



GLOBAL ORIENTAL BERHAD

(Incorporated in Malaysia)

Company No. 200101008111 (543867-T)

Interim Financial Report

30 June 2022

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GLOBAL ORIENTAL BERHAD
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2022 RM'000 unaudited	Preceding Year Corresponding Quarter 30.06.2021 RM'000 unaudited	Current Year To Date 30.06.2022 RM'000 unaudited	Preceding Year Corresponding Year To Date 30.06.2021 RM'000 unaudited
Revenue	114,001	83,438	114,001	83,438
Cost of sales	(96,944)	(75,513)	(96,944)	(75,513)
Gross profit	17,057	7,925	17,057	7,925
Interest income	873	1,674	873	1,674
Other operating income	408	346	408	346
Depreciation and amortisation	(1,775)	(720)	(1,775)	(720)
Operating expenses	(6,190)	(4,618)	(6,190)	(4,618)
Operating profit	10,373	4,607	10,373	4,607
Finance costs	(2,747)	(3,748)	(2,747)	(3,748)
Share of results of an associate	646	704	646	704
Profit before tax	8,272	1,563	8,272	1,563
Taxation	(2,977)	(708)	(2,977)	(708)
Profit for the financial period	5,295	855	5,295	855
Other comprehensive income	-	-	-	-
Total comprehensive income for the financial period	5,295	855	5,295	855
Profit attributable to:				
Owners of the Company	5,974	1,267	5,974	1,267
Non-controlling interests	(679)	(412)	(679)	(412)
	5,295	855	5,295	855
Total comprehensive income attributable to:				
Owners of the Company	5,974	1,267	5,974	1,267
Non-controlling interests	(679)	(412)	(679)	(412)
	5,295	855	5,295	855
Earnings per share attributable to Owners of the Company:				
- Basic (sen)	1.31	0.28	1.31	0.28
- 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 2022 and the accompanying explanatory notes attached to this interim financial statements.

GLOBAL ORIENTAL BERHAD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	As at 30.06.2022 RM'000 unaudited	As at 31.03.2022 RM'000 audited
ASSETS		
Non-current assets		
Property, plant and equipment	22,282	17,316
Right-of-use assets	27,379	28,801
Investment in an associate	1,797	1,151
Land held for property development	362,207	352,375
Intangible asset	2,326	-
Deferred tax assets	1,280	2,516
Other receivables, deposits and prepayments	11,875	11,545
	<u>429,146</u>	<u>413,704</u>
Current assets		
Inventories	75,868	46,686
Property development costs	116,187	155,045
Contract assets	19,379	8,104
Trade receivables	59,042	67,070
Other receivables, deposits and prepayments	22,564	34,764
Amount owing by an associate	49,777	49,777
Tax recoverable	2,049	3,789
Fixed deposits with licensed banks	14,244	13,588
Cash and bank balances	102,812	119,594
	<u>461,922</u>	<u>498,417</u>
TOTAL ASSETS	<u>891,068</u>	<u>912,121</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	227,338	227,338
Reserves	34,495	28,521
	<u>261,833</u>	<u>255,859</u>
Non-controlling interests	(11,028)	(10,349)
TOTAL EQUITY	<u>250,805</u>	<u>245,510</u>
LIABILITIES		
Non-current and deferred liabilities		
Borrowings - secured	114,258	146,391
Lease liabilities	23,302	24,601
Deferred tax liabilities	735	2,313
Trade payables	35,729	35,390
	<u>174,024</u>	<u>208,695</u>
Current liabilities		
Trade payables	135,915	141,023
Other payables and accruals	215,123	223,222
Provisions	19,155	18,340
Borrowings - secured	89,436	68,661
Lease liabilities	5,050	5,093
Tax liabilities	1,560	1,577
	<u>466,239</u>	<u>457,916</u>
TOTAL LIABILITIES	<u>640,263</u>	<u>666,611</u>
TOTAL EQUITY AND LIABILITIES	<u>891,068</u>	<u>912,121</u>
	-	-
Net assets per ordinary share attributable to owners of the Company (RM)	<u>0.58</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 2022 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 JUNE 2022

	----- 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
Current 3 months ended 30 June 2022 (unaudited)							
As at 1 April 2022	227,338	91,037	1,728	(64,244)	255,859	(10,349)	245,510
Total comprehensive income for the financial period	-	-	-	5,974	5,974	(679)	5,295
As at 30 June 2022	<u>227,338</u>	<u>91,037</u>	<u>1,728</u>	<u>(58,270)</u>	<u>261,833</u>	<u>(11,028)</u>	<u>250,805</u>

	----- 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
Preceding 3 months ended 30 June 2021 (unaudited)							
As at 1 April 2021	227,338	91,037	1,801	(78,775)	241,401	(8,170)	233,231
Total comprehensive income for the financial period	-	-	-	1,267	1,267	(412)	855
Employees' Share Option Scheme ("ESOS") forfeited during the financial period	-	-	(45)	45	-	-	-
As at 30 June 2021	<u>227,338</u>	<u>91,037</u>	<u>1,756</u>	<u>(77,463)</u>	<u>242,668</u>	<u>(8,582)</u>	<u>234,086</u>

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 2022 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 JUNE 2022

	Current 3 months ended 30.06.2022 RM'000 unaudited	Preceding 3 months ended 30.06.2021 RM'000 unaudited
<u>Cash Flows from/(used in) Operating Activities</u>		
Profit before taxation	8,272	1,563
Adjustments for:		
Provision for bumiputra quota penalties	815	-
Depreciation of property, plant and equipment	383	196
Depreciation of right-of-use assets	1,392	524
Inventories written off	2	-
Land held for property development written down	78	8
Gain on lease termination	(18)	-
Allowance for doubtful debts no longer required	(13)	(10)
Share of results in associate	(646)	(704)
Interest expenses	2,747	3,748
Interest income	(873)	(1,674)
Operating profit before working capital changes	12,139	3,651
Decrease/(Increase) in:		
Land held for property development	(9,910)	(5,399)
Property development costs	40,560	23,209
Inventories	(29,185)	3,722
Receivables	20,614	(228)
Increase/(Decrease) in:		
Contract liabilities	(11,274)	12,407
Payables	(13,732)	(31,355)
Cash generated from operations	9,212	6,007
Interest received	170	1,197
Interest paid	(3,585)	(2,587)
Tax paid	(1,596)	(1,711)
	(5,011)	(3,101)
Net cash generated from operating activities	4,201	2,906
<u>Cash Flows from/(used in) Investing Activities</u>		
Additions to property, plant and equipment	(5,415)	(8)
Payment of franchise fees	(2,326)	-
Proceeds from disposal of property, plant and equipment	66	-
Increase in fixed deposits pledged	(657)	(36)
Net cash used in investing activities	(8,332)	(44)
<u>Cash Flows from/(used in) Financing Activities</u>		
Drawdown of bank borrowings	4,000	4,368
Repayment of bank borrowings	(15,313)	(13,872)
Payment of lease liabilities	(1,293)	(397)
Repayment of hire-purchase creditors	(6)	(25)
Net cash used in financing activities	(12,612)	(9,926)
Net decrease in cash and cash equivalents	(16,743)	(7,064)
Cash and cash equivalents at beginning of financial period	109,109	125,057
Cash and cash equivalents at end of financial period	92,366	117,993
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	102,812	128,117
Fixed deposits with licensed banks	14,244	18,996
Bank overdraft	(11,805)	(11,458)
	105,251	135,655
Less: Fixed deposits pledged	(12,885)	(17,662)
	92,366	117,993

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2022 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 2022. 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 2022.

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 2022, except for the adoption of the following Amendments to MFRSs:

Amendments to:

MFRS	Annual Improvements to MFRS Standards 2018 – 2020
MFRS 3	Reference to Conceptual Framework
MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use
MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract

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:

MFRS 101	Classification of Liabilities as Current or Non-Current ¹
MFRS 101	Disclosure of Accounting Policies ¹
MFRS 108	Definition of Accounting Estimates ¹
MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ¹
MFRS 10 and MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture ²

¹ Effective for annual periods beginning on or after 1 January 2023.

² Effective date deferred to a date to be determined and announced.

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.

2. AUDITORS' REPORT ON REPORTING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements of GOB for the financial year ended 31 March 2022 was not qualified.

3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The Group's performance for the quarter ended 30 June 2022 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 June 2022, 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.

GLOBAL ORIENTAL BERHAD
INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER
AND FINANCIAL PERIOD ENDED 30 JUNE 2022

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 3 Months Ended							
30 June 2022							
Revenue							
External sales	107,544	-	5,256	-	1,201	-	114,001
Inter-segment sales	-	-	-	-	-	-	-
	<u>107,544</u>	<u>-</u>	<u>5,256</u>	<u>-</u>	<u>1,201</u>	<u>-</u>	<u>114,001</u>
Results							
Segment results	15,204	(132)	345	(408)	(2,499)	(2,137)	10,373
Unallocated expenses:							
- Finance costs							(2,747)
- Share of results of an associate							646
Profit before tax							<u>8,272</u>
Taxation							<u>(2,977)</u>
Profit for the financial period							<u><u>5,295</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 3 Months Ended							
30 June 2021							
Revenue							
External sales	78,028	-	5,410	-	-	-	83,438
Inter-segment sales	-	-	-	-	-	-	-
	<u>78,028</u>	<u>-</u>	<u>5,410</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,438</u>
Results							
Segment results	4,702	(202)	670	319	94	(976)	4,607
Unallocated expenses:							
- Finance costs							(3,748)
- Share of results of an associate							704
Profit before tax							<u>1,563</u>
Taxation							<u>(708)</u>
Profit for the financial period							<u><u>855</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 2022.

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 RM222.5 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 FIRST QUARTER
AND FINANCIAL PERIOD ENDED 30 JUNE 2022

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 30.06.2022	Preceding Year Corresponding Quarter 30.06.2021		Current Year To Date 30.06.2022	Preceding Year To Date 30.06.2021	
	RM'000	RM'000		RM'000	RM'000	
Revenue	114,001	83,438	37%	114,001	83,438	37%
Operating profit	10,373	4,607	125%	10,373	4,607	125%
Profit before tax	8,272	1,563	429%	8,272	1,563	429%
Profit after tax	5,295	855	519%	5,295	855	519%
Profit attributable to owners of the Company	5,974	1,267	372%	5,974	1,267	372%

Current Quarter

The Group registered higher revenue of RM114.0 million and profit before tax of RM8.3 million for the current quarter under review as compared to revenue of RM83.4 million and profit before tax of RM1.6 million of the preceding year corresponding quarter. The increase in both revenue and pre-tax profit was mainly attributed to higher sales recognition and profit contributions from Pavilion Embassy and Galleria 2 which was completed and handed over to purchasers in April 2022.

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

	Current Year Quarter 30.06.2022 RM'000	Immediate Preceding Quarter 31.03.2022 RM'000	Changes %
Revenue	114,001	88,205	29%
Operating profit	10,373	8,701	19%
Profit before tax	8,272	5,937	39%
Profit after tax	5,295	6,048	-12%
Profit attributable to owners of the Company	5,974	6,924	-14%

In comparison with the immediate preceding quarter, the Group's revenue increased from RM88.2 million recorded previously to RM114.0 million in the current quarter. In tandem with the higher revenue, the Group registered higher profit before tax of RM8.3 million against RM5.9 of the immediate preceding quarter. The favourable performance was mainly attributed to higher profit contribution upon completion of Galleria 2 project in April 2022 and sale of inventories.

GLOBAL ORIENTAL BERHAD
INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER
AND FINANCIAL PERIOD ENDED 30 JUNE 2022

2. COMMENTARY ON PROSPECTS

The Malaysian economy registered a robust growth of 8.9% in the second quarter of 2022 as domestic demand strengthened amid normalising economic activity with the country moving towards Covid-19 endemicity and reopening its international borders. Nevertheless, the property market is expected to be challenging as operational activities continued to be affected by escalating building costs as well as the increase in overnight policy rate.

The Group will remain prudent and focus on the upcoming project launch in Ipoh comprising 90 units of double storey semi-detached houses with estimated GDV of RM109 million.

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 30.06.2022 RM'000	Preceding Year Corresponding Quarter 30.06.2021 RM'000	Current Year To Date 30.06.2022 RM'000	Preceding Year To Date 30.06.2021 RM'000
Current taxation	3,319	751	3,319	751
Deferred taxation	(342)	(43)	(342)	(43)
	<u>2,977</u>	<u>708</u>	<u>2,977</u>	<u>708</u>

The effective tax rate is not reflective of the statutory tax rate principally due to non-deductibility of certain expenses for tax purposes and losses incurred by certain subsidiaries which are not available to set off against taxable profits in other subsidiaries.

5. CORPORATE PROPOSALS

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

6. BORROWINGS AND DEBT SECURITIES

	As at 30.06.2022		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Bank borrowings	114,258	77,631	191,889
Bank overdrafts	-	11,805	11,805
	<u>114,258</u>	<u>89,436</u>	<u>203,694</u>

GLOBAL ORIENTAL BERHAD
INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER
AND FINANCIAL PERIOD ENDED 30 JUNE 2022

	As at 30.06.2021		
	Long Term	Short Term	Total Borrowings
	RM'000	RM'000	RM'000
Bank borrowings	124,215	33,810	158,025
Hire-purchase creditors	55	98	153
Bank overdrafts	-	11,458	11,458
	124,270	45,366	169,636

All borrowings were denominated in Ringgit Malaysia 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.

	Current Year Quarter 30.06.2022	Preceding Year Corresponding Quarter 30.06.2021	Current Year To Date 30.06.2022	Preceding Year To Date 30.06.2021
Profit attributable to owners of the Company (RM'000)	5,974	1,267	5,974	1,267
Number of ordinary shares in issue ('000)	454,676	454,676	454,676	454,676
Basic earnings per share (sen)	1.31	0.28	1.31	0.28

b) Diluted

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

GLOBAL ORIENTAL BERHAD
INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER
AND FINANCIAL PERIOD ENDED 30 JUNE 2022

10. PROFIT BEFORE TAX

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

	Current Year Quarter 30.06.2022 RM'000	Preceding Year Corresponding Quarter 30.06.2021 RM'000	Current Year To Date 30.06.2022 RM'000	Preceding Year To Date 30.06.2021 RM'000
After Charging:				
Interest expenses	2,747	3,748	2,747	3,748
Depreciation of property, plant and equipment	383	196	383	196
Depreciation of right-of-use assets	1,392	524	1,392	524
Inventories written off	2	-	2	-
Land held for property development written down	78	8	78	8
Provision for bumiputra quota penalties	815	-	815	-
After Crediting:				
Interest income	873	1,674	873	1,674
Allowance for doubtful debts no longer required	13	10	13	10
Gain on lease termination	18	-	18	-

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 August 2022.