing- <i>i</i>	35,000	-	-	-
Revolving credit	32,000	25,000	25,000	25,000
Total (Note 27)	220,012	68,470	65,000	25,000
Borrowings are repayable as follows:				
Current	104,500	25,000	25,000	25,000
Non-current:				
More than 1 year and within 2 years	76,171	29,429	11,200	-
More than 2 years and within 5 years	39,341	14,041	28,800	-
	220,012	68,470	65,000	25,000

The Group and the Company have revolving credit, bridging loans, term loans and other banking facilities totalling RM389,000,000 and RM65,000,000 (2013: RM369,000,000 and RM25,000,000) respectively. These facilities bear interest rates ranging from 6.13% to 8.10% (2013: 6.60% to 8.10%) per annum.

The bank loans are secured as follows:

- (a) a charge over investment properties of the Group amounting to RM4,600,000 (2013: RM4,600,000) as disclosed in Note 13;
- (b) a charge over land held for property development of the Group amounting to RM149,932,067 (2013: RM166,117,027) as disclosed in Note 16;
- (c) a charge over property development costs of the Group amounting to RM387,339,379 (2013: RM364,759,522) as disclosed in Note 19;

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- (d) a charge over inventories of the Group amounting to RMNil (2013: RM3,000,928) as disclosed in Note 18;
- (e) a specific debenture over the Group's development projects;
- (f) assignment of all proceeds derived from the proposed projects of certain subsidiary companies, including all moneys standing in credit in the Housing Development Accounts and Project Development Accounts opened and maintained or to be opened and maintained by the subsidiary companies subject to the provisions of the relevant regulations;
- (g) assignment of all rights, interests and benefits arising from insurance policies, construction contracts, construction guarantees and performance bonds; and
- (h) pledge of certain fixed deposits of the Group and of the Company as disclosed in Note 23 (b).

The bank loans are repayable as follows:

- (a) Bridging loan I : by way of 35 equal monthly principal instalments of RM640,000 each and final principal instalment of RM600,000, the first instalment to commence on the 25th month from the date of first drawdown or by way of redemption.
- (b) Bridging loan II : by way of 8 equal quarterly principal instalments of RM3,750,000 each, the first instalment to commence on the first day of the 16th month from the date of full drawdown or by way of redemption. The said loan has been fully settled during the financial year.
- (c) Bridging loan III : by way of 8 equal quarterly principal instalments of RM1,250,000 each, the first instalment to commence on the first day of the 16th month from the date of full drawdown or by way of redemption.
- (d) Bridging loan IV : by way of 20 equal monthly principal instalments of RM2,000,000 each, the first instalment to commence on the 19th month from the date of its first release or by way of redemption.
- (e) Term loan I : by way of 35 equal monthly principal instalments of RM139,000 each and final principal instalment of RM135,000, the first instalment to commence on the 25th month from the date of first drawdown or by way of redemption. The said loan has been fully settled during the financial year.

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- (f) Term loan II : by way of 4 equal quarterly principal instalments of RM2,500,000 each, the first instalment to commence on the first day of the 28th month from the date of first drawdown.
- (g) Term loan III : by way of 8 equal quarterly principal instalments of RM2,000,000 each and final principal instalment of RM4,000,000, the first instalment to commence on the first day of the 13th month from the date of full drawdown.
- (h) Term loan IV : by way of 8 equal quarterly principal instalments of RM500,000 each, the first instalment to commence on the first day of the 16th month from the date of first drawdown.
- (i) Term loan V : by way of 6 equal quarterly principal instalments of RM5,600,000 each and final principal instalment of RM6,400,000, the first instalment to commence on the first day of the 19th month from the date of first drawdown.
- (j) Tawarruq flexi term financing-*i* : by way of payment of the sales price under each disbursement either 30th, 60th, 90th, 120th days or any other period as stated in the sales offer.
- (k) Revolving credit : on the maturity date of each drawdown, the Company may elect to either repay part or full principal sum together with all interest due thereon or to roll-over the full principal sum or the balance of the principal sum not repaid for another interest period.

29. HIRE-PURCHASE CREDITORS

	The Group	
	2014	2013
	RM'000	RM'000
Minimum hire-purchase payments:		
- Within 1 year	478	493
- More than 1 year and within 2 years	429	461
- More than 2 years and within 5 years	506	867
	<hr/>	<hr/>
	1,413	1,821
Less: Interest-in-suspense	(113)	(180)
	<hr/>	<hr/>
Total (Note 27)	<u>1,300</u>	<u>1,641</u>

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	The Group	
	2014	2013
	RM’000	RM’000
<i>Repayable as follows:</i>		
Current liabilities:		
- Within 1 year	425	417
Non-current liabilities:		
- More than 1 year and within 2 years	400	406
- More than 2 years and within 5 years	475	818
	875	1,224
	1,300	1,641

The interest rate implicit in the hire-purchase obligations is 5.13% (2013: 5.43%) per annum. Interest rates are fixed at the inception of the hire-purchase arrangements.

30. BANK OVERDRAFTS**The Group**

The bank overdrafts are secured by land held for property development, inventories and property development costs amounting to RM1,699,735 (2013: RM1,487,369) RMNil (2013: RM2,176,598) and RMNil (2013: RM6,693,039) as disclosed in Notes 16, 18 and 19 respectively.

31. TRADE PAYABLES AND OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2014	2013	2014	2013
	RM’000	RM’000	RM’000	RM’000
Trade payables:				
Non-current:				
Land entitlement payable	84,093	124,357	-	-
Retention sums	5,717	6,597	-	-
	89,810	130,954	-	-
Current:				
Trade payables	110,211	102,922	-	-
Retention sums	17,449	13,833	-	-
	127,660	116,755	-	-
	217,470	247,709	-	-

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	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Other payables and accruals:				
Other payables	11,796	14,801	2	-
Accruals	6,649	34,595	417	280
Deposits received	11,696	6,959	-	-
	<u>30,141</u>	<u>56,355</u>	<u>419</u>	<u>280</u>

Trade payables comprise amounts outstanding for trade purchase and ongoing costs.

- (a) The credit terms available to the Group in respect of current trade payables range from 30 to 60 days (2013: 30 to 60 days) from the date of invoice and progress claim.
- (b) Included in trade payables is the landowner’s entitlement which has been recorded at fair value on initial recognition and subsequently measured at amortised cost.

32. PROVISIONS

	Provision for liquidated and ascertained damages RM'000	Provision for bumiputra quota penalties RM'000	Provision for sales incentives RM'000	Total RM'000
The Group 2014				
At beginning of financial year	2,504	17,771	1,671	21,946
(Reversal)/Provisions Payments	(136) (2,237)	26,920 (821)	4,200 (1,320)	30,984 (4,378)
At end of financial year	<u>131</u>	<u>43,870</u>	<u>4,551</u>	<u>48,552</u>

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	Provision for liquidated and ascertained damages RM’000	Provision for bumiputra quota penalties RM’000	Provision for sales incentives RM’000	Total RM’000
The Group 2013				
At beginning of financial year	7,302	18,335	3,727	29,364
Provisions	343	151	1,932	2,426
Payments	(5,141)	(715)	(3,988)	(9,844)
At end of financial year	<u>2,504</u>	<u>17,771</u>	<u>1,671</u>	<u>21,946</u>

33. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statements of cash flows comprise the following amounts:

	The Group		The Company	
	2014 RM’000	2013 RM’000	2014 RM’000	2013 RM’000
Fixed deposits, cash and bank balances (Note 23)	61,354	39,972	1,317	1,232
Bank overdrafts (Note 27)	(580)	(903)	-	-
	60,774	39,069	1,317	1,232
Less: Fixed deposits pledged (Note 23 (b))	(6,995)	(6,670)	(1,235)	(1,196)
	<u>53,779</u>	<u>32,399</u>	<u>82</u>	<u>36</u>

34. FINANCIAL INSTRUMENTS**Capital Risk Management**

The objective of the Group’s capital management is to safeguard the Group’s ability to continue as a going concern while maximising the return to shareholders through the optimisation of debt and equity balance. The Group’s overall strategy remains unchanged since 2013.

The Board of Directors reviews the capital structure of the Group on a regular basis. As part of the review, the Board of Directors considers the cost of capital and risk associated with each class of capital.

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The net gearing ratio at the end of the reporting period is as follows:

	The Group		The Company	
	2014	2013	2014	2013
	RM’000	RM’000	RM’000	RM’000
Debt (i)	221,892	71,014	65,000	25,000
Less: Fixed deposits, cash and bank balances	<u>(61,354)</u>	<u>(39,972)</u>	<u>(1,317)</u>	<u>(1,232)</u>
Net debt	160,538	31,042	63,683	23,768
Equity (ii)	<u>291,514</u>	<u>252,474</u>	<u>262,719</u>	<u>262,910</u>
Net debt to equity ratio (%)	<u>55</u>	<u>12</u>	<u>24</u>	<u>9</u>

(i) Debt is defined as liabilities associated with borrowings as disclosed in Note 27.

(ii) Equity is defined as share capital and retained earnings.

Significant Accounting Policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement and the bases for recognition of income and expenses), for each class of financial asset, financial liability and equity instrument are disclosed in Note 3.

Categories of Financial Instruments

	The Group		The Company	
	2014	2013	2014	2013
	RM’000	RM’000	RM’000	RM’000
Financial assets				
Available for sale:				
Other investment	1	1	-	-
Short term funds	2,029	-	-	-
Loans and receivables:				
Trade receivables	52,479	56,882	-	-
Other receivables	21,226	17,303	2	-
Refundable deposits	3,316	2,925	2	302
Amount owing by subsidiary companies	-	-	130,619	136,730
Fixed deposits, cash and bank balances	<u>61,354</u>	<u>39,972</u>	<u>1,317</u>	<u>1,232</u>

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	The Group		The Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Financial liabilities				
At amortised costs:				
Trade payables	217,470	247,709	-	-
Other payables	11,796	14,801	2	-
Accruals	6,649	34,595	417	280
Deposits received	11,696	6,959	-	-
Amount owing to subsidiary companies	-	-	47,146	43,205
Borrowings	221,892	71,014	65,000	25,000

Financial Risk Management Objectives

The operations of the Group are subject to a variety of financial risk which includes interest rate risk, credit risk, and liquidity and cash flow risk.

The Group has formulated a financial risk management framework whose principal objective is to minimise the Group's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group.

Financial risk management is carried out through risk reviews, internal control systems and adherence to Group financial risk management policies. The Board regularly reviews these risks and approves the treasury policies, which cover the management of these risks.

(a) Interest Rate Risk Management

The Group and the Company are exposed to interest rate risk through the impact of rate changes on interest-bearing deposits, hire-purchase creditors and borrowings.

The Group's and the Company's exposure to interest rates on financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate exposure is measured using sensitivity analysis as disclosed below:

Interest Rate Sensitivity Analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for both borrowings and deposits with licensed bank at the end of the reporting period. A 50 basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

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If the interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's and the Company's profit/(loss) for the year would decrease/increase by RM1,067,625 (2013: RM313,065) and RM318,825 (2013: RM119,020) respectively. This is mainly attributable to the Group's and the Company's exposure to interest rates on borrowings and deposits with financial institutions.

(b) Credit Risk Management

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the Group.

The Group is exposed to credit risk mainly from its customer base, including trade receivables. The Group extends credit to its customers based upon careful evaluation of the customer's financial condition and credit history. Trade receivables are monitored on an ongoing basis by the Group's credit control department.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is the carrying amount of financial assets which are mainly trade and other receivables, deposits with license banks and cash and bank balances.

(c) Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Group's and the Company's short, medium and long-term funding and liquidity management requirements. The Group and the Company manage liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows.

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Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group’s and the Company’s liabilities at the reporting date based on contractual undiscounted repayment obligations:

	Weighted average effective interest rate %	Within 1 year RM’000	More than 1 year and within 2 years RM’000	More than 2 years and within 5 years RM’000	Total RM’000
The Group 2014					
Financial liabilities					
Non-interest bearing					
Trade payables	8.4	127,660	97,526	3,827	229,013
Other payables	-	11,796	-	-	11,796
Accruals	-	6,649	-	-	6,649
Deposits received	-	11,696	-	-	11,696
Interest bearing					
Borrowings:					
Bank loans	7.4	111,521	85,054	40,496	237,071
Hire-purchase creditors	5.1	478	429	506	1,413
Bank overdrafts	9.1	632	-	-	632
		<u>270,432</u>	<u>183,009</u>	<u>44,829</u>	<u>498,270</u>

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	Weighted average effective interest rate %	Within 1 year RM’000	More than 1 year and within 2 years RM’000	More than 2 years and within 5 years RM’000	Total RM’000
The Group 2013					
Financial liabilities					
Non-interest bearing					
Trade payables	9.0	116,755	139,467	1,917	258,139
Other payables	-	14,801	-	-	14,801
Accruals	-	34,595	-	-	34,595
Deposits received	-	6,959	-	-	6,959
Interest bearing					
Borrowings:					
Bank loans	7.9	25,158	35,153	14,506	74,817
Hire-purchase creditors	5.4	493	461	867	1,821
Bank overdrafts	9.1	986	-	-	986
		<u>199,747</u>	<u>175,081</u>	<u>17,290</u>	<u>392,118</u>
The Company 2014					
Financial liabilities					
Non-interest bearing					
Other payables	-	2	-	-	2
Accruals	-	417	-	-	417
Amount owing to subsidiary companies	-	47,146	-	-	47,146
Financial guarantee*	-	-	-	-	-
Interest bearing					
Bank loans	6.7	<u>25,095</u>	<u>15,847</u>	<u>29,707</u>	<u>70,649</u>
		<u>72,660</u>	<u>15,847</u>	<u>29,707</u>	<u>118,214</u>

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	Weighted average effective interest rate %	Within 1 year RM’000	More than 1 year and within 2 years RM’000	More than 2 years and within 5 years RM’000	Total RM’000
The Company 2013					
Financial liabilities					
Non-interest bearing					
Accruals	-	280	-	-	280
Amount owing to subsidiary companies	-	43,205	-	-	43,205
Financial guarantee*	-	-	-	-	-
Interest bearing					
Bank loans	7.6	25,158	-	-	25,158
		<u>68,643</u>	<u>-</u>	<u>-</u>	<u>68,643</u>

* At the end of the reporting period, it was not probable that the counterparties to financial guarantee contracts will claim under the contract. Consequently, the amount included is negligible.

Fair Value of Financial Assets and Liabilities

(i) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	<u>Note</u>
Trade and other receivables	20
Trade and other payables	31
Borrowings	27

The carrying amounts of current financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date. The fair values of long-term financial assets and liabilities are determined by the present value of future cash flow estimated and discounted using the current interest rates for similar instruments at the end of the reporting date. There is no material difference between the fair values and carrying values of these assets and liabilities as of the reporting date. The Group’s long-term loans bear interest at floating rates and hence their carrying amounts approximate fair values.

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(ii) Fair Value Hierarchy

The table below provide an analysis of fair value of financial instruments that are measures at fair value. The different levels have been defined in Note 3.

	Level 1 RM’000	Level 2 RM’000	Level 3 RM’000	Total RM’000
2014				
The Group				
Financial assets				
Available for sale:				
Other investment	-	-	1	1
Short term funds	-	2,029*	-	2,029
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
2013				
The Group				
Financial assets				
Available for sale:				
Other investment	-	-	1	1
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

* The fair value of investments in short term funds are valued using the net asset value of the investment funds.

35. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 29 November 2013, Taman Equine (M) Sdn. Bhd., a wholly-owned subsidiary of the Company entered into a share sale agreement with third parties to acquire 65% equity interest in Perwira Nadi Trading Sdn Bhd for a total cash consideration of RM50.0 million. The said acquisition was completed subsequent to the financial year end.
- (b) On 9 December 2013, Fame Action Sdn. Bhd., a wholly-owned subsidiary of the Company entered into a sale and purchase agreement with a third party to acquire two pieces of freehold land measuring approximately 25.59 acres for a total cash consideration of RM35.66 million. As of the date of this report, the said acquisition is still pending fulfilment of the condition precedent.
- (c) Through an announcement made to Bursa Malaysia on 24 February 2014 and subsequent announcements thereon, the Company is undertaking the following proposals (“Proposals”):
- (i) Proposed par value reduction via the cancellation of RM0.50 of the par value of the Company’s existing ordinary shares of RM1.00 each (“Par Value Reduction”);

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- (ii) Proposed renounceable rights issue of 227,338,321 new ordinary shares of RM0.50 each in the Company (“Rights Shares”) together with 113,669,160 free detachable warrants (“Warrants”) on the basis of 2 Rights Shares together with 1 free Warrant for every 2 ordinary shares of RM0.50 each held after the Par Value Reduction on an entitlement date to be determined by the Board of Directors of the Company; and
- (iii) Proposed amendments to the Company’s Memorandum and Articles of Association (“M&A”) to facilitate the Par Value Reduction.

On 15 April 2014, approval from Bursa Securities has been obtained for the listing of the securities arising from the Proposals.

Subsequently, on 26 June 2014, the Company has submitted an application to seek further extension of time to issue circular to shareholders of the Company in respect of the Proposals and it has been approved on 10 July 2014.

36. SUBSEQUENT EVENTS

- (a) On 1 April 2014, the proposed acquisition of 65% equity interest in Perwira Nadi Trading Sdn. Bhd. (“PNT”) as disclosed in Note 35(a) has been completed, resulting in PNT becoming a subsidiary of Taman Equine (M) Sdn. Bhd., a wholly-owned subsidiary of the Company. The principal activities of PNT are trading and distribution of housewares and related products such as glass and ceramic dinnerware, cookware, tableware and others in Malaysia.
- (b) On 1 April 2014, Versatile Flagship Sdn. Bhd. (“VFSB”), a wholly-owned subsidiary of the Company acquired the entire equity of Global Oriental (Hong Kong) Limited, a private limited company incorporated in Hong Kong, with an authorised share capital of HKD1.00 comprising 1 ordinary share of HKD1.00 each for a total cash consideration of HKD1.00.
- (c) On 6 May 2014, the Company proposed to undertake the proposed establishment of an employees’ share option scheme involving up to fifteen percent (15%) of the issued and paid-up share capital (excluding treasury shares) of the Company (“Proposed ESOS”). On 15 May 2014, approval from Bursa Securities has been obtained for the listing of the securities arising from the Proposed ESOS.

Subsequently, on 26 June 2014, the Company has submitted an application to seek further extension of time to issue circular to shareholders of the Company in respect of the Proposed ESOS and it has been approved on 10 July 2014.

- (d) On 26 June 2014, VFSB incorporated a new private limited company, Global Oriental (Taiwan) Limited in Taiwan with an authorised share capital of NTD50,000.00 comprising 5,000 ordinary shares of NTD10.00 each, of which all have been issued and fully paid-up.

APPENDIX IV – OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 2014 TOGETHER WITH THE AUDITORS' REPORT (Cont'd)

Company No. 543867 - T

37. CONTINGENT LIABILITIES - UNSECURED

	The Company	
	2014	2013
	RM'000	RM'000
Corporate guarantee given to financial institutions for credit facilities granted to subsidiary companies	<u>274,650</u>	<u>191,000</u>

38. CAPITAL COMMITMENTS**(a) Non-cancellable operating lease commitments**

The Group has commitment in respect of rental of premises as follows:

	The Group	
	2014	2013
	RM'000	RM'000
Future minimum rentals payable:		
Not later than 1 year	4,711	3,707
More than 1 year and within 2 years	2,833	3,496
More than 2 years and within 3 years	<u>-</u>	<u>2,093</u>
	<u>7,544</u>	<u>9,296</u>

The Group has entered into non-cancellable operating lease agreements which represent rental payable for the use of premises. Leases are negotiated for a period of 3 years and rentals fixed for 2 years.

(b) Other commitments

	The Group	
	2014	2013
	RM'000	RM'000
Capital expenditure in respect of acquisition of land		
- approved and contracted for (i)	33,881	-
- approved but not contracted for (ii)	<u>19,310</u>	<u>19,310</u>
	<u>53,191</u>	<u>19,310</u>

(i) Approved and contracted for

During the financial year, a wholly-owned subsidiary of the Company entered into a sale and purchase agreement with a third party to acquire two pieces of freehold land as disclosed in Note 35(b).

APPENDIX IV – OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 2014 TOGETHER WITH THE AUDITORS’ REPORT (Cont’d)

Company No. 543867 - T

(ii) Approved but not contracted for

Under the Supplemental Agreement entered into between Batu Kawan Development Sdn. Bhd. (“BKDSB”) and Penang Development Corporation (“PDC”) on 31 March 2011, BKDSB is entitled to execute the sale and purchase of Parcel 3A and Parcel 3B of land owned by PDC on or before 30 September 2013 or within 24 months from the date of vacant possession of Parcel 2B is ready to be delivered by PDC to BKDSB, whichever is the later, subject to the condition that the sale and purchase of Parcel 3A and 3B can only be effected upon Penaga Pesona Sdn. Bhd.’s completion of the low cost and low-medium cost housings in Parcel 1 and Parcel 2A.

The Board of Directors of the Company has approved the proposed capital expenditure in respect of acquisition of the said parcel of land at a cost of RM19.3 million.

39. MATERIAL LITIGATION

In the ordinary course of business, a subsidiary company within the Group is a defendant in a legal case and in the opinion of the Directors, after taking appropriate legal advice, the outcomes of such actions are remote and therefore, no provisions have been made in the financial statements.

APPENDIX IV – OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 2014 TOGETHER WITH THE AUDITORS’ REPORT (Cont’d)

Company No. 543867 - T

40. SUPPLEMENTARY INFORMATION - DISCLOSURE ON REALISED AND UNREALISED PROFITS/LOSSES

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

On 20 December 2010, Bursa Malaysia further issued guidance on the disclosure and the prescribed format of disclosure.

The breakdown of the retained earnings of the Group and of the Company as of the end of the reporting period into realised and unrealised profits or losses, pursuant to the directive is as follows:

	The Group		The Company	
	2014	2013	2014	2013
	RM’000	RM’000	RM’000	RM’000
Total retained earnings of the Group and the Company				
Realised	80,495	45,160	35,381	35,572
Unrealised	19,834	16,266	-	-
	<u>100,329</u>	<u>61,426</u>	<u>35,381</u>	<u>35,572</u>
Less: Consolidation adjustments	(36,153)	(36,290)	-	-
	<u>64,176</u>	<u>25,136</u>	<u>35,381</u>	<u>35,572</u>
Total retained earnings as per statements of financial position	<u>64,176</u>	<u>25,136</u>	<u>35,381</u>	<u>35,572</u>

The determination of realised and unrealised profits or losses is based on Guidance of Special Matter No. 1 “Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements” as issued by the Malaysian Institute of Accountants on 20 December 2010. A charge or credit to the profit or loss of a legal entity is deemed realised when it is resulted from the consumption of resource 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.

This supplementary information has been made solely for complying with the disclosure requirements as stipulated in the directive of Bursa Malaysia Securities Berhad and is not made for any other purposes.

APPENDIX IV – OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 2014 TOGETHER WITH THE AUDITORS’ REPORT (Cont’d)

Company No. 543867 - T

GLOBAL ORIENTAL BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

STATEMENT BY DIRECTORS

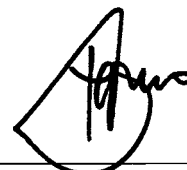
The directors of **GLOBAL ORIENTAL BERHAD**, state that, in their opinion, the accompanying financial statements are drawn up in accordance with Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2014 and of the financial performance and the cash flows of the Group and of the Company for the year ended on that date.

The supplementary information set out in Note 40, which is not part of the financial statements, is prepared in all material aspects, in accordance with Guidance on 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 and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board
in accordance with a resolution
of the Directors,



**Y.A.M. DATUK SERI TENGKU AHMAD SHAH
IBNI ALMARHUM SULTAN SALAHUDDIN
ABDUL AZIZ SHAH**



OTHMAN BIN MOHAMMAD

Selangor Darul Ehsan
16 July 2014

APPENDIX IV – OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 2014 TOGETHER WITH THE AUDITORS' REPORT (Cont'd)

Company No. 543867 - T

GLOBAL ORIENTAL BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **NG EEK MEEN**, the officer primarily responsible for the financial management of **GLOBAL ORIENTAL BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.



NG EEK MEEN

Subscribed and solemnly declared by the abovenamed **NG EEK MEEN** at **SELANGOR DARUL EHSAN** on 16th day of July, 2014.

Before me,



No. 2.09, Tingkat 2,
Kompleks Hentian Kajang,
Jalan Reko, Selangor

**APPENDIX V – OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX
(6)-MONTH FPE 30 SEPTEMBER 2014**

**GLOBAL ORIENTAL BERHAD
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014**

	3 months ended		6 months ended	
	30.09.2014 RM'000 unaudited	30.09.2013 RM'000 unaudited	30.09.2014 RM'000 unaudited	30.09.2013 RM'000 unaudited
Revenue	121,244	86,550	213,862	160,722
Cost of sales	(81,729)	(64,646)	(151,122)	(121,061)
Gross profit	39,515	21,904	62,740	39,661
Interest income	158	282	635	707
Other operating income	998	645	2,858	1,141
Depreciation and amortization	(797)	(782)	(1,584)	(1,602)
Other operating expenses	(21,793)	(11,255)	(35,114)	(24,194)
Profit from operations	18,081	10,794	29,535	15,713
Finance costs	(1,099)	(795)	(2,990)	(901)
Profit before tax	16,982	9,999	26,545	14,812
Taxation	(6,785)	(2,345)	(10,270)	(3,918)
Profit for the financial period	10,197	7,654	16,275	10,894
Other comprehensive income	-	-	-	-
Total comprehensive income for the financial period	10,197	7,654	16,275	10,894
Profit attributable to:				
Equity holders of the Company	9,522	7,654	15,001	10,894
Non-controlling interests	675	-	1,274	-
	10,197	7,654	16,275	10,894
Total comprehensive income attributable to:				
Equity holders of the Company	9,522	7,654	15,001	10,894
Non-controlling interests	675	-	1,274	-
	10,197	7,654	16,275	10,894
Earnings per share attributable to Equity Holders of the Company:				
- Basic (sen)	4.19	3.37	6.60	4.79

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2014 and the accompanying explanatory notes attached to this interim financial statements.

APPENDIX V – OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX (6)-MONTH FPE 30 SEPTEMBER 2014 (Cont'd)

**GLOBAL ORIENTAL BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014**

	Attributable to the Equity Holders of the Company						Total Equity RM'000
	Share Capital RM'000	Capital Reserve RM'000	Share Option Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non-controlling interests RM'000	
Current 6 months ended 30 September 2014 (unaudited)							
At 1 April 2014	227,338	-	-	64,176	291,514	-	291,514
Total comprehensive income for the financial period	-	-	-	15,001	15,001	1,274	16,275
Cancellation of RM0.50 of the par value of the ordinary shares of RM1.00 each	(113,669)	113,669	-	-	-	-	-
Employees' Share Option Scheme ("ESOS") granted	-	-	6,410	-	6,410	-	6,410
Non-controlling interests arising from the acquisition of a subsidiary company	-	-	-	-	-	10,587	10,587
At 30 September 2014	113,669	113,669	6,410	79,177	312,925	11,861	324,786

	Attributable to the Equity Holders of the Company						Total Equity RM'000
	Share Capital RM'000	Capital Reserve RM'000	Share Option Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non-controlling interests RM'000	
Preceding 6 months ended 30 September 2013 (unaudited)							
At 1 April 2013	227,338	-	-	25,136	252,474	-	252,474
Total comprehensive income for the financial period	-	-	-	10,894	10,894	-	10,894
At 30 September 2013	227,338	-	-	36,030	263,368	-	263,368

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2014 and the accompanying explanatory notes attached to this interim financial statements.

**APPENDIX V – OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX
(6)-MONTH FPE 30 SEPTEMBER 2014 (Cont'd)**

**GLOBAL ORIENTAL BERHAD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2014**

	As at 30.09.2014 RM'000 unaudited	As at 31.03.2014 RM'000 audited
ASSETS		
Non-current assets		
Property, plant and equipment	16,402	17,296
Investment property	4,600	4,600
Other investment	1	1
Land held for property development	214,926	174,846
Goodwill on consolidation	30,337	-
Deferred tax assets	18,218	18,221
Trade receivables	-	921
	<u>284,484</u>	<u>215,885</u>
Current assets		
Inventories	35,873	12,022
Property development costs	369,828	387,339
Accrued billings	78,883	33,426
Trade receivables	65,959	51,558
Other receivables and deposits	32,569	81,658
Tax recoverable	234	135
Short term funds	7,082	2,029
Fixed deposits with licensed banks	10,044	6,995
Cash and bank balances	53,886	54,359
	<u>654,358</u>	<u>629,521</u>
TOTAL ASSETS	<u>938,842</u>	<u>845,406</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	113,669	227,338
Reserves	199,256	64,176
	<u>312,925</u>	<u>291,514</u>
Non-controlling interests	11,861	-
TOTAL EQUITY	<u>324,786</u>	<u>291,514</u>
LIABILITIES		
Non-current and deferred liabilities		
Borrowings - secured	151,901	116,387
Deferred tax liabilities	19,317	19,760
Trade payables	86,581	89,810
	<u>257,799</u>	<u>225,957</u>
Current liabilities		
Progress billings	3,334	-
Trade payables	103,515	127,660
Other payables and accruals	62,997	30,141
Provisions	46,573	48,552
Borrowings - secured	117,872	105,505
Tax liabilities	21,966	16,077
	<u>356,257</u>	<u>327,935</u>
TOTAL LIABILITIES	614,056	553,892
TOTAL EQUITY AND LIABILITIES	<u>938,842</u>	<u>845,406</u>
	-	-
Net assets per ordinary share attributable to equity holders of the Company (RM)	<u>1.38</u>	<u>1.28</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2014 and the accompanying explanatory notes attached to this interim financial statements.

**APPENDIX V – OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX
(6)-MONTH FPE 30 SEPTEMBER 2014 (Cont'd)**

**GLOBAL ORIENTAL BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014**

	6 months ended	
	30.09.2014	30.09.2013
	RM'000	RM'000
	unaudited	unaudited
Cash Flows from Operating Activities		
Profit before taxation	26,545	14,812
Adjustments for:		
Provision for liquidated and ascertained damages	12	16
Reversal of liquidated and ascertained damages	-	(123)
Provision for bumiputra quota penalties	-	51
Depreciation of property, plant and equipment	1,584	1,602
Property, plant and equipment written off	25	-
Loss/(Gain) on disposal of property, plant and equipment	-	3
Staff costs – New ESOS granted	6,410	-
Interest expenses	2,990	901
Interest income	(635)	(707)
Operating profit before working capital changes	36,931	16,555
Increase in land held for property development	(20,008)	(990)
Decrease in property development costs	4,065	15,016
(Increase)/Decrease in inventories	(2,044)	1,657
(Increase)/Decrease in accrued billings	(45,457)	4,186
(Increase)/Decrease in receivables	(3,027)	15,865
Increase/(Decrease) in progress billings	3,333	(51,029)
Increase/(Decrease) in payables	1,295	(53,245)
Cash generated used in operations	(24,912)	(51,985)
Interest received	578	707
Interest paid	(8,751)	(4,343)
Liquidated and ascertained damages paid	(100)	(1,997)
Bumiputra quota penalties paid	(401)	(567)
Sales incentives paid	(1,491)	-
Tax paid	(6,034)	(4,279)
	(16,199)	(10,479)
Net cash generated used in operating activities	(41,111)	(62,464)
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(676)	(631)
Acquisition of a subsidiary company, net of cash acquired	(647)	-
Short term funds	(5,053)	(2,004)
Placement of fixed deposits	(3)	(5)
Net cash used in investing activities	(6,379)	(2,640)
Cash Flows from Financing Activities		
Drawdown of bank borrowings	155,225	101,150
Repayment of bank borrowings	(107,939)	(11,394)
Repayment of hire-purchase creditors	(127)	(214)
Net cash generated from financing activities	47,159	89,542
Net (decrease)/increase in cash and cash equivalents	(331)	24,438
Cash and cash equivalents at beginning of financial period	53,779	32,399
Cash and cash equivalents at end of financial period	53,448	56,837
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	53,886	57,770
Fixed deposits with licensed banks	10,044	6,674
Bank overdraft	(438)	(933)
	63,492	63,511
Less: Fixed deposits pledged	(10,044)	(6,674)
	53,448	56,837

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2014 and the accompanying explanatory notes attached to this interim financial statements.

APPENDIX V – OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX (6)-MONTH FPE 30 SEPTEMBER 2014 (Cont'd)

GLOBAL ORIENTAL BERHAD
PART A – EXPLANATORY NOTES PURSUANT TO FRS 134
1. BASIS OF PREPARATION

The interim financial statements of Global Oriental Berhad (“GOB” or “Company”) and its subsidiaries (“the Group”) are unaudited and have been prepared in accordance with Financial Reporting Standards (“FRS”) 134: “Interim Financial Reporting” and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2014. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2014.

The significant accounting policies and methods of computation adopted in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 March 2014, except for the adoption of the following new and revised Financial Reporting Standards (“FRSs”), Issues Committee (“IC”) Interpretations and amendments to FRSs and IC Interpretations (where it is applicable to the Group) with effect from the financial period beginning 1 April 2014:

FRSs, Amendments to FRSs and Interpretations

Amendments to FRS 10	:	Consolidated Financial Statements: Investment Entities
Amendments to FRS 12	:	Disclosures of Interests in Other Entities: Investment Entities
Amendments to FRS 127	:	Separate Financial Statements (2011): Investment Entities
Amendments to FRS 132	:	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 136	:	Impairment of Assets: Recoverable Amounts Disclosures for Non-Financial Assets
Amendments to FRS 139	:	Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	:	Levies

The adoption of the above amendments to standards and interpretation (where it is applicable to the Group) is not expected to have any material financial effect to the Group.

On 19 November 2011, the Malaysian Accounting Standards Board (“MASB”) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework (“MFRS 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. Transitioning Entities, 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, which allowed these entities an option to continue with the FRS Framework. Following the announcement by the MASB on 7 August 2013, the transitional period for Transitioning Entities has been extended for an additional year. Thereafter, on 2 September 2014, MASB had announced the adoption of MFRS Framework for Transitioning Entities from annual periods beginning on or after 1 January 2017.

The Group falls within the scope definition of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare its first set of MFRS

APPENDIX V – OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX (6)-MONTH FPE 30 SEPTEMBER 2014 (Cont'd)

financial statements for the year ending 31 March 2018 when the MFRS Framework is mandated by MASB.

The Group is currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. At the date of authorisation for issue of these financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adopting the new MFRS Framework on the Group's first set of financial statements prepared in accordance with the MFRS Framework cannot be determined and estimated reliably until the process is complete.

2. AUDITORS' REPORT ON REPORTING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements of GOB for the financial year ended 31 March 2014 was not qualified.

3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The Group's performance for the quarter ended 30 September 2014 was not affected by significant seasonal or cyclical fluctuations.

4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter under review.

5. CHANGES IN ESTIMATES

There were no changes in estimates during the quarter under review that had a material effect on the interim financial statements.

6. DEBT AND EQUITY SECURITIES

There were no issuances, cancellation, repurchase, resale and repayment of debt and equity securities during the quarter under review except for the cancellation of the par value of RM0.50 from RM1.00 to RM0.50 pursuant to the par value reduction exercise.

7. DIVIDENDS PAID

There were no dividends paid or declared during the quarter under review.

**APPENDIX V – OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX
(6)-MONTH FPE 30 SEPTEMBER 2014 (Cont'd)**

8. SEGMENTAL INFORMATION

Group	Property		Investment				Elimination	Total
	<u>development</u>	<u>Construction</u>	<u>Trading</u>	<u>holding</u>	<u>Others</u>			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Results For 6 Months Ended								
30 September 2014								
Revenue								
External sales	180,284	-	21,230	-	12,348	-	213,862	
Inter-segment sales	-	18,813	-	-	-	(18,813)	-	
	180,284	18,813	21,230	-	12,348	(18,813)	213,862	
Results								
Segment results	34,425	646	4,862	(2,997)	(6,070)	(1,331)	29,535	
Unallocated expenses:								
- Finance costs							(2,990)	
Profit before tax							26,545	
Taxation							(10,270)	
Profit for the financial period							16,275	

Group	Property		Investment				Elimination	Total
	<u>development</u>	<u>Construction</u>	<u>Trading</u>	<u>holding</u>	<u>Others</u>			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Results For 6 Months Ended								
30 September 2013								
Revenue								
External sales	152,879	-	-	-	7,843	-	160,722	
Inter-segment sales	-	44,736	-	-	-	(44,736)	-	
	152,879	44,736	-	-	7,843	(44,736)	160,722	
Results								
Segment results	20,592	1,074	-	(1,193)	(3,894)	(866)	15,713	
Unallocated expenses:								
- Finance costs							(901)	
Profit before tax							14,812	
Taxation							(3,918)	
Profit for the financial period							10,894	

APPENDIX V – OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX (6)-MONTH FPE 30 SEPTEMBER 2014 (Cont'd)

9. CARRYING AMOUNT OF REVALUED ASSETS

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

There has been no change to the valuations of the property, plant and equipment since the audited financial statements for the year ended 31 March 2014.

10. SUBSEQUENT EVENTS

There were no material events subsequent to the reporting period, except as follows:

On 4 November 2014, the Group announced that Taman Equine Industrial Sdn Bhd, a wholly-owned subsidiary of GOB had entered into a conditional sale and purchase agreement with Summit View Development Sdn Bhd for disposal of two parcels of leasehold land located in Mukim Petaling, Daerah Petaling, Negeri Selangor measuring a total area of approximately 15.56 acres, for a total cash consideration of RM142.35 million.

11. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the quarter under review.

12. CHANGES IN CONTINGENT ASSETS AND CONTINGENT LIABILITIES

As at the date of this report, there were no material contingent liabilities except as follows:

Corporate guarantee amounting to RM479.3 million given by our Company to financial institutions for credit facilities granted to our subsidiaries.

13. CAPITAL COMMITMENTS

The amount of commitments not provided for as at the date of this report is as follows:

(a) Non-cancellable operating lease commitments

The Group has commitment in respect of rental of premises as follows:

	RM'000
Future minimum rentals payable:	
- Not later than 1 year	4,331
- More than 1 year and within 2 years	351
	<u>4,682</u>

The Group has entered into non-cancellable operating lease agreements which represent rental payable for the use of premises.

(b) Other commitment

	RM'000
Capital expenditure in respect of acquisition of land	
- Approved but not contracted for	<u>19,310</u>

APPENDIX V – OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX (6)-MONTH FPE 30 SEPTEMBER 2014 (Cont'd)

PART B – EXPLANATORY NOTES PURSUANT TO THE REVISED LISTING REQUIREMENTS OF BURSA SECURITIES

1. REVIEW OF PERFORMANCE

The Group's revenue increased by 40.1% to RM121.2 million for the current quarter as compared to RM86.6 million reported in the preceding year corresponding quarter while pre-tax profit improved by 69.8% to RM17.0 million for the current quarter from RM10.0 million reported in the preceding year corresponding quarter. The better performance of both revenue and pre-tax profit were mainly attributed to higher revenue recognition and profit contribution arising from da:men mixed developments in USJ, Subang Jaya.

The current quarter's revenue of RM121.2 million was 30.9% higher as compared to immediate preceding quarter's revenue of RM92.6 million. The increase in revenue was mainly due to higher revenue recognition from da:men mixed developments. In line with revenue growth, the Group's pre-tax profit increased by 77.6% to RM17.0 million as compared to immediate preceding quarter's pre-tax profit of RM9.6 million.

2. COMMENTARY ON PROSPECTS

The Malaysian economy registered a growth of 5.6% in the third quarter of 2014, underpinned by private sector demand and continued positive growth in net exports of goods and services. Bank Negara Malaysia reported that the Malaysian economy is expected to remain on a steady growth path.

In the recent Malaysian Budget 2015, the Government announced various incentives and measures, particularly those related to the real estate and property sector, such as the Youth Housing Scheme, 1Malaysia People's Housing Programme (PR1MA) and extension of the 50% stamp duty exemption. These measures are expected to boost ownerships of affordable housing and also likely to have positive impact on the property industry generally.

Barring unforeseen circumstances, the Board of Directors envisages the Group to achieve satisfactory results for the financial year ending 31 March 2015.

3. PROFIT FORECAST OR PROFIT GUARANTEE

The Group has not issued any profit forecast or profit guarantee for the financial year under review.

4. TAXATION

	Current Year Quarter 30.09.2014 RM'000	Preceding Year Corresponding Quarter 30.09.2013 RM'000	Current Year To Date 30.09.2014 RM'000	Preceding Year To Date 30.09.2013 RM'000
Current period taxation	(6,841)	(2,786)	(10,768)	(4,508)
Deferred taxation	56	441	498	590
	(6,785)	(2,345)	(10,270)	(3,918)

APPENDIX V – OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX (6)-MONTH FPE 30 SEPTEMBER 2014 (Cont'd)

The effective tax rate for the current quarter was higher than the statutory tax rate principally due to the restriction in the group relief available in respect of losses incurred by certain subsidiary companies and expenses which were not deductible for tax purposes.

5. CORPORATE PROPOSALS

There were no corporate proposals announced but not completed as at the date of this report, save as disclosed in Note 10 of Part A and the following:

Proposed Par Value Reduction, proposed amendment to the Company's Memorandum of Association and proposed renounceable rights issue of 227,338,321 new ordinary shares of RM0.50 each in GOB together with 113,669,160 free detachable warrants at an issue price of RM0.50 per Rights Share on the basis of two (2) Rights Shares together with one (1) free Warrant for every two (2) existing ordinary shares of RM0.50 each in GOB ("Rights Issue with Warrants"), proposed establishment of an employees' share option scheme ("ESOS") (collectively referred to as "Proposals")

Our shareholders had approved the Proposals at our EGM held on 27 August 2014. Subsequently, the Company announced on 8 September 2014 that the ESOS was implemented with effect from 29 August 2014 and 9,560,000 ESOS options were offered to eligible directors and employees of the Group.

On 18 September 2014, the Company announced that the High Court of Malaya had on the same day granted an order confirming the Par Value Reduction. On 25 September 2014, the sealed order of the High Court of Malaya confirming the Par Value Reduction has been lodged with the Companies Commission of Malaysia on the same day, thus being the effective date and marking the completion of the Par Value Reduction.

On 6 November 2014, the Company announced that the issue price of the Rights Shares has been fixed at RM0.50 each and the exercise price of the Warrants has been fixed at RM0.80 each.

On 17 November 2014, the Company announced that it has procured written irrevocable undertaking from three of its substantial shareholders to undertake subscription of up to 64,900,000 Right Shares and execute a Underwriting Agreement with certain financial institutions to fully underwrite the remaining 162,438,321 Rights Shares. Further, on the same day, the Entitlement Date has been fixed at 5.00 p.m. on 2 December 2014 together with other dates relevant to the Rights Issue with Warrants.

The Deed Poll constituting the Warrants was executed on 19 November 2014 and thereafter a registrable copy of Abridged Prospectus together with supporting documents will be submitted to the Securities Commission for approval before sending the same to the entitled shareholders.

APPENDIX V – OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX (6)-MONTH FPE 30 SEPTEMBER 2014 (Cont'd)
6. BORROWINGS AND DEBT SECURITIES

	As at 30.09.2014 RM'000	As at 31.03.2014 RM'000
Short term borrowings:		
Bank borrowings	117,000	104,500
Hire-purchase creditors	434	425
Bank overdrafts	438	580
	<u>117,872</u>	<u>105,505</u>
Long term borrowings:		
Bank borrowings	151,163	115,512
Hire-purchase creditors	738	875
	<u>151,901</u>	<u>116,387</u>

All borrowings are denominated in Ringgit Malaysia and are fully secured.

7. CHANGES IN MATERIAL LITIGATION

The Company and its subsidiary companies are not engaged, either as plaintiff or defendant, in any litigation which has a material effect since the date of the last annual statement of financial position to the date of this report. The Directors are not aware of any proceedings pending or threatened or of any fact likely to give rise to any proceeding which might materially and/or adversely affect the position or business of the Group.

8. DIVIDEND

No dividend has been proposed or declared for the current quarter.

9. EARNINGS PER SHARE
a) Basic

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

	Current Year Quarter 30.09.2014	Preceding Year Corresponding Quarter 30.09.2013	Current Year To Date 30.09.2014	Preceding Year To Date 30.09.2013
Profit attributable to equity holders of the Company (RM'000)	9,522	7,654	15,001	10,894
Weighted average number of ordinary shares in issue ('000)	227,338	227,338	227,338	227,338
Basic earnings per share (sen)	4.19	3.37	6.60	4.79

APPENDIX V – OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX (6)-MONTH FPE 30 SEPTEMBER 2014 (Cont'd)
b) Diluted

ESOS granted is excluded from the diluted earnings per share calculation because their effect is anti-dilutive.

10. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	Current Year Quarter 30.09.2014 RM'000	Preceding Year Corresponding Quarter 30.09.2013 RM'000	Current Year To Date 30.09.2014 RM'000	Preceding Year To Date 30.09.2013 RM'000
After Charging:				
Interest expense	1,099	795	2,990	901
Depreciation and amortization	797	782	1,584	1,602
Loss on disposal of property, plant and equipment	-	-	-	3
Property, plant and equipment written off	24	-	25	-
Provision for liquidated and ascertained damages	12	16	12	16
Staff costs - new ESOS granted	6,410	-	6,410	-
After Crediting				
Interest income	158	282	635	707
Reversal of provision for liquidated and ascertained damages	-	66	-	123

There were no provision for write off of receivables, provision for write off of inventories, gain or loss on disposal of quoted or unquoted investment, foreign exchange gain, gain or loss on derivatives and exceptional items for the current quarter under review.

11. DISCLOSURE ON REALISED AND UNREALISED PROFITS

	As at 30.09.2014 RM'000	As at 31.03.2014 RM'000
Total retained profits of the Company and its subsidiaries		
– Realised	94,018	80,495
– Unrealised	19,777	19,834
	113,795	100,329
Less: Consolidation adjustments	(34,618)	(36,153)
Total Group retained earnings as per statements of financial position	79,177	64,176

**APPENDIX V – OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX
(6)-MONTH FPE 30 SEPTEMBER 2014 (Cont'd)**

12. AUTHORISATION FOR ISSUE

These interim financial statements have been authorised by the Board of Directors for issuance in accordance with a resolution of the Directors duly passed at the Board of Directors' Meeting held on 26 November 2014.

By Order of the Board
Chin Pei Fung (MAICSA 7029712)
Company Secretary
Selangor Darul Ehsan
26 November 2014

APPENDIX VI – DIRECTORS’ REPORT

GLOBAL ORIENTAL BERHAD (543867-T)
(Formerly known as Equine Capital Berhad)



Date: 21 NOV 2014

The Shareholders of
Global Oriental Berhad
No. 1, Jalan Putra Permai 1A
Taman Equine
43300 Seri Kembangan
Selangor Darul Ehsan

Dear Sir/ Madam,

On behalf of the Board of Directors of Global Oriental Berhad (“**GOB**” or the “**Company**”) (“**Board**”), I wish to report that after due enquiry by the Board in relation to the interval between the period from 31 March 2014 (being the date to which the last audited consolidated financial statements of the Company and its subsidiaries (“**Group**”) have been made up) to the date hereof (being a date not earlier than fourteen (14) days before the date of issuance of this Abridged Prospectus), that:-

- (a) in the opinion of the Board, the business of the Group has been satisfactorily maintained;
- (b) in the opinion of the Board, no circumstances have arisen since the last audited consolidated financial statements of the Group which has adversely affected the trading or the value of the assets of the Group;
- (c) the current assets of the Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) save as disclosed in this Abridged Prospectus, there are no contingent liabilities that have arisen by reason of any guarantee or indemnity given by the Group;
- (e) there have been no default or known event that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings of the Group since the latest audited consolidated financial statements of the Group; and
- (f) save as disclosed in this Abridged Prospectus, there have been no material changes in the published reserves or unusual factors affecting the profits of the Group since the last audited consolidated financial statements of the Group.

Yours faithfully,
For and on behalf of the Board of Directors of
GLOBAL ORIENTAL BERHAD



WEE BENG AUN
Executive Director

No.1, Jalan Putra Permai 1A, Taman Equine, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia.

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Equine Home Gallery: Tel: 03-8945 7878 Fax: 03-8948 1818*

*Email: gob@gob.com.my
Website: http://www.gob.com.my*

APPENDIX VII – ADDITIONAL INFORMATION

1. SHARE CAPITAL

- (a) No securities will be allotted or issued on the basis of this Abridged Prospectus later than twelve (12) months after the date of this Abridged Prospectus.
- (b) As at the LPD, there is only one (1) class of share in our Company, namely ordinary share of RM0.50 each, all of which rank *pari passu* with one another.
- (c) As at the date of this Abridged Prospectus, no person has been or is entitled to be granted an option to subscribe for any securities of our Company, save for:-
 - (i) the subscribers of the Rights Shares who will be allotted with 113,669,160 Warrants to be issued pursuant to the Rights Issue with Warrants, and which are exercisable at RM0.80 each during the exercise period of five (5) years from the date of its issuance; and
 - (ii) the eligible Directors and employees of our Group who have been or may be granted with the ESOS options, are entitled to subscribe for GOB Shares at an exercise price which shall be at a discount of not more than ten percent (10%) to the five (5)-day VWAP of GOB Shares immediately preceding the date of offer of the ESOS options or at the par value of GOB Shares of RM0.50 each, whichever is higher, based on the following:-
 - we had on 29 August 2014 implemented the ESOS for the issuance of up to fifteen percent (15%) of our Company's issued and paid-up share capital (excluding treasury shares) for a duration of ten (10) years; and
 - we had on 8 September 2014 granted 9,560,000 ESOS options to the eligible Directors and employees of our Group, with 9,290,000 ESOS options having been accepted, at the exercise price of RM1.00 per Share which are only exercisable upon completion of the Rights Issue with Warrants.
- (d) Save for the Rights Issue with Warrants, the ESOS options as mentioned in Section 1 (c) (ii) of this Abridged Prospectus and the changes in issued and paid-up share capital of our Company as disclosed in Section 2 of Appendix II of this Abridged Prospectus, no securities of our Company have been issued, or proposed/ agreed to be issued, as fully or partly paid-up in cash or otherwise than in cash within the two (2) years immediately preceding the date of this Abridged Prospectus.

2. DIRECTORS' REMUNERATION

An extract of the provisions of our Articles of Association relating to the remuneration of our Directors are as follows:-

Article 86 – Remuneration of Directors

- (a) *The fees payable to the Directors shall from time to time be determined by an ordinary resolution of the Company in general meeting, provided that such fees shall not be increased except pursuant to an ordinary resolution passed at the general meeting, where notice of the proposed increase has been given in the notice convening the meeting.*
- (b) *Executive director(s) shall, subject to the terms of any agreement (if any) entered into in any particular case, receive such remuneration as the Directors may from time to time determine.*

APPENDIX VII – ADDITIONAL INFORMATION (Cont'd)

- (c) *Fees payable to non-executive Directors shall be a fixed sum, and not by a commission on or percentage of profits or turnover.*
- (d) *Salaries payable to executive Director(s) may not include a commission on or percentage of turnover.*
- (e) *Any fees paid to an Alternate Director shall be such as agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.*

Article 87 – Reimbursement of expenses

- (1) *The Directors may be paid all their travelling and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending Board Meetings of the Company.*
- (2) *If any Director being willing shall be called upon to perform extra services or to make any special efforts in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a Member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determined by the Board of Directors and such remuneration may be either in addition to or in substitution for his or their share in the remuneration from time to time provided for the Directors. Any extra remuneration payable to non-executive Director(s) shall not include a commission on or percentage of turnover or profits.*

Article 112 – Remuneration

The remuneration of a Managing Director or Managing Directors shall be fixed by the Directors and may be by way of salary or commission or participation in profits or otherwise or by any or all of these mode.

3. MATERIAL CONTRACTS

Save as disclosed below, there are no other material contracts (not being contracts entered into in the ordinary course of business) which have been entered into (including contracts not reduced into writing) by our Group within two (2) years immediately preceding the date of this Abridged Prospectus:-

- (a) Sale and purchase agreement for shares dated 29 November 2013 between GOB, Lee Kian Jin, Siti Tasnim Binti Sulaiman and Ang Yoke Seng for the acquisition of 65% equity interest comprising 1,339,000 ordinary shares of RM1.00 each in Perwira Nadi Trading Sdn Bhd for a total cash consideration of RM50.00 million which was completed on 1 April 2014;
- (b) Sale and purchase agreement dated 9 December 2013 between our wholly-owned subsidiary, Fame Action Sdn Bhd and Layar Raya Sdn Bhd for the acquisition of two (2) pieces of freehold land held under Geran 27440 and Geran 123367, Lot 1656 and Lot 4192 respectively, situated at Mukim Cheras, Daerah Ulu Langat, Negeri Selangor, measuring a total area of approximately 25.586 acres for a total cash consideration of RM35.66 million which was completed on 30 September 2014;

APPENDIX VII – ADDITIONAL INFORMATION (Cont'd)

- (c) Sale and purchase agreement dated 4 November 2014 between our wholly-owned subsidiary, Taman Equine Industrial Sdn Bhd and Summit View Development Sdn Bhd for the disposal of two (2) parcels of leasehold land held under H.S.(D) 256282, PT 78864, and H.S.(D) 236747, PT 74867, Mukim Petaling, Daerah Petaling, Negeri Selangor measuring a total land area of 15.56 acres, for a total cash consideration of RM142,349,730.60 which is pending completion as at the LPD;
- (d) Deed Poll referred to in Section 2.4 of this Abridged Prospectus; and
- (e) Underwriting Agreement referred to in Section 5.2 of this Abridged Prospectus.

4. MATERIAL LITIGATION

Save as disclosed below, as at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on the financial position or business, and our Board is not aware of any proceedings, pending or threatened, or of any facts likely to give rise to any proceedings which may materially affect the financial position or business of our Group:-

- (a) **Kuala Lumpur High Court Suit No. S3-22-474-2006 between Syarikat Lian Ping Enterprise Sdn Bhd (“Plaintiff”) and Crystal Mist Sdn Bhd (“First Defendant”), Syarikat Cengal Merah Sdn Bhd (“Second Defendant”) and Kuala Lumpur Industries Holdings Berhad (“Third Defendant”) (collectively, the “Defendants”)**

On 24 May 2006, the Plaintiff brought an action against the Defendants in relation to a proposed renovation and refurbishment of Hotel Uzbekistan in Tashkent, Uzbekistan (“**Project**”), for the balance sum of RM2,868,421.30 due and owing pursuant to the Architect’s Certificate No.13 for the Project; the sum of RM33,304,263.72 being the Plaintiff’s progressive claim no.17 for the Project; the sum of RM1,880,000 being the retention monies; and damages to be assessed by the Kuala Lumpur High Court for variation works, unvalued works and direct loss and expense; together with interest of 8% per annum from 11 December 2000 till the date of full payment. The Plaintiff also prayed for a declaration that the Third Defendant is the main company behind the Project, and therefore, should be liable for the liabilities of the First Defendant and Second Defendant.

The Plaintiff was appointed by the First Defendant and Second Defendant as the nominated sub-contractor for the Project.

The Third Defendant, a wholly-owned subsidiary of GOB, has been included in this litigation suit as the purported “alter ego” of the First Defendant and Second Defendant. The term “alter ego” was used by the Plaintiff in its statement of claim, whereby the Plaintiff alleged that the Third Defendant was the “alter ego” of the First Defendant and the Second Defendant as the Third Defendant had issued a cheque in favour of the Plaintiff on behalf of the First Defendant and that the First Defendant’s registered office is situated at Wisma KLH, a building then owned by the Third Defendant.

On 14 March 2007, the Third Defendant filed an application at the Kuala Lumpur High Court to strike out this litigation suit and/or remove the Third Defendant from being named as a party to this litigation suit (“**Application**”) due to the following reasons:-

- (i) there was no privity of contract between the Plaintiff and the Third Defendant;
- (ii) the Third Defendant is a separate legal entity from the First Defendant and the Second Defendant;

APPENDIX VII – ADDITIONAL INFORMATION (Cont'd)

- (iii) the Third Defendant is no longer the main shareholder of the First Defendant; and
- (iv) the Third Defendant has novated all of its liabilities to KLIH Debt Management Sdn Bhd (“**KDM**”) vide the novation agreement dated 7 August 2003 by Pengurusan Danaharta Nasional Berhad, pursuant to Section 46(4)(b) of Pengurusan Danaharta Nasional Berhad Act, 1998 (“**Novation Agreement**”).

The Senior Assistant Registrar heard and dismissed the Application on 23 October 2007. On 29 October 2007, the Third Defendant appealed to the Judge in Chambers against the Senior Assistant Registrar (“**Appeal**”), with the Appeal being dismissed by the Judge on 29 June 2009. The Third Defendant filed its statement of defence on 25 January 2011 following the dismissal of the Appeal. As at the LPD, the Plaintiff has not taken any step to move the Kuala Lumpur High Court for this litigation suit.

The Third Defendant’s solicitors (“**Solicitors**”) are of the opinion that in order for the Plaintiff to render the Third Defendant liable, the Plaintiff has to prove that the Third Defendant is the “alter ego” of the First Defendant and the Second Defendant and to further obtain a declaration from the Kuala Lumpur High Court to that effect. The Solicitors also opined that it is unlikely for the Plaintiff to lift the corporate veil between the Third Defendant and the First Defendant and Second Defendant. Further, pursuant to the Novation Agreement, the Third Defendant has novated all of its liabilities to KDM, hence, the Solicitors are also of the opinion that KDM should be named as one of the defendants in this litigation suit, instead of the Third Defendant. Our Board is of the opinion that the Third Defendant has a reasonable chance of defending this claim.

- (b) **Shah Alam High Court Civil Suit No. 22NCVC-694-11/2013 between Low Say Huat and 36 Others (collectively, the “Plaintiffs”) and Taman Equine (M) Sdn Bhd (“Defendant”)**

On 25 November 2013, the Plaintiffs brought an action against the Defendant, a wholly-owned subsidiary of GOB, for liquidated damages amounting to RM2,685,404.26, together with interests and costs, for the purported delay by the Defendant in respect of the delivery of vacant possession of shop-office(s) purchased by the Plaintiffs, pursuant to various sale and purchase agreements executed between the Plaintiffs and the Defendant. The High Court has fixed 9 February 2015 to 11 February 2015 as the trial dates. Our Board is of the opinion that the Defendant has a reasonable chance of defending this claim.

- (c) **Shah Alam High Court Suit No. 22C-10-05/2014 between Wong Brothers’ Building Construction (“Plaintiff”) and Taman Equine (M) Sdn Bhd (“First Defendant”), Tujuan Ehsan Sdn Bhd (“Second Defendant”) and Datuk Patrick Lim Soo Kiat (“Third Defendant”) (collectively, the “Defendants”)**

On 27 May 2014, the Plaintiff brought an action against the Defendants for the sum of RM1,316,115.46 as at 20 May 2014 against the First Defendant and Second Defendant or in alternative for the sum of RM700,207.03 and RM538,276.78 against the Third Defendant being the balance outstanding sum due and payable for six (6) projects undertaken by the Plaintiff as the Defendants’ contractor together with interest at 5% per annum from 20 May 2014 until full and final payment and costs.

The Plaintiff through an amended Writ Summons dated 3 July 2014 is now claiming the sum of RM777,838.68 against the First Defendant and Second Defendant instead of RM700,207.03 in the alternative claim. The other claims remain the same.

APPENDIX VII – ADDITIONAL INFORMATION (Cont'd)

The First Defendant and Second Defendant filed their Defence and Counterclaim on 20 June 2014 against the Plaintiff and WB Realty Sdn Bhd (a nominee of the Plaintiff) for the sum of RM807,902.00 being the balance outstanding purchase price of a contra property or in alternative for the sum of RM107,694.97 together with interest of 12% per annum from 8 July 2013 until full and final realization, costs on indemnity basis and costs based on clients solicitor basis. This matter has been fixed for further case management on 22 December 2014.

The solicitors for the First Defendant and Second Defendant are of the opinion that the First Defendant and Second Defendant have a reasonably good defence to the suit and in addition, the counterclaim filed by the First Defendant and Second Defendant has merits.

5. CONSENTS

- (a) Our Principal Adviser, Managing Underwriter, Company Secretary, Share Registrar, Solicitors for the Rights Issue with Warrants, Joint Underwriters and Principal Bankers have given and have not subsequently withdrawn their written consents to the inclusion of their names and all references to thereto in the form and context in which they appear in this Abridged Prospectus.
- (b) Our Auditors and Reporting Accountants have given and have not subsequently withdrawn their written consents to the inclusion of their names and letters/ reports in the form and context in which they appear in this Abridged Prospectus.
- (c) Bloomberg Finance L.P. and its affiliates have given and have not subsequently withdrawn their written consents to the inclusion of their names and citation of the market data made available to their subscribers in the form and context in which they appear in this Abridged Prospectus.

6. GENERAL

- (a) There are no service contracts, existing or proposed, between our Directors and our Company or our subsidiaries, excluding contracts expiring or determinable by the employing company without payment or compensation (other than statutory compensation) within one (1) year from the date of this Abridged Prospectus.
- (b) Save as disclosed in this Abridged Prospectus, our Board is not aware of any material information, including all special trade factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect our Group's profits.
- (c) Save as disclosed in this Abridged Prospectus and after having made all reasonable enquiries, our Group's financial condition and operations are not likely to be adversely and materially affected by any of the following:-
 - (i) known trends, demands, commitments, events or uncertainties that will or are likely to materially increase or decrease our Group's liquidity;
 - (ii) material commitments for capital expenditure of our Group;
 - (iii) unusual, infrequent events or transactions or significant economic changes which materially affect the amount of reported income from our operations; or

APPENDIX VII – ADDITIONAL INFORMATION (Cont'd)

- (iv) known trends or uncertainties which have had, or that our Group reasonably expect to have, a material favourable or unfavourable impact on our revenue or operating income.

7. DOCUMENTS FOR INSPECTION

The following documents (originals/ copies) will be available for inspection at our registered office at No. 1, Jalan Putra Permai 1A, Taman Equine, 43300 Seri Kembangan, Selangor Darul Ehsan during normal business hours from Mondays to Fridays (except public holidays) for a period of twelve (12) months from the date of this Abridged Prospectus:-

- (a) our Memorandum and Articles of Association;
- (b) our proforma consolidated statement of financial position as at 31 March 2014 together with the Reporting Accountants' letter as set out in Appendix III;
- (c) our audited consolidated financial statements for FYE 2013 and FYE 2014 as well as unaudited consolidated financial statements for the six (6)-month FPE 30 September 2014;
- (d) the material contracts including the Deed Poll and Underwriting Agreement referred to in Section 3 of this Appendix;
- (e) the relevant cause papers in respect of the material litigation matters referred to in Section 4 of this Appendix;
- (f) the letters of consent referred to in Section 5 of this Appendix;
- (g) the irrevocable undertaking letters by the Undertaking Parties in relation to the Undertakings referred to in Section 5.1 of this Abridged Prospectus; and
- (h) the Directors' Report as set out in Appendix VI.

8. RESPONSIBILITY STATEMENT

This Abridged Prospectus together with the NPA and RSF have been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, there are no false or misleading statements or other facts which if omitted, would make any statement herein false or misleading.

AmlInvestment Bank, being the Principal Adviser for the Rights Issue with Warrants, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes full and true disclosure of all material facts concerning the Rights Issue with Warrants.