GLOBAL ORIENTAL BERHAD (formerly known as Equine Capital Berhad)
PART A – EXPLANATORY NOTES PURSUANT TO FRS 134

1. BASIS OF PREPARATION

The interim financial statements of Global Oriental Berhad ("GOB") and its subsidiaries ("the Group") are unaudited and have been prepared in accordance with 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 2012. 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.

The 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 2012, 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 with effect from the financial period beginning 1 April 2012:

FRSs, Amendments to FRSs and Interpretations

Amendments to FRS 7	:	Financial Instruments: Disclosures (Amendments relating to Disclosures – Transfers of Financial Assets)
Amendments to FRS 7	:	Financial Instruments: Disclosures (Amendments relating to Mandatory Effective Date of FRS 9 (IFRS 9 issued by IASB in November 2009 and October 2010 respectively) and Transition Disclosures)
Amendments to FRS 112	:	Income Taxes (Amendments relating to Deferred Tax – Recovery of Underlying Assets)
FRS 124	:	Related Party Disclosures (Revised)
Amendments to IC Interpretation 14	:	FRS 119 – The limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction (Amendments relating to prepayments of a minimum funding requirement)
IC Interpretation 19	:	Extinguishing Financial Liabilities with Equity Instruments

The adoption of the above standards and interpretations, and improvement 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 ("MFRS Framework"). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venture (herein called "Transitioning Entities"). Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Subsequently, on 30 June 2012, MASB extended the aforementioned transitional period for another one year. Thus, Transitioning Entities are given an additional option to continue to apply the FRS Framework for annual periods beginning on or after 1 January 2013. Consequently, the MFRS Framework will be mandatory for application for annual periods beginning on or after 1 January 2014.

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 financial statements using MFRS Framework in its first MFRS financial statements for the year ending 31 March 2015.

2. AUDITORS' REPORT ON REPORTING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements of GOB for the financial year ended 31 March 2012 was not qualified.

3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The Group's performance for the quarter ended 31 March 2013 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.

7. DIVIDENDS PAID

There were no dividends paid or declared during the quarter under review.

8. SEGMENTAL INFORMATION

Group	Property development RM'000	Construction RM'000	Property letting RM'000	Investment holding RM'000	Others RM'000	Elimination RM'000	Total RM'000
Results For 12 Months Ended 31 March 2013							
Revenue							
External sales	263,773	-	-	-	4,661	-	268,434
Inter-segment sales	1,098	79,962	-	-	-	(81,060)	-
	264,871	79,962	-	-	4,661	(81,060)	268,434
Results							
Segment results	52,603	(50)	(20)	(635)	(6,167)	(1,753)	43,978
Unallocated expenses:							
- finance costs							(1,138)
Profit before tax							42,840
Taxation							(12,481)
Profit for the financial year							30,359

Group	Property development RM'000	Construction RM'000	Property letting RM'000	Investment holding RM'000	Others RM'000	Elimination RM'000	Total RM'000
Results For 12 Months Ended 31 March 2012							
Revenue							
External sales	277,542	-	-	-	-	-	277,542
Inter-segment sales	1,161	107,265	-	-	-	(108,426)	-
	278,703	107,265	-	-	-	(108,426)	277,542
Results							
Segment results	32,364	(1,278)	8,628	(615)	-	(1,419)	37,680
Unallocated expenses:							
- finance costs							(1,738)
Profit before tax							35,942
Taxation							(3,812)
Profit for the financial year							32,130

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 2012.

10. SUBSEQUENT EVENTS

There were no material events subsequent to the reporting period, except as follows:

On 3 May 2013, Pedoman Ikthisas Sdn Bhd, a wholly-owned subsidiary company and GOB entered into a Joint Development Agreement with Lembaga Getah Malaysia for the development of all that pieces of freehold land held under Geran 20541 & Geran 13473, Lot 211 & Lot 5 respectively, Seksyen 88A, situated in Bandar and Daerah Kuala Lumpur, Negeri Wilayah Persekutuan measuring a total area of approximately 23,271.791 square metres (5.748 acres).

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

There were no material contingent assets or contingent liabilities as at 31 March 2013.

13. CAPITAL COMMITMENTS

The Board of Directors has approved a proposed capital expenditure in respect of acquisition of land in Batu Kawan, Seberang Perai Selatan, Penang at a cost of RM19.3 million.

Save for the above, there were no material capital commitments as at the date of this report.

PART B – EXPLANATORY NOTES PURSUANT TO THE REVISED LISTING REQUIREMENTS OF BURSA SECURITIES

1. REVIEW OF PERFORMANCE FOR THE CURRENT QUARTER AND COMPARISON WITH THE PRECEDING QUARTER'S RESULTS

The Group's revenue increased by 55.3% to RM73.6 million for the current quarter as compared to RM47.4 million reported in the previous corresponding quarter while pre-tax profit increased significantly to RM17.6 million for the current quarter as compared to RM1.3 million reported in the previous corresponding quarter. The increase in revenue in the current quarter was mainly attributable to higher revenue recognition from da:men's shop offices and serviced apartments in USJ Subang Jaya, Villa Heights in Seri Kembangan and Callisia in Batu Kawan. The increase in the Group's pre-tax profit by RM16.3 million was mainly due to higher profit contributions from on-going projects such as Callisia in Batu Kawan, da:men in USJ Subang Jaya, Villa Heights and EQuator in Seri Kembangan.

The Group's revenue for the quarter under review has also increased by 9.9% and 20.3% respectively against the preceding quarter's revenue of RM67.0 million and pre-tax profit of RM14.6 million. The increase in revenue was mainly contributed by property development division due to advancement in construction progress of da:men and Villa Heights projects.

The Group recorded a higher pre-tax profit of RM17.6 million for the quarter under review as compared to a pre-tax profit of RM14.6 million in the preceding quarter. The increase in pre-tax profit was mainly contributed by Villa Heights and EQuator projects.

2. COMMENTARY ON PROSPECTS

While the local property market outlook remained positive, the Group's performance would continue to be supported by progressive recognition of sales from on-going development projects in Seri Kembangan, USJ Subang Jaya and Batu Kawan. In addition, the Group has also planned several new property launches in Seri Kembangan and Batu Kawan in the ensuing financial year which comprises serviced apartments, shop offices, semi-detached and terrace houses. These new launches are expected to contribute positively to the Group's earnings.

Barring unforeseen circumstances, the Board expects the Group to continue to perform satisfactorily in the financial year ending 31 March 2014.

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's Quarter 31.03.2013 RM'000	Preceding Year's Corresponding Quarter 31.03.2012 RM'000	Current Year To Date 31.03.2013 RM'000	Preceding Year To Date 31.03.2012 RM'000
Current period taxation	(4,290)	(8,089)	(12,589)	(18,174)
Deferred taxation	(507)	14,221	108	14,362
	(4,797)	6,132	(12,481)	(3,812)

The effective tax rate for the current financial year 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 during the quarter under review up to the date of this report.

6. BORROWINGS AND DEBT SECURITIES

	As at 31.03.2013 RM'000	As at 31.03.2012 RM'000
Short term borrowings:		
Bank borrowings	24,963	27,860
Bank overdrafts	903	5,004
Hire-purchase creditors	417	331
	26,283	33,195
Long term borrowings:		
Bank borrowings	43,507	12,638
Hire-purchase creditors	1,224	1,119
	44,731	13,757

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's Quarter 31.03.2013	Preceding Year's Corresponding Quarter 31.03.2012	Current Year To Date 31.03.2013	Preceding Year To Date 31.03.2012
Profit attributable to equity holders of the Company (RM'000)	12,812	7,420	30,359	32,130
Weighted average number of ordinary shares in issue ('000)	227,338	227,338	227,338	227,338
Basic earnings per share (sen)	5.64	3.26	13.35	14.13

b) Diluted

The Group does not have any convertible instrument as at the date of this report and accordingly diluted earnings per share is not applicable.

10. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	Current Year's Quarter 31.03.2013 RM'000	Preceding Year's Corresponding Quarter 31.03.2012 RM'000	Current Year To Date 31.03.2013 RM'000	Preceding Year To Date 31.03.2012 RM'000
After Charging:				
Interest expense	80	605	1,138	1,738
Depreciation and amortization	787	341	1,644	1,156
Bad debts written off	-	880	-	880
Property, plant and equipment written off	-	-	-	1,350
Land held for property development written off	-	1,756	-	1,756
After Crediting				
Interest income	795	507	1,830	1,160
Fair value adjustments on investment property	350	250	350	250

Gain on disposal of investment property	-	-	-	10,000
Gain on disposal of property, plant and equipment	-	27	20	27
Gain on disposal of a subsidiary company	-	537	-	537

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, impairment of assets, foreign exchange gain, gain or loss on derivatives and exceptional items for the current quarter under review and financial year ended 31 March 2013.

11. DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES

	As at 31.02.2013 RM'000	**As at 31.03.2012 RM'000**
Total retained profits of the Company and its subsidiaries		
– Realised	44,719	3,064
– Unrealised	16,460	18,410
	61,179	21,474
Less: Consolidation adjustments	(36,179)	(26,833)
Total Group retained earnings/(accumulated losses) as per consolidated accounts	25,000	(5,359)

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 23 May 2013.

By Order of the Board
Chin Pei Fung (MAICSA 7029712)
Company Secretary
Selangor Darul Ehsan
23 May 2013