



**GLOBAL ORIENTAL BERHAD**

(Incorporated in Malaysia)

Company No. 200101008111 (543867-T)

Interim Financial Report

31 December 2019

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**GLOBAL ORIENTAL BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2019 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31.12.2018 RM'000 (unaudited)	Current Year To Date 31.12.2019 RM'000 (unaudited)	Preceding Year Corresponding Year To Date 31.12.2018 RM'000 (unaudited)
Revenue	84,444	41,925	184,961	104,189
Cost of sales	(74,402)	(35,491)	(159,479)	(90,096)
Gross profit	10,042	6,434	25,482	14,093
Interest income	2,312	657	6,520	2,174
Other operating income	825	639	6,217	2,372
Depreciation and amortisation	(146)	(316)	(451)	(943)
Operating expenses	(7,114)	(26,082)	(22,155)	(50,984)
Operating profit/(loss)	5,919	(18,668)	15,613	(33,288)
Finance costs	(1,608)	(849)	(4,085)	(3,558)
Profit/(Loss) before tax	4,311	(19,517)	11,528	(36,846)
Taxation	162	(465)	(427)	(1,276)
<b>Profit/(Loss) for the financial period</b>	<b>4,473</b>	<b>(19,982)</b>	<b>11,101</b>	<b>(38,122)</b>
<b>Other comprehensive income</b>				
Exchange differences arising on translation of foreign operations	-	(13)	(344)	(13)
<b>Total comprehensive income/(loss) for the financial period</b>	<b>4,473</b>	<b>(19,995)</b>	<b>10,757</b>	<b>(38,135)</b>
<b>Profit/(Loss) attributable to:</b>				
Owners of the Company	4,662	(19,793)	11,816	(37,583)
Non-controlling interests	(189)	(189)	(715)	(539)
	<b>4,473</b>	<b>(19,982)</b>	<b>11,101</b>	<b>(38,122)</b>
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the Company	4,662	(19,806)	11,472	(37,596)
Non-controlling interests	(189)	(189)	(715)	(539)
	<b>4,473</b>	<b>(19,995)</b>	<b>10,757</b>	<b>(38,135)</b>
<b>Earnings per share attributable to Owners of the Company:</b>				
- Basic (sen)	1.03	(4.35)	2.60	(8.27)
- 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 2019 and the accompanying explanatory notes attached to this interim financial statements.

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

	As at 31.12.2019 RM'000 (unaudited)	As at 31.03.2019 RM'000 (restated)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,448	1,622
Investment properties	1,740	1,740
Land held for property development	277,945	266,628
Goodwill	9,191	9,191
Deferred tax assets	1,380	1,380
Other receivables, deposits and prepayments	21,327	43,001
	<u>313,031</u>	<u>323,562</u>
<b>Current assets</b>		
Inventories	90,555	84,919
Property development costs	334,312	330,816
Contract assets	13,113	-
Trade receivables	28,453	33,477
Other receivables, deposits and prepayments	40,987	27,800
Amount owing by an associated company	49,777	49,777
Tax recoverable	3,514	3,507
Fixed deposits with licensed banks	16,209	15,743
Cash and bank balances	121,126	143,324
	<u>698,046</u>	<u>689,363</u>
<b>TOTAL ASSETS</b>	<u>1,011,077</u>	<u>1,012,925</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	227,338	227,338
Reserves	63,277	51,805
	<u>290,615</u>	<u>279,143</u>
<b>Non-controlling interests</b>	(3,652)	(2,937)
<b>TOTAL EQUITY</b>	<u>286,963</u>	<u>276,206</u>
<b>LIABILITIES</b>		
<b>Non-current and deferred liabilities</b>		
Borrowings - secured	142,527	139,486
Deferred tax liabilities	3,824	4,225
Trade payables	165,653	179,048
	<u>312,004</u>	<u>322,759</u>
<b>Current liabilities</b>		
Contract liabilities	23,898	61,049
Trade payables	103,926	85,896
Other payables and accruals	187,952	166,510
Provisions	18,668	18,723
Borrowings - secured	71,217	70,739
Tax liabilities	6,449	11,043
	<u>412,110</u>	<u>413,960</u>
<b>TOTAL LIABILITIES</b>	<u>724,114</u>	<u>736,719</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,011,077</u>	<u>1,012,925</u>
Net assets per ordinary share attributable to owners of the Company (RM)	<u>0.64</u>	<u>0.61</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 2019 and the accompanying explanatory notes attached to this interim financial statements.*

**GLOBAL ORIENTAL BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

	Attributable to the Owners of the Company						Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Issued capital RM'000	Capital reserve RM'000	Share option reserve RM'000	Warrant reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings / (Accumulated losses) RM'000			
<b>Current 9 months ended 31 December 2019 (unaudited)</b>									
As at 1 April 2019, as previously reported	227,338	91,037	3,022	20,227	344	(60,055)	281,913	(2,937)	278,976
Effect of change in accounting policy	-	-	-	-	-	(2,770)	(2,770)	-	(2,770)
As at 1 April 2019, as restated	227,338	91,037	3,022	20,227	344	(62,825)	279,143	(2,937)	276,206
Profit/(Loss) for the financial period	-	-	-	-	-	11,816	11,816	(715)	11,101
Other comprehensive loss for the financial period	-	-	-	-	(344)	-	(344)	-	(344)
Total comprehensive income/(loss) for the financial period	-	-	-	-	(344)	11,816	11,472	(715)	10,757
Employees' Share Option Scheme ("ESOS") forfeited during the financial period	-	-	(69)	-	-	69	-	-	-
Warrants expired	-	-	-	(20,227)	-	20,227	-	-	-
As at 31 December 2019	227,338	91,037	2,953	-	-	(30,713)	290,615	(3,652)	286,963

	Attributable to the Owners of the Company						Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Issued capital RM'000	Capital reserve RM'000	Share option reserve RM'000	Warrant reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000			
<b>Preceding 9 months ended 31 December 2018 (unaudited)</b>									
As at 1 April 2018	227,338	91,037	3,464	20,227	344	38,273	380,683	(2,168)	378,515
Loss for the financial period	-	-	-	-	-	(37,583)	(37,583)	(539)	(38,122)
Other comprehensive income for the financial period	-	-	-	-	(13)	-	(13)	-	(13)
Total comprehensive loss for the financial period	-	-	-	-	(13)	(37,583)	(37,596)	(539)	(38,135)
Employees' Share Option Scheme ("ESOS") forfeited during the financial period	-	-	(328)	-	-	328	-	-	-
As at 31 December 2018	227,338	91,037	3,136	20,227	331	1,018	343,087	(2,707)	340,380

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 2019 and the accompanying explanatory notes attached to this interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

	<b>Current 9 months ended 31.12.2019 RM'000 (unaudited)</b>	<b>Preceding 9 months ended 31.12.2018 RM'000 (unaudited)</b>
<b><u>Cash Flows from Operating Activities</u></b>		
Profit/(Loss) before taxation	11,528	(36,846)
Adjustments for:		
Reversal of provision for sales incentives	(55)	-
Depreciation of property, plant and equipment	451	943
Property, plant and equipment written off	-	2,892
Inventories written off	3	46
Bad debts written off	44	12,235
Gain on disposal of property, plant and equipment	(53)	(3)
Allowance for doubtful debts	193	-
Allowance for doubtful debts no longer required	-	(142)
Realised foreign exchange loss	-	778
Unrealised foreign exchange loss	244	-
Interest expenses	4,085	3,558
Interest income	(6,520)	(2,174)
Operating profit/(loss) before working capital changes	9,920	(18,713)
Decrease/(Increase) in:		
Land held for property development	(11,317)	(8,341)
Property development costs	3,239	(19,074)
Inventories	(5,638)	(15,404)
Contract assets	(13,113)	(2,229)
Receivables	16,735	94,583
Increase/(Decrease) in:		
Contract liabilities	(37,152)	33,303
Payables	26,077	5,372
Cash (used in)/generated from operations	(11,249)	69,497
Interest received	3,059	2,174
Interest paid	(10,819)	(11,977)
Liquidated and ascertained damages paid	-	(140)
Bumiputra quota penalties paid	-	-
Tax paid	(5,430)	(3,442)
	(13,190)	(13,385)
Net cash (used in)/generated from operating activities	(24,439)	56,112
<b><u>Cash Flows from Investing Activities</u></b>		
Purchase of property, plant and equipment	(278)	(503)
Purchase of investment properties	-	(1,740)
Proceeds from disposal of property, plant and equipment	55	4
Decrease in short-term funds	-	10,329
Placement of fixed deposits	(267)	(1,483)
Net cash (used in)/from investing activities	(490)	6,607
<b><u>Cash Flows from Financing Activities</u></b>		
Drawdown of bank borrowings	47,763	56,985
Repayment of bank borrowings	(43,568)	(113,111)
Repayment of hire-purchase creditors	(146)	(139)
Net cash generated from/(used in) financing activities	4,049	(56,265)
Net (decrease)/increase in cash and cash equivalents	(20,880)	6,454
Currency translation differences	(344)	(13)
Cash and cash equivalents at beginning of financial period	133,225	128,109
Cash and cash equivalents at end of financial period	112,001	134,550
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	121,126	146,816
Fixed deposits with licensed banks	16,209	14,322
Bank overdraft	(10,225)	(12,766)
	127,110	148,372
Less: Fixed deposits pledged	(15,109)	(13,822)
	112,001	134,550

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2019 and the accompanying explanatory notes attached to this interim financial statements.

**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD  
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**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 2019. 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 2019.

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 2019, except for the compliance with the new/revised MFRSs and amendments to MFRSs that are effective for the financial period beginning on or after 1 January 2019:

MFRS 16	Leases <sup>1</sup>
Amendments to MFRS 3	Definition of a Business <sup>2</sup>
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to MFRS 101 and MFRS 108	Definition of Material <sup>2</sup>
Amendments to MFRS 128	Long Term Interests in Associates and Joint Venture <sup>1</sup>
IC Interpretation 23	Uncertainty over Income Tax Treatments <sup>1</sup>
Amendments to MFRS	Annual Improvements to MFRSs 2015-2017 Cycle <sup>1</sup>
Amendments to References to the Conceptual Framework in MFRS Standards <sup>2</sup>	

1 Effective for annual periods beginning on or after 1 January 2019

2 Effective for annual periods beginning on or after 1 January 2020

3 Effective date deferred to a date to be determined and announced by MASB

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, except as mentioned below:

MFRS 123 Borrowing Cost

In accordance with MFRS 123 “Borrowing Cost”, the Group shall capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for the intended use or sale.

The IFRS Interpretations Committee (“IFRIC”) had issued an Agenda Decision in March 2019 on the capitalisation of borrowing costs in relation to the construction of a residential multi-unit real estate development (building). The IFRIC observed that the receivable, contract asset and inventory (work in progress) for unsold units under construction are not qualifying assets, and accordingly an entity should not capitalise borrowing costs on those assets in accordance to the principles and the requirements in IAS 23.

The effect arising from the change in accounting policy based on the Agenda Decision on the financial statements is as follows:

	<b>As Previously Reported RM'000</b>	<b>Effect of change in accounting policy RM'000</b>	<b>As Restated RM'000</b>
<b><u>As at 31 March 2019</u></b>			
<b>Current assets</b>			
Property development costs	333,586	(2,770)	330,816
<b>Equity</b>			
Accumulated losses	(60,055)	(2,770)	(62,825)

**2. AUDITORS’ REPORT ON REPORTING ANNUAL FINANCIAL STATEMENTS**

The auditors’ report on the financial statements of GOB for the financial year ended 31 March 2019 was not qualified.

**3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS**

The Group’s performance for the quarter ended 31 December 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.

**6. DEBT AND EQUITY SECURITIES**

During the quarter under review, no ESOS option was exercised. As at 31 December 2019, a total of 5,706,449 ESOS options to subscribe for ordinary shares remain unexercised.

The Warrants 2014/2019 had expired on 24 December 2019 and 65 warrants were exercised before expiry.

Save as disclosed above, there were no other issuances, cancellation, repurchase, resale and repayment of debt and equity securities during the reporting quarter.

**7. DIVIDENDS PAID**

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

**8. SEGMENTAL INFORMATION**

Group	Property	Construction	Trading	Investment	Others	Elimination	Total
	development		and				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Results For 9 Months Ended</b>							
<b>31 December 2019</b>							
<b>Revenue</b>							
External sales	167,598	-	17,328	-	35	-	184,961
Inter-segment sales	-	15,254	-	-	-	(15,254)	-
	<u>167,598</u>	<u>15,254</u>	<u>17,328</u>	<u>-</u>	<u>35</u>	<u>(15,254)</u>	<u>184,961</u>
<b>Results</b>							
Segment results	13,421	(94)	1,862	2,500	112	(2,188)	15,613
Unallocated expenses:							
- Finance costs							(4,085)
Profit before tax							<u>11,528</u>
Taxation							(427)
Profit for the financial period							<u>11,101</u>

Group	Property	Construction	Trading	Investment	Others	Elimination	Total
	development		and				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Results For 9 Months Ended</b>							
<b>31 December 2018</b>							
<b>Revenue</b>							
External sales	85,134	-	16,913	-	2,142	-	104,189
Inter-segment sales	-	5,732	-	-	-	(5,732)	-
	<u>85,134</u>	<u>5,732</u>	<u>16,913</u>	<u>-</u>	<u>2,142</u>	<u>(5,732)</u>	<u>104,189</u>
<b>Results</b>							
Segment results	(12)	(309)	1,618	(3,133)	(12,911)	(18,541)	(33,288)
Unallocated expenses:							
- Finance costs							(3,558)
Loss before tax							<u>(36,846)</u>
Taxation							<u>(1,276)</u>
Loss for the financial period							<u>(38,122)</u>

**9. VALUATION OF PROPERTY, PLANT & EQUIPMENT AND INVESTMENT PROPERTIES**

There has been no change to the valuations of property, plant and equipment and investment properties since the audited financial statements for the year ended 31 March 2019.

**10. SUBSEQUENT EVENTS**

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

**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.

**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 31.12.2019	Preceding Year Corresponding Quarter 31.12.2018		Current Year To Date 31.12.2019	Preceding Year To Date 31.12.2018	
	RM'000	RM'000		RM'000	RM'000	
Revenue	84,444	41,925	101%	184,961	104,189	78%
Operating profit/(loss)	5,919	(18,668)	132%	15,613	(33,288)	147%
Profit/(Loss) before tax	4,311	(19,517)	122%	11,528	(36,846)	131%
Profit/(Loss) after tax	4,473	(19,982)	122%	11,101	(38,122)	129%
Profit/(Loss) attributable to owners of the Company	4,662	(19,793)	124%	11,816	(37,583)	131%

Current Quarter

For the current quarter, the Group registered higher revenue of RM84.4 million compared to RM41.9 million of the preceding year corresponding quarter. The increase in revenue was mainly attributed to higher sales recognition from development projects in Kuala Lumpur and Seri Kembangan.

The Group recorded profit before tax of RM4.3 million for the current quarter under review compared to loss before tax of RM19.5 million of the preceding year corresponding quarter. The improved performance was mainly due to lower operating expenses and higher profit recognition from property development.

Year-to-date (9 months)

The Group achieved higher revenue of RM185.0 million compared to RM104.2 million of the preceding year corresponding period. The increase in revenue was mainly attributed to sales recognition from development projects in Kuala Lumpur and Seri Kembangan.

With the improved revenue, the Group recorded profit before tax of RM11.5 million compared to the preceding year corresponding period's loss before tax of RM36.8 million. The improved performance was mainly due to higher profit recognition from property development, higher other operating income and lower operating expenses.

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

	<b>Current Year Quarter 31.12.2019 RM'000</b>	<b>Immediate Preceding Quarter 30.09.2019 RM'000</b>	<b>Changes %</b>
Revenue	84,444	59,961	41%
Operating profit	5,919	6,766	-13%
Profit before tax	4,311	5,089	-15%
Profit after tax	4,473	4,783	-6%
Profit attributable to owners of the Company	4,662	4,964	-6%

Compared against the immediate preceding quarter, the Group's revenue increased to RM84.4 million against RM60.0 million recorded previously. The increase in revenue was mainly due to higher sales recognition of development projects in Kuala Lumpur and Seri Kembangan.

The Group registered lower profit before tax of RM4.3 million against RM5.1 million of the immediate preceding quarter mainly due to lower operating income in the current quarter.

**2. COMMENTARY ON PROSPECTS**

The Group expects the property market to remain subdued, difficult and challenging in 2020. Hence, the Group continues to manage prudently on new launches and concentrate its efforts on existing projects' progress and completion.

**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**

	<b>Current Year Quarter 31.12.2019 RM'000</b>	<b>Preceding Year Corresponding Quarter 31.12.2018 RM'000</b>	<b>Current Year To Date 31.12.2019 RM'000</b>	<b>Preceding Year To Date 31.12.2018 RM'000</b>
Current taxation	23	551	829	1,368
Deferred taxation	(185)	(86)	(402)	(92)
	<u>(162)</u>	<u>465</u>	<u>427</u>	<u>1,276</u>

The Group's effective tax rate for the current quarter is lower than the statutory tax rate mainly due to availability of tax losses.

**5. CORPORATE PROPOSALS**

There were no corporate proposals announced but not completed as at the date of this report.

**6. BORROWINGS AND DEBT SECURITIES**

	<b>As at 31.12.2019</b>		
	<b>Long Term</b>	<b>Short Term</b>	<b>Total Borrowings</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Bank borrowings			
- Ringgit Malaysia	92,523	60,791	153,314
- Singapore Dollar (1: 3.0402)	49,809	-	49,809
Hire-purchase creditors	195	201	396
Bank overdrafts	-	10,225	10,225
	<u>142,527</u>	<u>71,217</u>	<u>213,744</u>

	<b>As at 31.12.2018</b>		
	<b>Long Term</b>	<b>Short Term</b>	<b>Total Borrowings</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Bank borrowings			
- Ringgit Malaysia	111,925	49,118	161,043
- Singapore Dollar (1 : 3.0346)	17,217	4,956	22,173
Hire-purchase creditors	396	194	590
Bank overdrafts	-	12,766	12,766
	<u>129,538</u>	<u>67,034</u>	<u>196,572</u>

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.

**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.

	<b>Current Year Quarter 31.12.2019</b>	<b>Preceding Year Corresponding Quarter 31.12.2018</b>	<b>Current Year To Date 31.12.2019</b>	<b>Preceding Year To Date 31.12.2018</b>
Profit/(Loss) attributable to owners of the Company (RM'000)	4,662	(19,793)	11,816	(37,583)
Number of ordinary shares in issue ('000)	454,676	454,676	454,676	454,676
Basic earnings per share (sen)	1.03	(4.35)	2.60	(8.27)

**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:

	<b>Current Year Quarter 31.12.2019 RM'000</b>	<b>Preceding Year Corresponding Quarter 31.12.2018 RM'000</b>	<b>Current Year To Date 31.12.2019 RM'000</b>	<b>Preceding Year To Date 31.12.2018 RM'000</b>
<b>After Charging:</b>				
Interest expenses	1,608	849	4,085	3,558
Depreciation and amortisation	146	316	451	943
Property, plant and equipment written off	-	2,888	-	2,892
Inventories written off	1	46	3	46
Bad debts written off	44	12,235	44	12,235
Allowance for doubtful debts	193	-	193	-
Realised foreign exchange loss	-	315	-	778
Unrealised foreign exchange loss	-	-	244	-
<b>After Crediting:</b>				
Interest income	2,312	657	6,520	2,174
Allowance for doubtful debts no longer required	-	142	-	142
Gain on disposal of property, plant and equipment	53	-	53	3
Reversal of provision for sales incentives	-	-	55	-

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 24 February 2020.

By Order of the Board  
Chin Pei Fung (MAICSA 7029712)  
Company Secretary  
Selangor Darul Ehsan  
24 February 2020