



**GLOBAL ORIENTAL BERHAD**

(Incorporated in Malaysia)

Company No. 200101008111 (543867-T)

Interim Financial Report

30 September 2021

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**GLOBAL ORIENTAL BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.09.2021 RM'000 unaudited	Preceding Year Corresponding Quarter 30.09.2020 RM'000 restated	Current Year To Date 30.09.2021 RM'000 unaudited	Preceding Year Corresponding Year To Date 30.09.2020 RM'000 restated
Revenue	89,503	104,163	172,941	148,448
Cost of sales	(86,520)	(92,915)	(162,033)	(133,487)
Gross profit	2,983	11,248	10,908	14,961
Interest income	980	624	2,654	1,461
Other operating income	5,994	2,435	6,340	2,612
Depreciation and amortisation	(717)	(778)	(1,437)	(1,528)
Operating expenses	(4,561)	(5,292)	(9,179)	(14,573)
Operating profit	4,679	8,237	9,286	2,933
Finance costs	(3,334)	(7,429)	(7,082)	(13,179)
Share of results of an associated company	569	1,278	1,273	1,089
Profit/(Loss) before tax	1,914	2,086	3,477	(9,157)
Taxation	(554)	(393)	(1,262)	(451)
<b>Profit/(Loss) for the financial period</b>	<b>1,360</b>	<b>1,693</b>	<b>2,215</b>	<b>(9,608)</b>
<b>Other comprehensive income</b>	-	-	-	-
<b>Total comprehensive income/(loss) for the financial period</b>	<b>1,360</b>	<b>1,693</b>	<b>2,215</b>	<b>(9,608)</b>
<b>Profit/(Loss) attributable to:</b>				
Owners of the Company	1,754	2,095	3,021	(8,392)
Non-controlling interests	(394)	(402)	(806)	(1,216)
	<b>1,360</b>	<b>1,693</b>	<b>2,215</b>	<b>(9,608)</b>
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the Company	1,754	2,095	3,021	(8,392)
Non-controlling interests	(394)	(402)	(806)	(1,216)
	<b>1,360</b>	<b>1,693</b>	<b>2,215</b>	<b>(9,608)</b>
<b>Earnings per share attributable to</b>				
<b>Owners of the Company:</b>				
- Basic (sen)	0.39	0.46	0.66	(1.85)
- 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 2021 and the accompanying explanatory notes attached to this interim financial statements.*

**GLOBAL ORIENTAL BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2021**

	As at 30.09.2021 RM'000 unaudited	As at 31.03.2021 RM'000 restated	As at 1.04.2020 RM'000 restated
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2,227	2,608	2,896
Right-of-use assets	6,006	6,110	6,729
Investment properties	-	-	1,740
Investment in an associated company	3,586	2,313	576
Land held for property development	310,870	301,835	281,592
Deferred tax assets	610	610	727
Other receivables, deposits and prepayments	17,457	16,493	19,410
	<u>340,756</u>	<u>329,969</u>	<u>313,670</u>
<b>Current assets</b>			
Inventories	58,489	64,720	68,487
Property development costs	221,620	287,296	354,595
Trade receivables	65,712	74,120	51,972
Other receivables, deposits and prepayments	26,753	23,266	20,887
Amount owing by an associated company	49,777	49,777	49,777
Tax recoverable	3,206	3,032	2,340
Fixed deposits with licensed banks	19,024	18,959	18,306
Cash and bank balances	86,221	135,065	96,837
	<u>530,802</u>	<u>656,235</u>	<u>663,201</u>
<b>TOTAL ASSETS</b>	<u>871,558</u>	<u>986,204</u>	<u>976,871</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	227,338	227,338	227,338
Reserves	41,611	38,590	44,801
	<u>268,949</u>	<u>265,928</u>	<u>272,139</u>
<b>Non-controlling interests</b>	(8,976)	(8,170)	(4,867)
<b>TOTAL EQUITY</b>	<u>259,973</u>	<u>257,758</u>	<u>267,272</u>
<b>LIABILITIES</b>			
<b>Non-current and deferred liabilities</b>			
Borrowings - secured	127,389	125,247	152,305
Lease liabilities	4,891	4,862	5,288
Deferred tax liabilities	2,441	2,695	3,144
Trade payables	66,034	83,556	155,469
	<u>200,755</u>	<u>216,360</u>	<u>316,206</u>
<b>Current liabilities</b>			
Contract liabilities	19,279	30,072	29,833
Trade payables	138,045	215,670	115,221
Other payables and accruals	192,720	185,006	168,330
Provisions	20,777	20,777	18,761
Borrowings - secured	34,613	53,801	54,699
Lease liabilities	1,710	1,685	1,578
Tax liabilities	3,686	5,075	4,971
	<u>410,830</u>	<u>512,086</u>	<u>393,393</u>
<b>TOTAL LIABILITIES</b>	<u>611,585</u>	<u>728,446</u>	<u>709,599</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>871,558</u>	<u>986,204</u>	<u>976,871</u>
Net assets per ordinary share attributable to owners of the Company (RM)	0.59	0.58	0.60

*The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2021 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 2021**

	----- Attributable to the Owners of the Company -----						
	----- Reserves -----						
	Issued capital RM'000	Capital reserve RM'000	Share option reserve RM'000	Accumulated losses RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
<b>Current 6 months ended</b>							
<b>30 September 2021 (unaudited)</b>							
As at 1 April 2021	227,338	91,037	1,801	(52,395)	267,781	(8,170)	259,611
Effects of adoption of Agenda Decision	-	-	-	(1,853)	(1,853)	-	(1,853)
As at 1 April 2021, as restated	227,338	91,037	1,801	(54,248)	265,928	(8,170)	257,758
Total comprehensive income/(loss) for the financial period	-	-	-	3,021	3,021	(806)	2,215
Employees' Share Option Scheme ("ESOS") forfeited during the financial period	-	-	(72)	72	-	-	-
As at 30 September 2021	227,338	91,037	1,729	(51,155)	268,949	(8,976)	259,973

	----- Attributable to the Owners of the Company -----						
	----- Reserves -----						
	Issued capital RM'000	Capital reserve RM'000	Share option reserve RM'000	Accumulated losses RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
<b>Preceding 6 months ended</b>							
<b>30 September 2020 (restated)</b>							
As at 1 April 2020	227,338	91,037	2,953	(67,442)	253,886	(4,867)	249,019
Effects of adoption of Agenda Decision	-	-	-	18,253	18,253	-	18,253
As at 1 April 2020, as restated	227,338	91,037	2,953	(49,189)	272,139	(4,867)	267,272
Total comprehensive loss for the financial period	-	-	-	(8,392)	(8,392)	(1,216)	(9,608)
Employees' Share Option Scheme ("ESOS") forfeited during the financial period	-	-	(483)	483	-	-	-
As at 30 September 2020	227,338	91,037	2,470	(57,098)	263,747	(6,083)	257,664

*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 2021 and the accompanying explanatory notes attached to this interim financial statements.*

**GLOBAL ORIENTAL BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

	<b>Current 6 months ended 30.09.2021 RM'000 unaudited</b>	<b>Preceding 6 months ended 30.09.2020 RM'000 restated</b>
<b><u>Cash Flows from/(used in) Operating Activities</u></b>		
Profit/(Loss) before taxation	3,477	(9,157)
Adjustments for:		
Provision for liquidated and ascertained damages	-	378
Depreciation of property, plant and equipment	390	510
Depreciation of right-of-use assets	1,047	1,018
Property, plant and equipment written off	-	310
Inventories written off	1	-
Bad debts written off	3	-
Impairment of investment properties	-	240
Impairment of land held for property development	10	-
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	(5)	-
Share of results in associate	(1,273)	(1,089)
Unrealised foreign exchange loss	-	78
Interest expenses	7,082	13,179
Interest income	(2,654)	(1,461)
Operating profit before working capital changes	8,078	5,866
Decrease/(Increase) in:		
Land held for property development	(9,045)	(14,852)
Property development costs	69,176	22,985
Inventories	6,230	7,021
Receivables	4,924	(6,038)
Increase/(Decrease) in:		
Contract liabilities	(10,793)	(1,684)
Payables	(92,526)	36,666
Cash generated from/(used in) operations	(23,956)	49,964
Interest received	1,689	435
Interest paid	(5,488)	(6,282)
Tax paid	(3,079)	(1,117)
	(6,878)	(6,964)
Net cash generated from/(used in) operating activities	(30,834)	43,000
<b><u>Cash Flows from/(used in) Investing Activities</u></b>		
Additions to property, plant and equipment	(8)	(170)
Proceeds from disposal of property, plant and equipment	-	470
Increase in fixed deposits pledged	(65)	(128)
Net cash from/(used in) investing activities	(73)	172
<b><u>Cash Flows used in Financing Activities</u></b>		
Drawdown of bank borrowings	16,708	24,546
Repayment of bank borrowings	(34,085)	(34,579)
Payment of lease liabilities	(890)	(1,128)
Repayment of hire-purchase creditors	(49)	(264)
Net cash used in financing activities	(18,316)	(11,425)
Net increase/(decrease) in cash and cash equivalents	(49,223)	31,747
Cash and cash equivalents at beginning of financial period	125,057	86,227
Cash and cash equivalents at end of financial period	75,834	117,974
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	86,221	127,814
Fixed deposits with licensed banks	19,024	18,434
Bank overdraft	(11,721)	(10,940)
	93,524	135,308
Less: Fixed deposits pledged	(17,690)	(17,334)
	75,834	117,974

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2021 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 2021. 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 2021.

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 2021, except for the adoption of the following Amendments to MFRSs:

Amendments to:	
MFRS 16	Covid-19-Related Rent Concessions
MFRS 9, MFRS 139 and MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2
MFRS 16	Covid-19-Related Concessions beyond 30 June 2021

The adoption of these Amendments to MFRSs did not result in significant changes in accounting policies of the Group and of the Company and had no significant effect on the financial performance or position of the Group and of the Company.

**Amendments to MFRSs in issue but not yet effective**

The Amendments to MFRSs relevant to the Group and the Company, which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below:

Amendments to:	
MFRSs	Annual Improvements to MFRS Standards 2018 - 2020 <sup>1</sup>
MFRS 3	Reference to Conceptual Framework <sup>1</sup>
MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use <sup>1</sup>
MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract <sup>1</sup>
MFRS 4	Extension of Temporary Exemption from Applying MFRS 9 <sup>2</sup>
MFRS 101	Classification of Liabilities as Current or Non-Current <sup>2</sup>
MFRS 101	Disclosure of Accounting Policies <sup>2</sup>
MFRS 108	Definition of Accounting Estimates <sup>2</sup>
MFRS 10 and MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2022

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2023

<sup>3</sup> Effective date deferred to a date to be announced by MASB

**GLOBAL ORIENTAL BERHAD**  
**INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER**  
**AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

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These Amendment to MFRSs are not expected to have any significant impact on the financial statements of the Group and the Company upon their initial application.

**IFRIC Agenda Decision on MFRS 123 Borrowing Costs**

On 18 December 2018, the Malaysian Accounting Standards Board (“MASB”) has issued for public comment six Tentative Agenda Decisions (“TAD”) published by the IFRS Interpretations Committee, including the TAD on International Accounting Standards 23 Borrowing Costs (“IAS 23”) relating to over time transfer of constructed good.

The MASB observed that non-private entities in the real estate industry might need to change their accounting policy as a result of the Agenda Decision on IAS 23. In ensuring consistent application of the MFRSs, which are word-for-word the IFRS Standards, the MASB has decided that an entity shall apply the change in accounting policy as a result of the Agenda Decision on IAS 23 to financial statements of annual periods beginning on or after 1 July 2020.

Effective 1 April 2021, the Group has retrospectively applied the Agenda Decision and comparative figures have been restated as a result of transition requirement under Agenda Decision. The effect arising from the adoption of the Agenda Decision on the financial statements is as follows:

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>As Previously Reported RM'000</b>	<b>Effect of adoption of Agenda Decision RM'000</b>	<b>Restated RM'000</b>
<b><u>As at 1 April 2020</u></b>			
<b>Current assets</b>			
Inventories	70,374	(1,887)	68,487
Property development costs	334,455	20,140	354,595
<b>Equity</b>			
Accumulated losses	(67,442)	18,253	(49,189)
<b><u>As at 31 March 2021</u></b>			
<b>Current assets</b>			
Inventories	66,592	(1,872)	64,720
Property development costs	286,952	344	287,296
<b>Non-Current Liabilities</b>			
Deferred tax liabilities	2,370	325	2,695
<b>Equity</b>			
Accumulated losses	(52,395)	(1,853)	(54,248)



**GLOBAL ORIENTAL BERHAD**  
**INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER**  
**AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE 6 MONTHS PERIOD ENDED 30 SEPTEMBER 2020**

	<b>As Previously Reported 30.09.2020 RM'000</b>	<b>Effect of adoption of Agenda Decision RM'000</b>	<b>Restated 30.09.2020 RM'000</b>
Cost of sales	(136,984)	3,497	(133,487)
Finance costs	(2,187)	(10,992)	(13,179)
Taxation	(449)	(2)	(451)
Loss for the financial period	(2,112)	(7,496)	(9,608)
<b>Loss attributable to :</b>			
Owners of the Company	(896)	(7,496)	(8,392)
Non-controlling interests	(1,216)	-	(1,216)
	<u>(2,112)</u>	<u>(7,496)</u>	<u>(9,608)</u>
<b>Total comprehensive loss attributable to :</b>			
Owners of the Company	(896)	(7,496)	(8,392)
Non-controlling interests	(1,216)	-	(1,216)
	<u>(2,112)</u>	<u>(7,496)</u>	<u>(9,608)</u>
<b>Loss per share attributable to Owners of the Company:</b>			
Basic (sen)	<u>(0.20)</u>	<u>(1.65)</u>	<u>(1.85)</u>

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

The auditors' report on the financial statements of GOB for the financial year ended 31 March 2021 was not qualified.

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

The Group's performance for the quarter ended 30 September 2021 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 SECOND QUARTER**  
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**6. DEBT AND EQUITY SECURITIES**

During the quarter under review, no ESOS option was exercised. As at 30 September 2021, a total of 3,339,872 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.

**8. SEGMENTAL INFORMATION**

<b>Group</b>	<b>Property development</b>	<b>Construction</b>	<b>Trading and distribution</b>	<b>Investment holding</b>	<b>Others</b>	<b>Elimination</b>	<b>Total</b>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Results For 6 Months Ended 30 September 2021</b>							
<b>Revenue</b>							
External sales	163,272	-	9,669	-	-	-	172,941
Inter-segment sales	-	-	-	-	-	-	-
	<u>163,272</u>	<u>-</u>	<u>9,669</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>172,941</u>
<b>Results</b>							
Segment results	11,506	(299)	1,105	453	235	(3,714)	9,286
Unallocated expenses:							
- Finance costs							(7,082)
- Share of results of an associated company							<u>1,273</u>
Profit before tax							<u>3,477</u>
Taxation							<u>(1,262)</u>
Profit for the financial period							<u><u>2,215</u></u>

**GLOBAL ORIENTAL BERHAD**  
**INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER**  
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<b>Group</b>	<b>Property development</b>	<b>Construction</b>	<b>Trading and distribution</b>	<b>Investment holding</b>	<b>Others</b>	<b>Elimination</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Results For 6 Months Ended 30 September 2020 (restated)</b>							
<b>Revenue</b>							
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>
<b>Results</b>							
Segment results	3,606	(394)	2,134	884	204	(3,501)	2,933
Unallocated expenses:							
- Finance costs							(13,179)
- Share of results of an associated company							<u>1,089</u>
Loss before tax							(9,157)
Taxation							(451)
Loss for the financial period							<u>(9,608)</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 2021.

**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 RM179.5 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 2021**

**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 30.09.2021	Preceding Year Corresponding Quarter 30.09.2020		Current Year To Date 30.09.2021	Preceding Year To Date 30.09.2020	
	RM'000	RM'000		RM'000	RM'000	
		<b>restated</b>		<b>restated</b>		
Revenue	89,503	104,163	-14%	172,941	148,448	16%
Operating profit	4,679	8,237	-43%	9,286	2,933	217%
Profit/(Loss) before tax	1,914	2,086	-8%	3,477	(9,157)	138%
Profit/(Loss) after tax	1,360	1,693	-20%	2,215	(9,608)	123%
Profit/(Loss) attributable to owners of the Company	1,754	2,095	-16%	3,021	(8,392)	136%

Current Quarter

For the current quarter under review, the Group registered lower revenue of RM89.5 million compared to RM104.2 million of the preceding year corresponding quarter. The Group also recorded lower profit before tax of RM1.9 million for the current quarter compared to RM2.1 million of the preceding year corresponding quarter. The overall decline in financial performance was mainly attributed to lower sale of inventories and lower contribution from development projects in Seri Kembangan following the completion of Villa Heights 2 during the previous financial year.

Year-to-date (6 months)

The Group's revenue and profit before tax for the six-month period ended 30 September 2021 amounting to RM172.9 million and RM3.5 million respectively, were both higher compared to revenue of RM148.5 million and loss before tax of RM9.2 million recorded for the preceding year corresponding period. The favourable performance was mainly due to higher sales and profit contribution from Pavilion Embassy project.

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

	<b>Current Year Quarter 30.09.2021 RM'000</b>	<b>Immediate Preceding Quarter 30.06.2021 RM'000</b>	<b>Changes %</b>
Revenue	89,503	83,438	7%
Operating profit	4,679	4,607	2%
Profit before tax	1,914	1,563	22%
Profit after tax	1,360	855	59%
Profit attributable to owners of the Company	1,754	1,267	38%

Compared against the immediate preceding quarter, the Group's revenue increased to RM89.5 million against RM83.4 million recorded previously. Correspondingly, the Group also registered higher profit before tax of RM1.9 million against RM1.6 million of the immediate preceding quarter mainly due to higher sales and work progress of Pavilion Embassy project as well as higher other operating income.

**2. COMMENTARY ON PROSPECTS**

The overall property market is expected to gradually improve following the reopening of economy and also supported by the increase in loan approvals, low interest rate environment as well as attractive property deals from ongoing Home Ownership Campaign.

Moving forward, the Group would continue to be vigilant in managing business operations and phase new launches according to prevailing market sentiments.

**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 30.09.2021 RM'000</b>	<b>Preceding Year Corresponding Quarter 30.09.2020 RM'000 restated</b>	<b>Current Year To Date 30.09.2021 RM'000</b>	<b>Preceding Year To Date 30.09.2020 RM'000 restated</b>
Current taxation	766	729	1,517	807
Deferred taxation	(212)	(336)	(255)	(356)
	554	393	1,262	451

The effective tax rate is not reflective of the statutory tax rate principally due to non-recognition of deferred tax assets in certain subsidiary companies 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.

On 24 August 2021, Bursa Securities granted the Company an extension of time up to 1 March 2022 to complete the implementation of the Private Placement.

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

**6. BORROWINGS AND DEBT SECURITIES**

	<b>As at 30.09.2021</b>		
	<b>Long Term RM'000</b>	<b>Short Term RM'000</b>	<b>Total Borrowings RM'000</b>
Bank borrowings	127,350	22,803	150,153
Hire-purchase creditors	39	89	128
Bank overdrafts	-	11,721	11,721
	127,389	34,613	162,002

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	<b>As at 30.09.2020</b>		
	<b>Long Term RM'000</b>	<b>Short Term RM'000</b>	<b>Total Borrowings RM'000</b>
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>

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 30.09.2021</b>	<b>Preceding Year Corresponding Quarter 30.09.2020 restated</b>	<b>Current Year To Date 30.09.2021</b>	<b>Preceding Year To Date 30.09.2020 restated</b>
Profit/(Loss) attributable to owners of the Company (RM'000)	1,754	2,095	3,021	(8,392)
Number of ordinary shares in issue ('000)	454,676	454,676	454,676	454,676
Basic earnings per share (sen)	0.39	0.46	0.66	(1.85)

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**b) Diluted**

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

**10. PROFIT BEFORE TAX**

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

	<b>Current Year Quarter 30.09.2021 RM'000</b>	<b>Preceding Year Corresponding Quarter 30.09.2020 RM'000 restated</b>	<b>Current Year To Date 30.09.2021 RM'000</b>	<b>Preceding Year To Date 30.09.2020 RM'000 restated</b>
<b>After Charging:</b>				
Interest expenses	3,334	7,429	7,082	13,179
Depreciation of property, plant and equipment	194	264	390	510
Depreciation of right-of-use assets	523	514	1,047	1,018
Property, plant and equipment written off	-	-	-	310
Inventories written off	1	-	1	-
Bad debts written off	3	-	3	-
Impairment of investment properties	-	-	-	240
Impairment of land held for property development	2	-	10	-
Loss on disposal of property, plant and equipment	-	11	-	11
Provision for liquidated and ascertained damages	-	378	-	378
Allowance for doubtful debts	-	-	-	1,882
Unrealised foreign exchange loss	-	-	-	78
<b>After Crediting:</b>				
Interest income	980	624	2,654	1,461
Allowance for doubtful debts no longer required	-	-	5	-
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 25 November 2021.