



**GLOBAL ORIENTAL BERHAD**

(Incorporated in Malaysia)

Company No. 200101008111 (543867-T)

Interim Financial Report

31 March 2020

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**GLOBAL ORIENTAL BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2020 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31.03.2019 RM'000 (restated)	Current Year To Date 31.03.2020 RM'000 (unaudited)	Preceding Year Corresponding Year To Date 31.03.2019 RM'000 (restated)
Revenue	75,825	44,644	260,786	148,833
Cost of sales	(75,306)	(38,823)	(234,785)	(128,919)
Gross profit	519	5,821	26,001	19,914
Interest income	2,517	1,773	9,037	3,947
Other operating income	1,508	1,366	7,725	3,738
Depreciation and amortisation	(1,678)	(217)	(2,129)	(1,160)
Operating expenses	(38,214)	(28,976)	(60,369)	(79,960)
Operating profit/(loss)	(35,348)	(20,233)	(19,735)	(53,521)
Finance costs	(3,272)	(22,902)	(7,357)	(26,460)
Share of results of an associated company	692	-	692	-
Profit/(Loss) before tax	(37,928)	(43,135)	(26,400)	(79,981)
Taxation	(2,453)	(18,579)	(2,880)	(19,855)
<b>Profit/(Loss) for the financial year</b>	<b>(40,381)</b>	<b>(61,714)</b>	<b>(29,280)</b>	<b>(99,836)</b>
<b>Other comprehensive income</b>				
Exchange differences arising on translation of foreign operations	-	13	(344)	-
<b>Total comprehensive income/(loss) for the financial year</b>	<b>(40,381)</b>	<b>(61,701)</b>	<b>(29,624)</b>	<b>(99,836)</b>
<b>Profit/(Loss) attributable to:</b>				
Owners of the Company	(39,168)	(61,484)	(27,352)	(99,067)
Non-controlling interests	(1,213)	(230)	(1,928)	(769)
	<b>(40,381)</b>	<b>(61,714)</b>	<b>(29,280)</b>	<b>(99,836)</b>
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the Company	(39,168)	(61,471)	(27,696)	(99,067)
Non-controlling interests	(1,213)	(230)	(1,928)	(769)
	<b>(40,381)</b>	<b>(61,701)</b>	<b>(29,624)</b>	<b>(99,836)</b>
<b>Earnings per share attributable to Owners of the Company:</b>				
- Basic (sen)	(8.61)	(13.52)	(6.02)	(21.79)
- 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 MARCH 2020**

	As at 31.03.2020 RM'000 (unaudited)	As at 31.03.2019 RM'000 (restated)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2,896	1,622
Right-of-use assets	6,728	-
Investment properties	1,740	1,740
Investment in an associated company	576	-
Land held for property development	281,592	266,628
Goodwill	-	9,191
Deferred tax assets	727	1,380
Other receivables, deposits and prepayments	21,215	43,001
	<u>315,474</u>	<u>323,562</u>
<b>Current assets</b>		
Inventories	70,695	84,919
Property development costs	334,095	332,491
Trade receivables	49,709	33,477
Other receivables, deposits and prepayments	16,501	27,800
Amount owing by an associated company	49,777	49,777
Tax recoverable	2,285	3,507
Fixed deposits with licensed banks	18,306	15,743
Cash and bank balances	96,838	143,324
	<u>638,206</u>	<u>691,038</u>
<b>TOTAL ASSETS</b>	<u>953,680</u>	<u>1,014,600</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	227,338	227,338
Reserves	25,934	53,722
	<u>253,272</u>	<u>281,060</u>
<b>Non-controlling interests</b>	<u>(4,866)</u>	<u>(2,937)</u>
<b>TOTAL EQUITY</b>	<u>248,406</u>	<u>278,123</u>
<b>LIABILITIES</b>		
<b>Non-current and deferred liabilities</b>		
Borrowings - secured	136,098	139,486
Lease liabilities	5,288	-
Deferred tax liabilities	3,131	4,213
Trade payables	155,469	179,048
	<u>299,986</u>	<u>322,747</u>
<b>Current liabilities</b>		
Contract liabilities	29,833	60,819
Trade payables	114,947	85,896
Other payables and accruals	163,379	166,510
Provisions	18,761	18,723
Borrowings - secured	71,845	70,739
Lease liabilities	975	-
Tax liabilities	5,548	11,043
	<u>405,288</u>	<u>413,730</u>
<b>TOTAL LIABILITIES</b>	<u>705,274</u>	<u>736,477</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>953,680</u>	<u>1,014,600</u>
Net assets per ordinary share attributable to owners of the Company (RM)	<u>0.56</u>	<u>0.62</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 YEAR ENDED 31 MARCH 2020**

	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 12 months ended 31 March 2020 (unaudited)</b>									
As at 1 April 2019, as previously reported	227,338	91,037	3,022	20,227	344	(60,908)	281,060	(2,937)	278,123
Effects of adoption of MFRS	-	-	-	-	-	(92)	(92)	(1)	(93)
As at 1 April 2019, as restated	227,338	91,037	3,022	20,227	344	(61,000)	280,968	(2,938)	278,030
Profit/(Loss) for the financial year	-	-	-	-	-	(27,352)	(27,352)	(1,928)	(29,280)
Other comprehensive profit/(loss) for the financial year	-	-	-	-	(344)	-	(344)	-	(344)
Total comprehensive profit/(loss) for the financial year	-	-	-	-	(344)	(27,352)	(27,696)	(1,928)	(29,624)
Employees' Share Option Scheme ("ESOS") forfeited during the financial year	-	-	(69)	-	-	69	-	-	-
Warrants expired	-	-	-	(20,227)	-	20,227	-	-	-
As at 31 March 2020	227,338	91,037	2,953	-	-	(68,056)	253,272	(4,866)	248,406

	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 12 months ended 31 March 2019 (restated)</b>									
As at 1 April 2018	227,338	91,037	3,464	20,227	344	38,273	380,683	(2,168)	378,515
Effects of adoption of MFRS	-	-	-	-	-	(556)	(556)	-	(556)
As at 1 April 2018, as restated	227,338	91,037	3,464	20,227	344	37,717	380,127	(2,168)	377,959
Profit/(Loss) for the financial year	-	-	-	-	-	(99,067)	(99,067)	(769)	(99,836)
Other comprehensive profit/(loss) for the financial year	-	-	-	-	-	-	-	-	-
Total comprehensive profit/(loss) for the financial year	-	-	-	-	-	(99,067)	(99,067)	(769)	(99,836)
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	344	(60,908)	281,060	(2,937)	278,123

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 YEAR ENDED 31 MARCH 2020**

	Current 12 months ended 31.03.2020 RM'000 (unaudited)	Preceding 12 months ended 31.03.2019 RM'000 (restated)
<b>Cash Flows from Operating Activities</b>		
Profit/(Loss) before taxation	(26,400)	(79,981)
Adjustments for:		
Provision for liquidated and ascertained damages	313	999
Provision for bumiputra quota penalties	77	90
Reversal of provision for sales incentives	(352)	-
Depreciation of property, plant and equipment	735	1,160
Depreciation of right-of -use assets	1,394	-
Property, plant and equipment written off	229	3,572
Inventories written off	27	70
Bad debts written off	44	287
Impairment of goodwill	9,191	14,396
Impairment of other investment	-	1
Gain on redemption of investment in short-term funds	-	(9)
Gain on disposal of property, plant and equipment	(99)	(98)
Loss on disposal of a joint venture	-	1,050
Allowance for doubtful debts	25,068	606
Allowance for doubtful debts no longer required	-	(127)
Share of results in associate	(692)	-
Unrealised foreign exchange loss/(gain)	(162)	(383)
Interest expenses	7,357	26,460
Interest income	(9,037)	(3,947)
Operating profit/(loss) before working capital changes	7,693	(35,854)
Decrease/(Increase) in:		
Land held for property development	(14,964)	(13,760)
Property development costs	7,228	(7,962)
Inventories	14,197	(20,502)
Receivables	(3,300)	113,031
Increase/(Decrease) in:		
Contract liabilities	(30,986)	42,561
Payables	2,020	(19,254)
Cash (used in)/generated from operations	(18,112)	58,260
Interest received	3,831	3,947
Interest paid	(15,350)	(15,610)
Liquidated and ascertained damages paid	-	(1,267)
Tax paid	(7,466)	(5,802)
Net cash (used in)/generated from operating activities	(37,097)	39,528
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(2,198)	(543)
Purchase of investment properties	-	(1,740)
Proceeds from disposal of property, plant and equipment	59	100
Decrease in short-term funds	-	10,338
Placement of fixed deposits	(2,363)	(2,504)
Net cash (used in)/generated from investing activities	(4,502)	5,651
<b>Cash Flows from Financing Activities</b>		
Drawdown of bank borrowings	72,763	107,842
Repayment of bank borrowings	(76,279)	(147,717)
Repayment of lease liabilities	(1,952)	-
Drawdown/(Repayment) of hire-purchase creditors	413	(188)
Net cash used in financing activities	(5,055)	(40,063)
Net (decrease)/increase in cash and cash equivalents	(46,654)	5,116
Currency translation differences	(344)	-
Cash and cash equivalents at beginning of financial year	133,225	128,109
Cash and cash equivalents at end of financial year	86,227	133,225
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	96,838	143,324
Fixed deposits with licensed banks	18,306	15,743
Bank overdraft	(11,711)	(10,999)
	103,433	148,068
Less: Fixed deposits pledged	(17,206)	(14,843)
	86,227	133,225

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:

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**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER**  
**AND FINANCIAL YEAR ENDED 31 MARCH 2020**

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 as follows:

Consolidated statement of comprehensive income for the financial year ended 31 March 2019:

	<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>			
Cost of sales	(130,262)	1,343	(128,919)
Gross Profit	18,571	1,343	19,914
Finance costs	(24,809)	(1,651)	(26,460)
Loss before tax	(79,673)	(308)	(79,981)
Taxation	(19,866)	11	(19,855)
Loss for the financial year	(99,539)	(297)	(99,836)

Consolidated statement of financial position as at 31 March 2019

	<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	(1,095)	332,491
<b>Equity</b>			
Accumulated losses	(60,055)	(853)	(60,908)
<b>Non-current and deferred liabilities</b>			
Deferred tax liabilities	4,225	(12)	4,213
<b>Current liabilities</b>			
Contract liabilities	61,049	(230)	60,819



### MFRS 16 Leases

MFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. MFRS 16 will supersede the current lease guidance including MFRS 117 Leases and the related interpretations when it becomes effective.

MFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance lease are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments under MFRS 117 are presented as operating cash flows; whereas under MFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

In contrast to lessee accounting, MFRS 16 substantially carries forward the lessor accounting requirements in MFRS 117, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

As allowed by the transitional provision of MFRS 16, the Group have elected the modified retrospective approach with no restatement of comparative and cumulative adjustments resulting from the initial application of MFRS 16 are recognised in total equity as at 1 April 2019, as disclosed below:

	<b>Impact of adoption of MFRS 16 to opening balance at 1 April 2019 RM'000</b>
Increase in rights-of-use assets	1,725
Decrease in total equity	96
Decrease in non-controlling interest	1
Increase in lease liabilities	1,822

**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 March 2020 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 March 2020, a total of 5,706,449 ESOS options to subscribe for ordinary shares remain unexercised.

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.

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**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER**  
**AND FINANCIAL YEAR ENDED 31 MARCH 2020**

**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 12 Months Ended</b>							
<b>31 March 2020</b>							
<b>Revenue</b>							
External sales	240,487	-	20,264	-	35	-	260,786
Inter-segment sales	-	16,167	-	-	-	(16,167)	-
	<u>240,487</u>	<u>16,167</u>	<u>20,264</u>	<u>-</u>	<u>35</u>	<u>(16,167)</u>	<u>260,786</u>
<b>Results</b>							
Segment results	15,300	(1,050)	1,207	157,844	3,015	(196,051)	(19,735)
Unallocated expenses:							
- Finance costs							(7,357)
- Share of results of an associated company							692
Loss before tax							<u>(26,400)</u>
Taxation							<u>(2,880)</u>
Loss for the financial year							<u>(29,280)</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
	(restated)						(restated)
<b>Results For 12 Months Ended</b>							
<b>31 March 2019</b>							
<b>Revenue</b>							
External sales	124,076	-	22,502	-	2,255	-	148,833
Inter-segment sales	-	11,671	-	-	-	(11,671)	-
	<u>124,076</u>	<u>11,671</u>	<u>22,502</u>	<u>-</u>	<u>2,255</u>	<u>(11,671)</u>	<u>148,833</u>
<b>Results</b>							
Segment results	(8,034)	(965)	1,708	(21,758)	(13,748)	(10,724)	(53,521)
Unallocated expenses:							
- Finance costs							(26,460)
Loss before tax							<u>(79,981)</u>
Taxation							<u>(19,855)</u>
Loss for the financial year							<u>(99,836)</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.

**GLOBAL ORIENTAL BERHAD**  
**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER**  
**AND FINANCIAL YEAR ENDED 31 MARCH 2020**

**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 31.03.2020	Preceding Year Corresponding Quarter 31.03.2019		Current Year To Date 31.03.2020	Preceding Year To Date 31.03.2019	
	RM'000	RM'000		RM'000	RM'000	
		(restated)			(restated)	
Revenue	75,825	44,644	70%	260,786	148,833	75%
Operating profit/(loss)	(35,348)	(20,233)	-75%	(19,735)	(53,521)	63%
Profit/(Loss) before tax	(37,928)	(43,135)	12%	(26,400)	(79,981)	67%
Profit/(Loss) after tax	(40,381)	(61,714)	35%	(29,280)	(99,836)	71%
Profit/(Loss) attributable to owners of the Company	(39,168)	(61,484)	36%	(27,352)	(99,067)	72%

Current Quarter

For the current quarter, the Group registered higher revenue of RM75.8 million compared to RM44.6 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 lower loss before tax of RM37.9 million for the current quarter under review compared to RM43.1 million of the preceding year corresponding quarter. The lower loss was mainly due to lower finance costs despite having accounted for exceptional allowances in the current quarter amounting to RM41.2 million i.e. impairment of goodwill of RM9.2 million, write down of property inventories of RM7.1 million and allowance for doubtful debts of RM24.9 million.

Year-to-date (12 months)

The Group achieved higher revenue of RM260.8 million compared to RM148.8 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.

In tandem with the improved revenue, the Group recorded lower loss before tax of RM26.4 million compared to RM80.0 million of the preceding year corresponding period. The improved performance was mainly due to higher profit recognition from property development, lower operating expenses and lower finance costs.

On a positive note, the Group's property development segment registered a significant turnaround with an operating profit of RM15.3 million against a loss of RM8.0 million reported last year.

**GLOBAL ORIENTAL BERHAD**  
**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER**  
**AND FINANCIAL YEAR ENDED 31 MARCH 2020**

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

	<b>Current Year Quarter 31.03.2020 RM'000</b>	<b>Immediate Preceding Quarter 31.12.2019 RM'000</b>	<b>Changes %</b>
Revenue	75,825	84,444	-10%
Operating profit/(Loss)	(35,348)	5,919	-697%
Profit/(Loss) before tax	(37,928)	4,311	-980%
Profit/(Loss) after tax	(40,381)	4,473	-1003%
Profit/(Loss) attributable to owners of the Company	(39,168)	4,662	-940%

Compared against the immediate preceding quarter, the Group's revenue decreased to RM75.8 million against RM84.4 million recorded previously. The decrease in revenue was mainly due to lower sales recognition of development projects in Kuala Lumpur and Seri Kembangan as construction works at all project sites have been halted and sales galleries closed due to the Covid-19 pandemic and in compliance with the movement control order ("MCO") that was enforced from 18 March 2020.

The Group registered loss before tax of RM37.9 million against profit before tax of RM4.3 million of the immediate preceding quarter mainly due to the impairment charge, write down of property inventories as well as allowance for doubtful debts incurred in the current quarter as a result of the adverse impacts of MCO on business operations.

**2. COMMENTARY ON PROSPECTS**

The Group expects the current soft property market to remain subdued, difficult and challenging for the remainder of 2020 and beyond amid the unprecedented economic uncertainties. Nevertheless, the Group would continue to conserve resources and also its efforts to manage prudently on new launches as well as concentrate 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.

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**4. TAXATION**

	<b>Current Year Quarter 31.03.2020 RM'000</b>	<b>Preceding Year Corresponding Quarter 31.03.2019 RM'000 (restated)</b>	<b>Current Year To Date 31.03.2020 RM'000</b>	<b>Preceding Year To Date 31.03.2019 RM'000 (restated)</b>
Current taxation	2,711	2,500	4,772	3,897
Under/(Over) provision in prior year	(231)	11,395	(1,463)	11,366
Deferred taxation	(27)	4,684	(429)	4,592
	<u>2,453</u>	<u>18,579</u>	<u>2,880</u>	<u>19,855</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 31.03.2020</b>		
	<b>Long Term RM'000</b>	<b>Short Term RM'000</b>	<b>Total Borrowings RM'000</b>
Bank borrowings			
- Ringgit Malaysia	111,191	59,363	170,554
- Singapore Dollar (1: 3.0258)	24,723	-	24,723
Hire-purchase creditors	184	771	955
Bank overdrafts	-	11,711	11,711
	<u>136,098</u>	<u>71,845</u>	<u>207,943</u>

	<b>As at 31.03.2019</b>		
	<b>Long Term RM'000</b>	<b>Short Term RM'000</b>	<b>Total Borrowings RM'000</b>
Bank borrowings			
- Ringgit Malaysia	111,498	59,550	171,048
- Singapore Dollar (1 : 3.0115)	27,636	-	27,636
Hire-purchase creditors	352	190	542
Bank overdrafts	-	10,999	10,999
	<u>139,486</u>	<u>70,739</u>	<u>210,225</u>

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

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**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 31.03.2020</b>	<b>Preceding Year Corresponding Quarter 31.03.2019 (restated)</b>	<b>Current Year To Date 31.03.2020</b>	<b>Preceding Year To Date 31.03.2019 (restated)</b>
Profit/(Loss) attributable to owners of the Company (RM'000)	(39,168)	(61,484)	(27,352)	(99,067)
Number of ordinary shares in issue ('000)	454,676	454,676	454,676	454,676
Basic earnings per share (sen)	(8.61)	(13.52)	(6.02)	(21.79)

**b) Diluted**

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



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**10. PROFIT/(LOSS) BEFORE TAX**

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

	<b>Current Year Quarter 31.03.2020 RM'000</b>	<b>Preceding Year Corresponding Quarter 31.03.2019 RM'000 (restated)</b>	<b>Current Year To Date 31.03.2020 RM'000</b>	<b>Preceding Year To Date 31.03.2019 RM'000 (restated)</b>
<b>After Charging:</b>				
Interest expenses	3,272	22,902	7,357	26,460
Depreciation and amortisation	1,678	217	2,129	1,160
Property, plant and equipment written off	229	680	229	3,572
Provision for liquidated and ascertained damages	313	999	313	999
Provision for bumiputra quota penalties	77	90	77	90
Inventories written off	24	24	27	70
Impairment of goodwill	9,191	14,396	9,191	14,396
Impairment loss on other investment	-	1	-	1
Loss on disposal of joint venture	-	1,050	-	1,050
Bad debts written off	-	-	44	287
Allowance for doubtful debts	24,875	606	25,068	606
<b>After Crediting:</b>				
Interest income	2,517	1,773	9,037	3,947
Allowance for doubtful debts no longer required	-	-	-	127
Gain on disposal of property, plant and equipment	46	95	99	98
Gain on redemption of investment in short-term fund	-	9	-	9
Reversal of provision for sales incentives	297	-	352	-
Unrealised foreign exchange gain	162	383	162	383

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 25 June 2020.

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