



GLOBAL ORIENTAL BERHAD

(Incorporated in Malaysia)

(543867-T)

Interim Financial Report

31 March 2019

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GLOBAL ORIENTAL BERHAD
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2019 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31.03.2018 RM'000 (restated)	Current Year To Date 31.03.2019 RM'000 (unaudited)	Preceding Year Corresponding Year To Date 31.03.2018 RM'000 (restated)
Revenue	46,073	60,329	150,262	118,746
Cost of sales	(39,955)	(49,222)	(130,051)	(88,443)
Gross profit	6,118	11,107	20,211	30,303
Interest income	1,626	1,558	3,800	4,983
Other operating income	264	1,821	2,636	16,926
Depreciation and amortisation	(217)	(250)	(1,160)	(1,803)
Loss on disposal of an associated company	-	-	-	(35,332)
Operating expenses	(28,333)	(49,337)	(79,317)	(102,882)
Loss from operations	(20,542)	(35,101)	(53,830)	(87,805)
Finance costs	(20,966)	(4,844)	(24,524)	(16,723)
Share of results of associated companies	-	(225)	-	38,170
Loss before tax	(41,508)	(40,170)	(78,354)	(66,358)
Taxation	(18,504)	(4,352)	(19,780)	(7,016)
Loss for the financial year	(60,012)	(44,522)	(98,134)	(73,374)
Other comprehensive income				
Net gain on available-for-sale ("AFS") investments:				
- Gain on fair value changes	-	11	-	-
Exchange differences arising on translation of foreign operations	-	1	(13)	1
Total comprehensive loss for the financial year	(60,012)	(44,510)	(98,147)	(73,373)
Loss attributable to:				
Equity holders of the Company	(59,781)	(42,562)	(97,364)	(68,644)
Non-controlling interests	(231)	(1,960)	(770)	(4,730)
	(60,012)	(44,522)	(98,134)	(73,374)
Total comprehensive loss attributable to:				
Equity holders of the Company	(59,781)	(42,550)	(97,377)	(68,643)
Non-controlling interests	(231)	(1,960)	(770)	(4,730)
	(60,012)	(44,510)	(98,147)	(73,373)
Earnings per share attributable to Equity Holders of the Company:				
- Basic (sen)	(13.15)	(9.36)	(21.41)	(15.10)
- Diluted (sen)	Not Applicable	Not Applicable	Not Applicable	Not Applicable

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2018 and the accompanying explanatory notes attached to this interim financial statements.

GLOBAL ORIENTAL BERHAD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	As at 31.03.2019 RM'000 (unaudited)	As at 31.03.2018 RM'000 (restated)	As at 01.04.2017 RM'000 (restated)
ASSETS			
Non-current assets			
Property, plant and equipment	1,622	5,813	13,811
Investment properties	1,740	-	-
Investment in an associated company	-	-	35,937
Other investment	1	1	1
Inventories	266,628	252,868	72,430
Goodwill	9,191	23,587	30,337
Deferred tax assets	1,302	5,994	12,469
	<u>280,484</u>	<u>288,263</u>	<u>164,985</u>
Current assets			
Inventories	426,619	386,827	124,632
Contract assets	2,522	-	14,070
Trade receivables	28,898	105,225	123,341
Other receivables, deposits and prepayments	70,573	134,273	116,702
Amount owing by associated companies	49,777	49,777	146,040
Tax recoverable	3,598	3,827	7,097
Short-term funds	-	10,329	-
Fixed deposits with licensed banks	15,743	12,339	7,647
Cash and bank balances	143,324	143,224	85,027
	<u>741,054</u>	<u>845,821</u>	<u>624,556</u>
TOTAL ASSETS	<u>1,021,538</u>	<u>1,134,084</u>	<u>789,541</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	227,338	227,338	227,338
Reserves	55,968	153,345	222,381
	<u>283,306</u>	<u>380,683</u>	<u>449,719</u>
Non-controlling interests	(2,938)	(2,168)	(722)
TOTAL EQUITY	<u>280,368</u>	<u>378,515</u>	<u>448,997</u>
LIABILITIES			
Non-current and deferred liabilities			
Redeemable preference shares	-	-	961
Borrowings - secured	134,568	133,833	85,009
Deferred tax liabilities	4,185	4,236	6,219
Trade payables	179,048	181,771	15,892
	<u>317,801</u>	<u>319,840</u>	<u>108,081</u>
Current liabilities			
Contract liabilities	63,860	40,251	2,318
Trade payables	73,397	71,771	92,572
Other payables and accruals	174,416	175,943	69,098
Provisions	25,030	25,298	23,815
Borrowings - secured	75,657	120,564	43,150
Tax liabilities	11,009	1,902	1,510
	<u>423,369</u>	<u>435,729</u>	<u>232,463</u>
TOTAL LIABILITIES	<u>741,170</u>	<u>755,569</u>	<u>340,544</u>
TOTAL EQUITY AND LIABILITIES	<u>1,021,538</u>	<u>1,134,084</u>	<u>789,541</u>
Net assets per ordinary share attributable to equity holders of the Company (RM)	<u>0.62</u>	<u>0.84</u>	<u>0.99</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 2018 and the accompanying explanatory notes attached to this interim financial statements.

GLOBAL ORIENTAL BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Attributable to the Equity Holders of the Company							Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Issued capital RM'000	Capital reserve RM'000	Available- for-sale reserve RM'000	Share option reserve RM'000	Warrant reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings / (Accumulated losses) RM'000			
Current 12 months ended 31 March 2019 (unaudited)										
As at 1 April 2018, as restated	227,338	91,037	-	3,464	20,227	344	38,273	380,683	(2,168)	378,515
Loss for the financial year	-	-	-	-	-	-	(97,364)	(97,364)	(770)	(98,134)
Other comprehensive loss for the financial year	-	-	-	-	-	(13)	-	(13)	-	(13)
Total comprehensive loss for the financial year	-	-	-	-	-	(13)	(97,364)	(97,377)	(770)	(98,147)
Employees' Share Option Scheme ("ESOS") forfeited during the financial year	-	-	-	(442)	-	-	442	-	-	-
As at 31 March 2019	227,338	91,037	-	3,022	20,227	331	(58,649)	283,306	(2,938)	280,368

	Attributable to the Equity Holders of the Company							Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Issued capital RM'000	Capital reserve RM'000	Available- for-sale reserve RM'000	Share option reserve RM'000	Warrant reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000			
Preceding 12 months ended 31 March 2018 (restated)										
As at 1 April 2017	227,338	91,037	-	4,520	20,227	343	125,139	468,604	(722)	467,882
Effect of adoption of the MFRS Framework	-	-	-	-	-	-	(18,885)	(18,885)	-	(18,885)
As at 1 April 2017, as restated	227,338	91,037	-	4,520	20,227	343	106,254	449,719	(722)	448,997
Loss for the financial year	-	-	-	-	-	-	(68,644)	(68,644)	(4,730)	(73,374)
Other comprehensive income for the financial year	-	-	-	-	-	1	-	1	-	1
Total comprehensive loss for the financial year	-	-	-	-	-	1	(68,644)	(68,643)	(4,730)	(73,373)
ESOS forfeited during the financial year	-	-	-	(1,056)	-	-	1,056	-	-	-
Non-controlling interests arising from the acquisition of a new subsidiary company	-	-	-	-	-	-	-	-	2,891	2,891
Arising from dilution of interest in existing subsidiary company	-	-	-	-	-	-	(393)	(393)	393	-
As at 31 March 2018	227,338	91,037	-	3,464	20,227	344	38,273	380,683	(2,168)	378,515

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 2018 and the accompanying explanatory notes attached to this interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

	Current 12 months ended 31.03.2019 RM'000 (unaudited)	Preceding 12 months ended 31.03.2018 RM'000 (restated)
Cash Flows from Operating Activities		
Loss before taxation	(78,354)	(66,358)
Adjustments for:		
Provision for liquidated and ascertained damages	999	846
Allowance for doubtful debts	-	3,018
Depreciation of property, plant and equipment	1,160	1,803
Property, plant and equipment written off	3,558	36
Inventory written off	46	36
Bad debts written off	5,126	-
Impairment of goodwill	14,396	7,759
Impairment of other investment	1	-
Fair value adjustment on redeemable preference shares	-	21,539
Realised foreign exchange loss	684	-
Loss on disposal of an associated company	-	35,332
Gain on disposal of subsidiary companies	-	(2,278)
Gain on disposal of property, plant and equipment	(98)	(172)
Allowance for doubtful debts no longer required	(1,449)	(1,684)
Share of results of associated companies	-	(38,170)
Unrealised foreign exchange gain	-	(211)
Interest expenses	24,524	16,723
Interest income	(3,800)	(4,983)
Operating loss before working capital changes	(33,207)	(26,764)
Decrease/(Increase) in:		
Inventories	(62,288)	(442,088)
Contract assets	(2,522)	14,070
Receivables	116,262	(3,253)
Increase/(Decrease) in:		
Contract liabilities	58,633	37,933
Payables	(17,896)	211,624
Cash generated from/(used in) operations	58,982	(208,478)
Interest received	3,860	4,983
Interest paid	(15,555)	(18,085)
Liquidated and ascertained damages paid	(1,267)	(4,648)
Bumiputra quota penalties paid	-	(1,112)
Tax refunded	-	1,151
Tax paid	(5,801)	-
	(18,763)	(17,711)
Net cash generated from/(used in) operating activities	40,219	(226,189)
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(528)	(5,438)
Purchase of investment properties	(1,740)	-
Proceeds from disposal of property, plant and equipment	100	249
Proceeds from disposal of subsidiary companies	-	7,102
Proceeds from disposal of an associated company	-	39,000
Net cash outflow on acquisition of a new subsidiary company	-	(793)
Repayment from an associated company	-	152,677
Decrease/(Increase) of short-term funds	10,329	(10,329)
Placement of fixed deposits	(2,503)	(4,691)
Net cash from investing activities	5,658	177,777
Cash Flows from Financing Activities		
Drawdown of bank borrowings	107,841	132,849
Repayment of bank borrowings	(148,401)	(14,929)
Proceeds from issuance of redeemable preference shares	-	(22,500)
Proceeds from issuance of shares to non-controlling interests	-	2,891
Repayment of hire-purchase creditors	(188)	(329)
Net cash (used in)/from financing activities	(40,748)	97,982
Net increase in cash and cash equivalents	5,129	49,570
Currency translation differences	(13)	-
Cash and cash equivalents at beginning of financial year	128,109	78,538
Cash and cash equivalents at end of financial year	133,225	128,108
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	143,324	143,223
Fixed deposits with licensed banks	15,743	12,339
Bank overdraft	(10,999)	(15,115)
	148,068	140,447
Less: Fixed deposits pledged	(14,843)	(12,339)
	133,225	128,108

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2018 and the accompanying explanatory notes attached to this interim financial statements.

GLOBAL ORIENTAL BERHAD
INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 31 MARCH 2019

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 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 Malaysian Financial Reporting Standards (“MFRS”) 134: “Interim Financial Reporting” and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2018. 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 2018.

The Group is adopting the MFRS framework for the current financial period beginning 1 April 2018 and MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards has been applied. The Group has consistently applied the same accounting policies in its opening MFRS Statement of Financial Position as at 1 April 2017 and throughout all comparable interim financial statements presented, as if these policies had always been in effect.

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 2018, except for the compliance with the new/revised Malaysian Financial Reporting Standards (“MFRSs”) that are effective for the financial period beginning on or after 1 January 2018.

The Group has adopted the following amendments/improvements to MFRSs that are mandatory:

New MFRSs

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers

Amendments/Improvements to MFRSs

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standard (Annual Improvement to MFRS Standards 2014 – 2016 Cycle)
MFRS 2	Classification and Measurement of Share-based Payment Transactions
MFRS 128	Investment in Associates and Joint Ventures (Annual Improvement to MFRS Standards 2014 – 2016 Cycle)
MFRS 140	Transfer of Investment Property

GLOBAL ORIENTAL BERHAD
INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER
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The effect arising from the adoption of MFRS Framework on the financial statements is as follows:

Effects on Condensed Consolidated Statement of Comprehensive Income

	<u>Individual Quarter</u>			<u>Year to Date</u>		
	As Previously Reported 31.03.2018 RM'000	Effect of Transition to MFRS RM'000	As Restated 31.03.2018 RM'000	As Previously Reported 31.03.2018 RM'000	Effect of Transition to MFRS RM'000	As Restated 31.03.2018 RM'000
Revenue	36,573	23,756	60,329	94,990	23,756	118,746
Cost of sales	(32,721)	(16,501)	(49,222)	(71,942)	(16,501)	(88,443)
Gross profit	3,852	7,255	11,107	23,048	7,255	30,303
Other Income	3,337	42	3,379	21,867	42	21,909
Operating expenses	(67,079)	17,492	(49,587)	(157,509)	17,492	(140,017)
Loss from operations	(59,890)	24,789	(35,101)	(112,594)	24,789	(87,805)
Finance costs	(4,844)	-	(4,844)	(16,723)	-	(16,723)
Share of results of associated companies	(225)	-	(225)	38,170	-	38,170
Loss before tax	(64,959)	24,789	(40,170)	(91,147)	24,789	(66,358)
Taxation	(4,352)	-	(4,352)	(7,016)	-	(7,016)
Loss for the financial year	(69,311)	24,789	(44,522)	(98,163)	24,789	(73,374)
Attributable to:						
Equity holders of the Company	(67,351)	24,789	(42,562)	(93,433)	24,789	(68,644)
Non-controlling interests	(1,960)	-	(1,960)	(4,730)	-	(4,730)

GLOBAL ORIENTAL BERHAD
INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER
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Effects on Condensed Consolidated Statement of Financial Position

	Audited as at 31.03.2018 RM'000	Effect of Transition to MFRS RM'000	As Restated 31.03.2018 RM'000	Audited as at 01.04.2017 RM'000	Effect of Transition to MFRS RM'000	As Restated 01.04.2017 RM'000
<u>Non-current assets</u>						
Land held for property development	252,868	(252,868)	-	72,430	(72,430)	-
Inventories	-	252,868	252,868	-	72,430	72,430
<u>Current assets</u>						
Property development costs	306,531	(306,531)	-	61,086	(61,086)	-
Inventories	64,488	322,339	386,827	71,124	53,508	124,632
Accrued billings	-	-	-	16,249	(16,249)	-
Contract assets	-	-	-	-	14,070	14,070
Trade receivables	105,292	(67)	105,225	123,395	(54)	123,341
Other receivables, deposits and prepayments	142,100	(7,827)	134,273	123,462	(6,760)	116,702
<u>Non-Current liabilities</u>						
Deferred tax liabilities	4,241	(5)	4,236	6,223	(4)	6,219
Trade Payables	196,980	(15,209)	181,771	15,255	637	15,892
<u>Current liabilities</u>						
Progress billings	23,025	(23,025)	-	-	-	-
Contract liabilities	-	40,251	40,251	-	2,318	2,318
Trade Payables	-	-	-	93,209	(637)	92,572
<u>Equity</u>						
Available-for-sale reserve	2	(2)	-	-	-	-
Retained earnings	32,369	5,904	38,273	125,139	(18,885)	106,254

GLOBAL ORIENTAL BERHAD
INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER
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The Group has not elected for early adoption of the following new and amended MFRSs and IC Interpretations relevant to the current operations of the Group, which were issued but not yet effective for the financial year ended 31 March 2019:

Effective for financial periods beginning on or after 1 January 2019:

MFRS 16	Leases
IC Interpretation 23	Uncertainty over Income Tax Treatments
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 128	Long-term Interest in Joint Ventures and Associates
Amendments to MFRS 3 and MFRS 11	Previously Held Interest in a Joint Operation (Annual Improvements to MFRSs 2015-2017 Cycle)
Amendments to MFRS 112	Income Taxes Consequences of Payments on Financial Instruments Classified as Equity (Annual Improvements to MFRSs 2015-2017 Cycle)
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 123	Borrowing Costs Eligible for Capitalisation (Annual Improvements to MFRSs 2015-2017 Cycle)

Effective date deferred to a date to be determined by MASB:

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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These new and amended MFRSs and IC Interpretations are not expected to have any significant impact on the financial statements of the Group and the Company upon their initial application.

2. AUDITORS' REPORT ON REPORTING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements of GOB for the financial year ended 31 March 2018 was not qualified.

3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The Group's performance for the quarter ended 31 March 2019 was not affected by any 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.

GLOBAL ORIENTAL BERHAD
INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 31 MARCH 2019

6. DEBT AND EQUITY SECURITIES

During the quarter under review, no ordinary shares were allotted to the employees of the Group as no ESOS option was exercised. As at 31 March 2019, a total of 5,773,113 ESOS options to subscribe for ordinary shares remain unexercised.

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.

GLOBAL ORIENTAL BERHAD
INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER
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8. SEGMENTAL INFORMATION

Group	Property	Construction	Trading	Investment	Others	Elimination	Total
	development		and	holding			
	RM'000	RM'000	distribution	RM'000	RM'000	RM'000	RM'000
			RM'000				RM'000
Results For 12 Months Ended							
31 March 2019							
Revenue							
External sales	125,505	-	22,502	-	2,255	-	150,262
Inter-segment sales	-	13,100	-	-	-	(13,100)	-
	<u>125,505</u>	<u>13,100</u>	<u>22,502</u>	<u>-</u>	<u>2,255</u>	<u>(13,100)</u>	<u>150,262</u>
Results							
Segment results	(9,615)	464	1,538	(10,616)	(13,747)	(21,854)	(53,830)
Unallocated expenses:							
- Finance costs							(24,524)
Loss before tax							(78,354)
Taxation							(19,780)
Loss for the financial year							<u>(98,134)</u>

Group	Property	Construction	Trading	Investment	Others	Elimination	Total
	development		and	holding			
	RM'000	RM'000	distribution	RM'000	RM'000	RM'000	RM'000
	(restated)		RM'000	(restated)		(restated)	(restated)
Results For 12 Months Ended							
31 March 2018							
Revenue							
External sales	80,758	-	21,293	-	16,695	-	118,746
Inter-segment sales	-	8,759	-	-	-	(8,759)	-
	<u>80,758</u>	<u>8,759</u>	<u>21,293</u>	<u>-</u>	<u>16,695</u>	<u>(8,759)</u>	<u>118,746</u>
Results							
Segment results	(20,106)	(1,663)	2,370	(6,188)	(18,439)	(8,447)	(52,473)
Loss on disposal of an associated company	-	-	-	(35,332)	-	-	(35,332)
Unallocated expenses:							
- Finance costs							(16,723)
- Share of results of an associated company							38,170
Loss before tax							(66,358)
Taxation							(7,016)
Loss for the financial year							<u>(73,374)</u>

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 2018.

10. SUBSEQUENT EVENTS

There were no material events subsequent to the reporting period.

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 RM183.7 million given by our Company to financial institutions for credit facilities granted to our subsidiaries.

13. CAPITAL COMMITMENTS

There were no material capital commitments as at the date of this report.

GLOBAL ORIENTAL BERHAD
INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER
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PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BHD

1. REVIEW OF PERFORMANCE

a) Financial review for current quarter and financial year to date

	Individual Period		Changes	Cumulative Period		Changes
	Current Year Quarter 31.03.2019	Preceding Year Corresponding Quarter 31.03.2018		Current Year To Date 31.03.2019	Preceding Year To Date 31.03.2018	
	RM'000	RM'000		RM'000	RM'000	
		(restated)		(restated)		
Revenue	46,073	60,329	-24%	150,262	118,746	27%
Operating loss	(20,542)	(35,101)	41%	(53,830)	(87,805)	39%
Loss before tax	(41,508)	(40,170)	-3%	(78,354)	(66,358)	-18%
Loss after tax	(60,012)	(44,522)	-35%	(98,134)	(73,374)	-34%
Loss attributable to owners of the Company	(59,781)	(42,562)	-40%	(97,364)	(68,644)	-42%

Current Quarter

For the current quarter, the Group registered lower revenue of RM46.1 million compared to RM60.3 million of the preceding year corresponding quarter. The decrease in revenue was mainly attributed to lower sales recognition from a development project in Kuala Lumpur.

The Group recorded higher loss before tax of RM41.5 million for the current quarter under review compared to RM40.2 million of the preceding year corresponding quarter. The higher loss was mainly due to substantial impairment charge and higher finance costs arising from adoption of MFRSs.

Year-to-date (12 months)

The Group achieved higher revenue of RM150.3 million compared to RM118.7 million of the preceding year corresponding period. The increase in revenue was mainly attributed to sales recognition from a development project in Kuala Lumpur.

The Group recorded higher loss before tax of RM78.4 million compared to the preceding year corresponding period's loss before tax of RM66.4 million. The higher loss was mainly due to lower other operating income, substantial impairment charge and higher finance costs arising from adoption of MFRSs.

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b) Financial review for current quarter compared with immediate preceding quarter

	Current Year Quarter 31.03.2019 RM'000	Immediate Preceding Quarter 31.12.2018 RM'000	Changes %
Revenue	46,073	41,925	10%
Operating loss	(20,542)	(18,668)	-10%
Loss before tax	(41,508)	(19,517)	-113%
Loss after tax	(60,012)	(19,982)	-200%
Loss attributable to owners of the Company	(59,781)	(19,793)	-202%

Compared against the immediate preceding quarter, the Group's revenue was higher at RM46.1 million against RM41.9 million and loss before tax was higher at RM41.5 million against RM19.5 million recorded previously. The increase in revenue was mainly due to higher sales recognition of a development project in Kuala Lumpur while the higher loss incurred was mainly due to substantial impairment charge and higher finance costs arising from adoption of MFRSs.

2. COMMENTARY ON PROSPECTS

The Group expects the property market to remain subdued and challenging for 2019.

However, the Group continues to monitor the property market and launches closely and also prudently manage the ongoing projects to enhance revenue and contribution towards the financial performance for financial year ending 31 March 2020.

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 31.03.2019 RM'000	Preceding Year Corresponding Quarter 31.03.2018 RM'000	Current Year To Date 31.03.2019 RM'000	Preceding Year To Date 31.03.2018 RM'000
Current taxation	2,504	705	3,902	3,461
Under/(Over) provision in prior year	11,265	(941)	11,236	(938)
Deferred taxation	4,735	4,588	4,642	4,493
	<u>18,504</u>	<u>4,352</u>	<u>19,780</u>	<u>7,016</u>

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The effective tax rate is not reflective of 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.

6. BORROWINGS AND DEBT SECURITIES

	As at 31.03.2019		
	Long Term RM'000	Short Term RM'000	Total Borrowing RM'000
Bank borrowings			
- Ringgit Malaysia	111,498	59,507	171,005
- Singapore Dollar (1 : 3.0115)	22,718	4,961	27,679
Hire-purchase creditors	352	190	542
Bank overdrafts	-	10,999	10,999
	134,568	75,657	210,225

	As at 31.03.2018		
	Long Term RM'000	Short Term RM'000	Total Borrowing RM'000
Bank borrowings	133,291	105,261	238,552
Hire-purchase creditors	542	188	730
Bank overdrafts	-	15,115	15,115
	133,833	120,564	254,397

All borrowings were denominated in Ringgit Malaysia and Singapore Dollar and were 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.

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9. EARNINGS PER SHARE

a) Basic

The basic earnings per share is calculated by dividing the net profit/(loss) for the period by the weighted average number of ordinary shares in issue during the financial period.

	Current Year Quarter 31.03.2019	Preceding Year Corresponding Quarter 31.03.2018 (restated)	Current Year To Date 31.03.2019	Preceding Year To Date 31.03.2018 (restated)
Loss attributable to equity holders of the Company (RM'000)	(59,781)	(42,562)	(97,364)	(68,644)
Number of ordinary shares in issue ('000)	454,676	454,676	454,676	454,676
Basic earnings per share (sen)	(13.15)	(9.36)	(21.41)	(15.10)

b) Diluted

ESOS granted and warrants are excluded from the diluted earnings per share calculation because their effects are anti-dilutive.

10. PROFIT/(LOSS) BEFORE TAX

The following items have been included in arriving at profit/(loss) before tax:

	Current Year Quarter 31.03.2019 RM'000	Preceding Year Corresponding Quarter 31.03.2018 RM'000 (restated)	Current Year To Date 31.03.2019 RM'000	Preceding Year To Date 31.03.2018 RM'000 (restated)
After Charging:				
Interest expenses	20,966	4,844	24,524	16,723
Depreciation and amortisation	217	250	1,160	1,803
Property, plant and equipment written off	666	3	3,558	36
Inventory written off	-	36	46	36
Bad debts written off	-	-	5,126	-
Allowance for doubtful debts	-	3,018	-	3,018
Loss on disposal of an associated company	-	-	-	35,332
Loss on constructive retirement of a subsidiary company's redeemable preference share	-	21,539	-	21,539
Impairment of goodwill	14,396	7,759	14,396	7,759
Impairment of other investment	-	-	1	-
Realised foreign exchange loss	-	-	684	-

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Provision for liquidated and ascertained damages	999	846	999	846
After Crediting:				
Interest income	1,626	1,558	3,800	4,983
Allowance for doubtful debts no longer required	1,307	-	1,449	1,684
Gain on disposal of property, plant and equipment	95	172	98	172
Gain on disposal of subsidiary companies	-	-	-	2,278
Unrealised foreign exchange gain	-	211	-	211

There were no gain or loss on disposal of quoted investment, gain or loss on derivatives and exceptional items for the current quarter under review.

11. 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 30 May 2019.

By Order of the Board
Chin Pei Fung (MAICSA 7029712)
Company Secretary
Selangor Darul Ehsan
30 May 2019