



GLOBAL ORIENTAL BERHAD

(Incorporated in Malaysia)

Company No. 200101008111 (543867-T)

Interim Financial Report

30 September 2020

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GLOBAL ORIENTAL BERHAD
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Year To Date
	30.09.2020 RM'000 unaudited	30.09.2019 RM'000 restated	30.09.2020 RM'000 unaudited	30.09.2019 RM'000 restated
Revenue	104,163	59,961	148,448	100,517
Cost of sales	(96,054)	(50,250)	(136,984)	(84,945)
Gross profit	8,109	9,711	11,464	15,572
Interest income	624	2,112	1,461	4,208
Other operating income	2,435	2,446	2,612	5,392
Depreciation and amortisation	(778)	(434)	(1,528)	(889)
Operating expenses	(5,299)	(7,054)	(14,574)	(14,569)
Operating profit/(loss)	5,091	6,781	(565)	9,714
Finance costs	(1,196)	(736)	(2,187)	(1,567)
Share of results of an associated company	1,278	-	1,089	-
Profit/(Loss) before tax	5,173	6,045	(1,663)	8,147
Taxation	142	(531)	(449)	(811)
Profit/(Loss) for the financial period	5,315	5,514	(2,112)	7,336
Other comprehensive income				
Exchange differences arising on translation of foreign operations	-	(344)	-	(344)
Total comprehensive income/(loss) for the financial period	5,315	5,170	(2,112)	6,992
Profit/(Loss) attributable to:				
Owners of the Company	5,717	5,695	(896)	7,862
Non-controlling interests	(402)	(181)	(1,216)	(526)
	5,315	5,514	(2,112)	7,336
Total comprehensive income/(loss) attributable to:				
Owners of the Company	5,717	5,351	(896)	7,518
Non-controlling interests	(402)	(181)	(1,216)	(526)
	5,315	5,170	(2,112)	6,992
Earnings per share attributable to Owners of the Company:				
- Basic (sen)	1.26	1.25	(0.20)	1.73
- 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 2020 and the accompanying explanatory notes attached to this interim financial statements.

GLOBAL ORIENTAL BERHAD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2020

	As at 30.09.2020 RM'000 unaudited	As at 31.03.2020 RM'000 audited
ASSETS		
Non-current assets		
Property, plant and equipment	2,226	2,896
Right-of-use assets	7,157	6,729
Investment properties	1,500	1,740
Investment in an associated company	1,665	576
Land held for property development	296,444	281,592
Deferred tax assets	727	727
Other receivables, deposits and prepayments	20,408	19,410
	<u>330,127</u>	<u>313,670</u>
Current assets		
Inventories	63,353	70,374
Property development costs	314,109	334,455
Trade receivables	57,194	51,972
Other receivables, deposits and prepayments	19,847	20,887
Amount owing by an associated company	49,777	49,777
Tax recoverable	1,297	2,340
Fixed deposits with licensed banks	18,434	18,306
Cash and bank balances	127,814	96,837
	<u>651,825</u>	<u>644,948</u>
TOTAL ASSETS	<u>981,952</u>	<u>958,618</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	227,338	227,338
Reserves	25,652	26,548
	<u>252,990</u>	<u>253,886</u>
Non-controlling interests	(6,083)	(4,867)
TOTAL EQUITY	<u>246,907</u>	<u>249,019</u>
LIABILITIES		
Non-current and deferred liabilities		
Borrowings - secured	143,031	152,305
Lease liabilities	5,349	5,288
Deferred tax liabilities	2,786	3,144
Trade payables	139,239	155,469
	<u>290,405</u>	<u>316,206</u>
Current liabilities		
Contract liabilities	28,149	29,833
Trade payables	145,377	115,221
Other payables and accruals	191,069	168,330
Provisions	21,181	18,761
Borrowings - secured	53,444	54,699
Lease liabilities	1,802	1,578
Tax liabilities	3,618	4,971
	<u>444,640</u>	<u>393,393</u>
TOTAL LIABILITIES	<u>735,045</u>	<u>709,599</u>
TOTAL EQUITY AND LIABILITIES	<u>981,952</u>	<u>958,618</u>
Net assets per ordinary share attributable to owners of the Company (RM)	<u>0.56</u>	<u>0.56</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 2020 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 30 SEPTEMBER 2020

	Attributable to the Owners of the Company						Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Reserves								
	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			
Current 6 months ended									
30 September 2020 (unaudited)									
As at 1 April 2020	227,338	91,037	2,953	-	-	(67,442)	253,886	(4,867)	249,019
Profit/(Loss) for the financial period	-	-	-	-	-	(896)	(896)	(1,216)	(2,112)
Other comprehensive profit/(loss) for the financial period	-	-	-	-	-	-	-	-	-
Total comprehensive profit/(loss) for the financial period	-	-	-	-	-	(896)	(896)	(1,216)	(2,112)
Employees' Share Option Scheme ("ESOS") forfeited during the financial period	-	-	(483)	-	-	483	-	-	-
As at 30 September 2020	227,338	91,037	2,470	-	-	(67,855)	252,990	(6,083)	246,907

	Attributable to the Owners of the Company						Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Reserves								
	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			
Preceding 6 months ended									
30 September 2019 (restated)									
As at 1 April 2019	227,338	91,037	3,022	20,227	344	(60,055)	281,913	(2,937)	278,976
Effects of adoption of MFRS	-	-	-	-	-	(92)	(92)	(2)	(94)
As at 1 April 2019, as restated	227,338	91,037	3,022	20,227	344	(60,147)	281,821	(2,939)	278,882
Profit/(Loss) for the financial period	-	-	-	-	-	7,862	7,862	(526)	7,336
Other comprehensive profit/(loss) for the financial period	-	-	-	-	(344)	-	(344)	-	(344)
Total comprehensive profit/(loss) for the financial period	-	-	-	-	(344)	7,862	7,518	(526)	6,992
Employees' Share Option Scheme ("ESOS") forfeited during the financial period	-	-	(52)	-	-	52	-	-	-
As at 30 September 2019	227,338	91,037	2,970	20,227	-	(52,233)	289,339	(3,465)	285,874

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 2020 and the accompanying explanatory notes attached to this interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

	Current 6 months ended 30.09.2020 RM'000 unaudited	Preceding 6 months ended 30.09.2019 RM'000 restated
<u>Cash Flows from Operating Activities</u>		
Profit/(Loss) before taxation	(1,663)	8,147
Adjustments for:		
Provision for liquidated and ascertained damages	378	-
Reversal of provision for sales incentives	-	(55)
Depreciation of property, plant and equipment	510	305
Depreciation of right-of-use assets	1,018	584
Property, plant and equipment written off	310	-
Inventories written off	-	2
Impairment of investment properties	240	-
Loss on disposal of property, plant and equipment	11	-
Gain on disposal of right-of-use assets	(33)	-
Allowance for doubtful debts	1,882	-
Allowance for doubtful debts no longer required	-	(22)
Share of results in associate	(1,089)	-
Unrealised foreign exchange loss	78	430
Interest expenses	2,187	1,567
Interest income	(1,461)	(4,208)
Operating profit before working capital changes	2,368	6,750
Decrease/(Increase) in:		
Land held for property development	(14,852)	(5,743)
Property development costs	26,483	(2,030)
Inventories	7,021	472
Receivables	(6,038)	16,022
Increase/(Decrease) in:		
Contract liabilities	(1,684)	(35,718)
Payables	36,666	17,131
Cash generated from/(used in) operations	49,964	(3,116)
Interest received	435	1,924
Interest paid	(6,282)	(7,035)
Bumiputra quota penalties paid	-	(159)
Tax paid	(1,117)	(2,842)
	(6,964)	(8,112)
Net generated from/(used in) operating activities	43,000	(11,228)
<u>Cash Flows from Investing Activities</u>		
Additions to property, plant and equipment	(170)	(133)
Proceeds from disposal of property, plant and equipment	470	1
Increase in fixed deposits pledged	(128)	(181)
Net cash generated from/(used in) investing activities	172	(313)
<u>Cash Flows from Financing Activities</u>		
Drawdown of bank borrowings	24,546	33,778
Repayment of bank borrowings	(34,579)	(30,313)
Payment of lease liabilities	(1,128)	(585)
Repayment of hire-purchase creditors	(264)	(98)
Net cash generated from/(used in) financing activities	(11,425)	2,782
Net increase/(decrease) in cash and cash equivalents	31,747	(8,759)
Currency translation differences	-	(344)
Cash and cash equivalents at beginning of financial period	86,227	133,225
Cash and cash equivalents at end of financial period	117,974	124,122
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	127,814	133,276
Fixed deposits with licensed banks	18,434	15,924
Bank overdraft	(10,940)	(10,054)
	135,308	139,146
Less: Fixed deposits pledged	(17,334)	(15,024)
	117,974	124,122

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2020 and the accompanying explanatory notes attached to this interim financial statements.

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 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 2020. 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 2020.

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 2020, 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 2020:

Amendments to:

MFRS 3	Definition of a Business ¹
MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform ¹
MFRS 101 and MFRS 108	Definition of Material ¹
MFRS 101	Classification of Liabilities as Current or Non-current ³
MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use ³
MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract ³
MFRS 16	Covid-19-Related Rent Concessions ²
MFRSs	Amendments to References to the Conceptual Framework in MFRS Standards ¹
Annual improvements to MFRS Standards 2018 - 2020 ³	

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

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

³ Effective for annual periods beginning on or after 1 January 2022

⁴ 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.

2. AUDITORS' REPORT ON REPORTING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements of GOB for the financial year ended 31 March 2020 was not qualified.

3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The Group's performance for the quarter ended 30 September 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 30 September 2020, a total of 4,773,148 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 SECOND QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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
Results For 6 Months Ended 30 September 2020							
Revenue							
External sales	133,855	-	14,593	-	-	-	148,448
Inter-segment sales	-	-	-	-	-	-	-
	<u>133,855</u>	<u>-</u>	<u>14,593</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>148,448</u>
Results							
Segment results	419	(394)	2,131	599	207	(3,527)	(565)
Unallocated expenses:							
- Finance costs							(2,187)
- Share of results of an associated company							1,089
Loss before tax							<u>(1,663)</u>
Taxation							<u>(449)</u>
Loss for the financial period							<u><u>(2,112)</u></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
Results For 6 Months Ended 30 September 2019 (restated)							
Revenue							
External sales	90,500	-	9,982	-	35	-	100,517
Inter-segment sales	-	9,756	-	-	-	(9,756)	-
	<u>90,500</u>	<u>9,756</u>	<u>9,982</u>	<u>-</u>	<u>35</u>	<u>(9,756)</u>	<u>100,517</u>
Results							
Segment results	9,011	(84)	667	1,686	(267)	(1,299)	9,714
Unallocated expenses:							
- Finance costs							(1,567)
Profit before tax							<u>8,147</u>
Taxation							<u>(811)</u>
Profit for the financial period							<u><u>7,336</u></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 2020.

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, except as follow:

- a) On 21 August 2020, the Company incorporated a wholly owned subsidiary, Global Top Protection Sdn Bhd, with an issued and paid up capital of RM100.
- b) On 4 September 2020, the Company incorporated a wholly owned subsidiary, Global Nano Innovation Sdn Bhd, with an issued and paid up capital of RM100.

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 RM173.7 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 SECOND QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 30.09.2020	Preceding Year Corresponding Quarter 30.09.2019		Current Year To Date 30.09.2020	Preceding Year To Date 30.09.2019	
	RM'000	RM'000		RM'000	RM'000	
		restated			restated	
Revenue	104,163	59,961	74%	148,448	100,517	48%
Operating profit/(loss)	5,091	6,781	-25%	(565)	9,714	-106%
Profit/(Loss) before tax	5,173	6,045	-14%	(1,663)	8,147	-120%
Profit/(Loss) after tax	5,315	5,514	-4%	(2,112)	7,336	-129%
Profit/(Loss) attributable to owners of the Company	5,717	5,695	0%	(896)	7,862	-111%

Current Quarter

For the current quarter, the Group registered higher revenue of RM104.2 million compared to RM60.0 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.

Despite the higher revenue, the Group recorded lower profit before tax of RM5.2 million for the current quarter under review compared to RM6.0 million of the preceding year corresponding quarter. The adverse performance was mainly due to lower profit contribution from ongoing development projects and lower interest income in the current quarter.

Year-to-date (6 months)

The Group achieved higher revenue of RM148.4 million compared to RM100.5 million of the preceding year corresponding period. The increase in revenue was mainly attributed to higher sales recognition from development projects in Kuala Lumpur and Seri Kembangan.

Despite the improved revenue, the Group recorded loss before tax of RM1.7 million compared to the preceding year corresponding period's profit before tax of RM8.1 million. The adverse performance was mainly due to lower profit contribution from ongoing development projects coupled with lower other operating income and higher finance costs.

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INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

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

	Current Year Quarter 30.09.2020 RM'000	Immediate Preceding Quarter 30.06.2020 RM'000	Changes %
Revenue	104,163	44,285	135%
Operating profit/(Loss)	5,091	(5,656)	190%
Profit/(Loss) before tax	5,173	(6,836)	176%
Profit/(Loss) after tax	5,315	(7,427)	172%
Profit/(Loss) attributable to owners of the Company	5,717	(6,613)	186%

Compared against the immediate preceding quarter, the Group's revenue increased to RM104.2 million against RM44.3 million recorded previously. The increase in revenue was mainly due to higher sales recognition of ongoing development projects in Kuala Lumpur and Seri Kembangan.

The Group registered profit before tax of RM5.2 million against loss before tax of RM6.8 million of the immediate preceding quarter mainly due to improved profit contribution from ongoing development projects and lower operating expenses.

2. COMMENTARY ON PROSPECTS

Generally, the protracted macro economic woes and the resurgence in Covid-19 situation are continuing to impact negatively on property and market conditions in the foreseeable future.

In view of prevailing unfavourable scenario, the Group continues to focus on current projects' progress development and completion in 2021.

3. PROFIT FORECAST OR PROFIT GUARANTEE

The Group has not issued any profit forecast or profit guarantee for the financial year under review.

4. TAXATION

	Current Year Quarter 30.09.2020 RM'000	Preceding Year Corresponding Quarter 30.09.2019 RM'000 restated	Current Year To Date 30.09.2020 RM'000	Preceding Year To Date 30.09.2019 RM'000 restated
Current taxation	212	605	807	1,028
Deferred taxation	(354)	(74)	(358)	(217)
	<u>(142)</u>	<u>531</u>	<u>449</u>	<u>811</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, derecognition of certain deferred tax liabilities and non-deductibility of certain expenses for tax purposes.

5. CORPORATE PROPOSALS

There were no corporate proposals announced but not completed as at the date of this report except for:-

(a) Private Placement of Shares

On 24 August 2020, the Company through its adviser UOB Kay Hian Securities (M) Sdn Bhd ("UOBKH") had announced that the Company proposed to undertake a private placement of up to 10% of the total number of issued shares of GOB to third party investor(s) to be identified later, at an issue price to be determined later ("Placement Shares") ("Proposed Private Placement").

On 3 September 2020, the Company via its adviser had announced that Bursa Malaysia Securities Berhad ("Bursa Securities") had, vide its letter dated 2 September 2020, approved the listing and quotation of up to 46,038,315 Placement Shares to be issued pursuant to the Proposed Private Placement, subject to the following conditions:-

- (i) GOB and UOBKH must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Private Placement;
- (ii) GOB and UOBKH to inform Bursa Securities upon the completion of the Proposed Private Placement;
- (iii) GOB and UOBKH to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement is completed; and
- (iv) Where relevant, GOB to furnish Bursa Securities with a certified true copy of the resolution passed by shareholders at the forthcoming annual general meeting for the authority to issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016 before the listing and quotation of the ordinary shares.

To date, the issue price has not been fixed and the third party investor(s) has not been identified as well.

(b) Memorandum of Understanding

On 14 September 2020, the Company announced that Global Nano Innovation Sdn Bhd, a wholly-owned subsidiary of GOB ("Global Nano"), had on 14 September 2020, entered into a memorandum of understanding ("MOU") with Fawoo Nanotech Co Ltd ("Fawoo") to explore potential business cooperation and/or collaboration opportunities between Global Nano and Fawoo. The validity of the MOU is one (1) month and as announced, it has been extended on 12 October 2020 for another month and subsequently on 13 November 2020, it was extended to 13 February 2021.

GLOBAL ORIENTAL BERHAD
INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

6. BORROWINGS AND DEBT SECURITIES

	As at 30.09.2020		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Bank borrowings			
- Ringgit Malaysia	125,018	42,370	167,388
- Singapore Dollar (1: 3.0392)	17,599	-	17,599
Hire-purchase creditors	414	134	548
Bank overdrafts	-	10,940	10,940
	<u>143,031</u>	<u>53,444</u>	<u>196,475</u>

	As at 30.09.2019		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Bank borrowings			
- Ringgit Malaysia	117,972	56,274	174,246
- Singapore Dollar (1: 3.0331)	28,333	-	28,333
Hire-purchase creditors	246	198	444
Bank overdrafts	-	10,054	10,054
	<u>146,551</u>	<u>66,526</u>	<u>213,077</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.

GLOBAL ORIENTAL BERHAD
INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

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 30.09.2020	Preceding Year Corresponding Quarter 30.09.2019 restated	Current Year To Date 30.09.2020	Preceding Year To Date 30.09.2019 restated
Profit/(Loss) attributable to owners of the Company (RM'000)	5,717	5,695	(896)	7,862
Number of ordinary shares in issue ('000)	454,676	454,676	454,676	454,676
Basic earnings per share (sen)	1.26	1.25	(0.20)	1.73

b) Diluted

ESOS granted is excluded from the diluted earnings per share calculation because its effect is anti-dilutive.

10. PROFIT/(LOSS) BEFORE TAX

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

	Current Year Quarter 30.09.2020 RM'000	Preceding Year Corresponding Quarter 30.09.2019 RM'000 restated	Current Year To Date 30.09.2020 RM'000	Preceding Year To Date 30.09.2019 RM'000 restated
After Charging:				
Interest expenses	1,196	736	2,187	1,567
Depreciation of property, plant and equipment	264	149	510	305
Depreciation of right-of-use assets	514	285	1,018	584
Inventories written off	-	2	-	2
Property, plant and equipment written off	-	-	310	-
Loss on disposal of property, plant and equipment	11	-	11	-
Impairment of investment properties	-	-	240	-
Provision for liquidated and ascertained damages	378	-	378	-

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Allowance for doubtful debts	-	-	1,882	-
Unrealised foreign exchange loss	-	1	78	430

After Crediting:

Interest income	624	2,112	1,461	4,208
Allowance for doubtful debts no longer required	-	-	-	22
Reversal of provision for sales incentives	-	-	-	55
Gain on disposal of right-of-use assets	33	-	33	-

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 26 November 2020.

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