



**GLOBAL ORIENTAL BERHAD**

(Incorporated in Malaysia)

Company No. 200101008111 (543867-T)

Interim Financial Report

30 September 2022

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

|   | Individual Quarter   |   | Cumulative Quarter   |  |
|---|--|---|--|--|
|   | Current Year<br>Quarter<br>30.09.2022<br>RM'000<br>unaudited | Preceding Year<br>Corresponding<br>Quarter<br>30.09.2021<br>RM'000<br>unaudited | Current Year<br>To Date<br>30.09.2022<br>RM'000<br>unaudited | Preceding Year<br>Corresponding<br>Year To Date<br>30.09.2021<br>RM'000<br>unaudited |
| Revenue   | 80,399   | 89,503  | 194,400  | 172,941  |
| Cost of sales   | (73,005)   | (86,520)  | (169,949)  | (162,033)  |
| Gross profit  | 7,394  | 2,983   | 24,451   | 10,908   |
| Interest income   | 803  | 980   | 1,676  | 2,654  |
| Other operating income  | 1,319  | 5,994   | 1,727  | 6,340  |
| Depreciation and amortisation   | (3,855)  | (717)   | (5,630)  | (1,437)  |
| Operating expenses  | (7,447)  | (4,561)   | (13,637)   | (9,179)  |
| Operating profit/(loss)   | (1,786)  | 4,679   | 8,587  | 9,286  |
| Finance costs   | (2,845)  | (3,334)   | (5,592)  | (7,082)  |
| Share of results of an associate  | 602  | 569   | 1,248  | 1,273  |
| Profit/(Loss) before tax  | (4,029)  | 1,914   | 4,243  | 3,477  |
| Taxation  | (717)  | (554)   | (3,694)  | (1,262)  |
| <b>Profit/(Loss) for the financial period</b>                           | <b>(4,746)</b>   | <b>1,360</b>  | <b>549</b>   | <b>2,215</b>   |
| <b>Other comprehensive income</b>                                       | -  | -   | -  | -  |
| <b>Total comprehensive income/(loss) for the financial period</b>       | <b>(4,746)</b>   | <b>1,360</b>  | <b>549</b>   | <b>2,215</b>   |
| <b>Profit/(Loss) attributable to:</b>                                   |  |   |  |  |
| Owners of the Company   | (4,260)  | 1,754   | 1,714  | 3,021  |
| Non-controlling interests   | (486)  | (394)   | (1,165)  | (806)  |
|   | <b>(4,746)</b>   | <b>1,360</b>  | <b>549</b>   | <b>2,215</b>   |
| <b>Total comprehensive income/(loss) attributable to:</b>               |  |   |  |  |
| Owners of the Company   | (4,260)  | 1,754   | 1,714  | 3,021  |
| Non-controlling interests   | (486)  | (394)   | (1,165)  | (806)  |
|   | <b>(4,746)</b>   | <b>1,360</b>  | <b>549</b>   | <b>2,215</b>   |
| <b>Earnings/(Loss) per share attributable to Owners of the Company:</b> |  |   |  |  |
| - Basic (sen)   | (0.94)   | 0.39  | 0.38   | 0.66   |
| - 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 SEPTEMBER 2022**

|  | <b>As at<br/>30.09.2022<br/>RM'000<br/>unaudited</b> | <b>As at<br/>31.03.2022<br/>RM'000<br/>audited</b> |
|--|--|--|
| <b>ASSETS</b>  |  |  |
| <b>Non-current assets</b>  |  |  |
| Property, plant and equipment  | 24,410   | 17,316   |
| Right-of-use assets  | 42,818   | 28,801   |
| Investment properties  | 3,417  | -  |
| Investment in an associate   | 4,982  | 1,151  |
| Land held for property development                                       | 370,942  | 352,375  |
| Intangible asset   | 2,268  | -  |
| Deferred tax assets  | 1,280  | 2,516  |
| Other receivables, deposits and prepayments                              | 12,211   | 11,545   |
|  | <u>462,328</u>                                       | <u>413,704</u>                                     |
| <b>Current assets</b>  |  |  |
| Inventories  | 72,437   | 46,686   |
| Property development costs   | 101,356  | 155,045  |
| Contract assets  | 25,925   | 8,104  |
| Trade receivables  | 61,008   | 67,070   |
| Other receivables, deposits and prepayments                              | 25,886   | 34,764   |
| Amount owing by an associate   | 43,777   | 49,777   |
| Tax recoverable  | 2,009  | 3,789  |
| Fixed deposits with licensed banks                                       | 14,272   | 13,588   |
| Cash and bank balances   | 78,664   | 119,594  |
|  | <u>425,334</u>                                       | <u>498,417</u>                                     |
| <b>TOTAL ASSETS</b>  | <u>887,662</u>                                       | <u>912,121</u>                                     |
| <b>EQUITY AND LIABILITIES</b>  |  |  |
| <b>Equity attributable to owners of the Company</b>                      |  |  |
| Share capital  | 227,338  | 227,338  |
| Reserves   | 30,235   | 28,521   |
|  | <u>257,573</u>                                       | <u>255,859</u>                                     |
| <b>Non-controlling interests</b>   | (11,314)   | (10,349)   |
| <b>TOTAL EQUITY</b>  | <u>246,259</u>                                       | <u>245,510</u>                                     |
| <b>LIABILITIES</b>   |  |  |
| <b>Non-current and deferred liabilities</b>                              |  |  |
| Borrowings - secured   | 116,915  | 146,391  |
| Lease liabilities  | 34,450   | 24,601   |
| Deferred tax liabilities   | 679  | 2,313  |
| Trade payables   | 38,402   | 35,390   |
|  | <u>190,446</u>                                       | <u>208,695</u>                                     |
| <b>Current liabilities</b>   |  |  |
| Trade payables   | 121,053  | 141,023  |
| Other payables and accruals  | 220,558  | 223,222  |
| Provisions   | 19,127   | 18,340   |
| Borrowings - secured   | 79,997   | 68,661   |
| Lease liabilities  | 9,328  | 5,093  |
| Tax liabilities  | 894  | 1,577  |
|  | <u>450,957</u>                                       | <u>457,916</u>                                     |
| <b>TOTAL LIABILITIES</b>   | <u>641,403</u>                                       | <u>666,611</u>                                     |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                      | <u>887,662</u>                                       | <u>912,121</u>                                     |
|  | -  | -  |
| Net assets per ordinary share attributable to owners of the Company (RM) | <u>0.57</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 SEPTEMBER 2022**

|   | ----- Attributable to the Owners of the Company ----- |                              |                                      |                                 |                 |  |                           |
|---|---|------------------------------|--------------------------------------|---------------------------------|-----------------|--|---------------------------|
|   | ----- Reserves -----                                  |                              |                                      |                                 |                 |  |                           |
|   | Issued<br>capital<br>RM'000                           | Capital<br>reserve<br>RM'000 | Share<br>option<br>reserve<br>RM'000 | Accumulated<br>losses<br>RM'000 | Total<br>RM'000 | Non-<br>controlling<br>interests<br>RM'000 | Total<br>equity<br>RM'000 |
| <b>Current 6 months ended</b>   |   |                              |                                      |                                 |                 |  |                           |
| <b>30 September 2022 (unaudited)</b>  |   |                              |                                      |                                 |                 |  |                           |
| As at 1 April 2022  | 227,338   | 91,037                       | 1,728                                | (64,244)                        | 255,859         | (10,349)                                   | 245,510                   |
| Total comprehensive income/(loss) for the financial period                    | -   | -                            | -                                    | 1,714                           | 1,714           | (1,165)                                    | 549                       |
| Employees' Share Option Scheme ("ESOS") forfeited during the financial period | -   | -                            | (27)                                 | 27                              | -               | -  | -                         |
| Capital contribution by non-controlling interest of a subsidiary company      | -   | -                            | -                                    | -                               | -               | 200  | 200                       |
| As at 30 September 2022   | <u>227,338</u>  | <u>91,037</u>                | <u>1,701</u>                         | <u>(62,503)</u>                 | <u>257,573</u>  | <u>(11,314)</u>                            | <u>246,259</u>            |
|   | ----- Attributable to the Owners of the Company ----- |                              |                                      |                                 |                 |  |                           |
|   | ----- Reserves -----                                  |                              |                                      |                                 |                 |  |                           |
|   | Issued<br>capital<br>RM'000                           | Capital<br>reserve<br>RM'000 | Share<br>option<br>reserve<br>RM'000 | Accumulated<br>losses<br>RM'000 | Total<br>RM'000 | Non-<br>controlling<br>interests<br>RM'000 | Total<br>equity<br>RM'000 |
| <b>Preceding 6 months ended</b>   |   |                              |                                      |                                 |                 |  |                           |
| <b>30 September 2021 (unaudited)</b>  |   |                              |                                      |                                 |                 |  |                           |
| As at 1 April 2021  | 227,338   | 91,037                       | 1,801                                | (78,775)                        | 241,401         | (8,170)                                    | 233,231                   |
| 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   | <u>227,338</u>  | <u>91,037</u>                | <u>1,729</u>                         | <u>(75,682)</u>                 | <u>244,422</u>  | <u>(8,976)</u>                             | <u>235,446</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 SEPTEMBER 2022**

|  | Current<br>6 months ended<br>30.09.2022<br>RM'000<br>unaudited | Preceding<br>6 months ended<br>30.09.2021<br>RM'000<br>unaudited |
|--|--|--|
| <b><u>Cash Flows from/(used in) Operating Activities</u></b>                         |  |  |
| Profit before taxation   | 4,243  | 3,477  |
| Adjustments for:   |  |  |
| Provision for bumiputra quota penalties  | 815  | -  |
| Depreciation of property, plant and equipment  | 1,941  | 390  |
| Depreciation of right-of-use assets  | 3,689  | 1,047  |
| Property, plant and equipment written off  | 139  | -  |
| Inventories written off  | 6  | 1  |
| Bad debts written off  | -  | 3  |
| Land held for property development written down                                      | 80   | 10   |
| Gain on disposal of property, plant and equipment                                    | (4)  | -  |
| Gain on lease termination  | (16)   | -  |
| Gain on lease modification   | (305)  | -  |
| Allowance for doubtful debts no longer required                                      | (13)   | (5)  |
| Share of results in associate  | (1,248)  | (1,273)  |
| Interest expenses  | 5,592  | 7,082  |
| Interest income  | (1,676)  | (2,654)  |
| Operating profit before working capital changes                                      | 13,243   | 8,078  |
| Decrease/(Increase) in:  |  |  |
| Land held for property development   | (18,647)   | (9,045)  |
| Property development costs   | 57,146   | 69,176   |
| Inventories  | (25,757)   | 6,230  |
| Receivables  | 15,570   | 4,924  |
| Increase/(Decrease) in:  |  |  |
| Contract liabilities   | (17,821)   | (10,793)   |
| Payables   | (21,213)   | (92,526)   |
| Cash generated from/(used in) operations   | 2,521  | (23,956)   |
| Interest received  | 392  | 1,689  |
| Interest paid  | (7,457)  | (5,488)  |
| Liquidated and ascertained damages paid  | (28)   | -  |
| Tax paid   | (2,995)  | (3,079)  |
|  | (10,088)   | (6,878)  |
| Net cash used in operating activities  | (7,567)  | (30,834)   |
| <b><u>Cash Flows from/(used in) Investing Activities</u></b>                         |  |  |
| Additions to property, plant and equipment   | (9,175)  | (8)  |
| Payment of franchise fees  | (2,268)  | -  |
| Proceeds from disposal of property, plant and equipment                              | 5  | -  |
| Increase in fixed deposits pledged   | (685)  | (65)   |
| Net cash used in investing activities  | (12,123)   | (73)   |
| <b><u>Cash Flows from/(used in) Financing Activities</u></b>                         |  |  |
| Drawdown of bank borrowings  | 16,461   | 16,708   |
| Repayment of bank borrowings   | (34,447)   | (34,085)   |
| Proceeds from issuance of ordinary shares to non-controlling interests               | 200  | -  |
| Payment of lease liabilities   | (3,300)  | (890)  |
| Repayment of hire-purchase creditors   | (6)  | (49)   |
| Net cash used in financing activities  | (21,092)   | (18,316)   |
| Net decrease in cash and cash equivalents  | (40,782)   | (49,223)   |
| Cash and cash equivalents at beginning of financial period                           | 109,109  | 125,057  |
| Cash and cash equivalents at end of financial period                                 | 68,327   | 75,834   |
| Cash and cash equivalents at the end of the financial period comprise the following: |  |  |
| Cash and bank balances   | 78,664   | 86,221   |
| Fixed deposits with licensed banks   | 14,272   | 19,024   |
| Bank overdraft   | (11,696)   | (11,721)   |
|  | 81,240   | 93,524   |
| Less: Fixed deposits pledged   | (12,913)   | (17,690)   |
|  | 68,327   | 75,834   |

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**  
**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 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 <sup>1</sup>                                |
| MFRS 101                | Disclosure of Accounting Policies <sup>1</sup>  |
| MFRS 108                | Definition of Accounting Estimates <sup>1</sup>   |
| MFRS 112                | Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>       |
| MFRS 10 and<br>MFRS 128 | Sales or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>2</sup> |

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

<sup>2</sup> 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 September 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 September 2022, a total of 3,286,541 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 SECOND QUARTER**  
**AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

**8. SEGMENTAL INFORMATION**

| Group   | Property       | Construction  | Trading       | Investment    | Others        | Elimination   | Total          |
|---|----------------|---------------|---------------|---------------|---------------|---------------|----------------|
|   | development    |               | and           |               |               |               |                |
|   | <u>RM'000</u>  | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u>  |
| <b>Results For 6 Months Ended 30 September 2022</b> |                |               |               |               |               |               |                |
| <b>Revenue</b>                                      |                |               |               |               |               |               |                |
| External sales                                      | 172,795        | -             | 11,719        | -             | 9,886         | -             | 194,400        |
| Inter-segment sales                                 | -              | 492           | -             | -             | -             | (492)         | -              |
|   | <u>172,795</u> | <u>492</u>    | <u>11,719</u> | <u>-</u>      | <u>9,886</u>  | <u>(492)</u>  | <u>194,400</u> |
| <b>Results</b>                                      |                |               |               |               |               |               |                |
| Segment results                                     | 15,044         | (337)         | 1,435         | (122)         | (3,244)       | (4,189)       | 8,587          |
| Unallocated expenses:                               |                |               |               |               |               |               |                |
| - Finance costs                                     |                |               |               |               |               |               | (5,592)        |
| - Share of results of an associate                  |                |               |               |               |               |               | 1,248          |
| Profit before tax                                   |                |               |               |               |               |               | <u>4,243</u>   |
| Taxation  |                |               |               |               |               |               | <u>(3,694)</u> |
| Profit for the financial period                     |                |               |               |               |               |               | <u>549</u>     |

| Group   | Property       | Construction  | Trading       | Investment    | Others        | Elimination   | Total          |
|---|----------------|---------------|---------------|---------------|---------------|---------------|----------------|
|   | development    |               | and           |               |               |               |                |
|   | <u>RM'000</u>  | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u>  |
| <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 associate                  |                |               |               |               |               |               | 1,273          |
| Profit before tax                                   |                |               |               |               |               |               | <u>3,477</u>   |
| Taxation  |                |               |               |               |               |               | <u>(1,262)</u> |
| Profit for the financial period                     |                |               |               |               |               |               | <u>2,215</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 RM237.5 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 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<br>% | Cumulative Period                     |   | Changes<br>% |
|---|---------------------------------------|--|--------------|---------------------------------------|---|--------------|
|   | Current Year<br>Quarter<br>30.09.2022 | Preceding Year<br>Corresponding<br>Quarter<br>30.09.2021 |              | Current Year<br>To Date<br>30.09.2022 | Preceding Year<br>To Date<br>30.09.2021 |              |
|   | RM'000                                | RM'000   |              | RM'000                                | RM'000                                  |              |
| Revenue   | 80,399                                | 89,503   | -10%         | 194,400                               | 172,941                                 | 12%          |
| Operating profit/(loss)                             | (1,786)                               | 4,679  | -138%        | 8,587                                 | 9,286                                   | -8%          |
| Profit/(Loss) before tax                            | (4,029)                               | 1,914  | -311%        | 4,243                                 | 3,477                                   | 22%          |
| Profit/(Loss) after tax                             | (4,746)                               | 1,360  | -449%        | 549                                   | 2,215                                   | -75%         |
| Profit/(Loss) attributable to owners of the Company | (4,260)                               | 1,754  | -343%        | 1,714                                 | 3,021                                   | -43%         |

Current Quarter

The Group registered lower revenue of RM80.4 million and loss before tax of RM4.0 million for the current quarter under review as compared to revenue of RM89.5 million and profit before tax of RM1.9 million of the preceding year corresponding quarter. The decline in performance was mainly attributed to lower other operating income coupled with higher operating expenses incurred.

Year-to-date (6 months)

For the six-month period ended 30 September 2022, the Group achieved both higher revenue and pre-tax profit of RM194.4 million and RM4.2 million respectively as compared with revenue of RM172.9 million and pre-tax profit RM3.5 million recorded in the preceding year corresponding period. The favourable performance was attributed to higher contributions from ongoing development projects and sale of inventories.

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

|   | <b>Current<br/>Year<br/>Quarter<br/>30.09.2022<br/>RM'000</b> | <b>Immediate<br/>Preceding<br/>Quarter<br/>30.06.2022<br/>RM'000</b> | <b>Changes<br/>%</b> |
|---|---|--|----------------------|
| Revenue   | 80,399  | 114,001  | -29%                 |
| Operating profit/(loss)                             | (1,786)   | 10,373   | -117%                |
| Profit/(Loss) before tax                            | (4,029)   | 8,272  | -149%                |
| Profit/(Loss) after tax                             | (4,746)   | 5,295  | -190%                |
| Profit/(Loss) attributable to owners of the Company | (4,260)   | 5,974  | -171%                |

The Group's revenue and loss before tax of the current quarter amounting to RM80.4 million and RM4.0 million respectively were both lower in comparison with revenue of RM114.0 million and profit before tax of RM8.3 million of the immediate preceding quarter. The decline in performance was mainly attributed to lower contributions from ongoing development projects following the completion of Galleria 2 in the previous quarter.

**2. COMMENTARY ON PROSPECTS**

In view of the lacklustre and languishing property market scenario, erosion of consumers spending/confidence, the Group will continue to face multitude challenges in 2023.

**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<br/>Year<br/>Quarter<br/>30.09.2022<br/>RM'000</b> | <b>Preceding Year<br/>Corresponding<br/>Quarter<br/>30.09.2021<br/>RM'000</b> | <b>Current<br/>Year<br/>To Date<br/>30.09.2022<br/>RM'000</b> | <b>Preceding<br/>Year<br/>To Date<br/>30.09.2021<br/>RM'000</b> |
|-------------------|---|---|---|---|
| Current taxation  | 773   | 766   | 4,092   | 1,517   |
| Deferred taxation | (56)  | (212)   | (398)   | (255)   |
|                   | <u>717</u>  | <u>554</u>  | <u>3,694</u>  | <u>1,262</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.

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**6. BORROWINGS AND DEBT SECURITIES**

|                 | <b>As at 30.09.2022</b>     |                              |                                    |
|-----------------|-----------------------------|------------------------------|------------------------------------|
|                 | <b>Long Term<br/>RM'000</b> | <b>Short Term<br/>RM'000</b> | <b>Total Borrowings<br/>RM'000</b> |
| Bank borrowings | 116,915                     | 68,301                       | 185,216                            |
| Bank overdrafts | -                           | 11,696                       | 11,696                             |
|                 | 116,915                     | 79,997                       | 196,912                            |

  

|                         | <b>As at 30.09.2021</b>     |                              |                                    |
|-------------------------|-----------------------------|------------------------------|------------------------------------|
|                         | <b>Long Term<br/>RM'000</b> | <b>Short Term<br/>RM'000</b> | <b>Total Borrowings<br/>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                            |

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/(LOSS) PER SHARE**

**a) Basic**

The basic earnings/(loss) 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<br/>Year<br/>Quarter<br/>30.09.2022</b> | <b>Preceding Year<br/>Corresponding<br/>Quarter<br/>30.09.2021</b> | <b>Current<br/>Year<br/>To Date<br/>30.09.2022</b> | <b>Preceding<br/>Year<br/>To Date<br/>30.09.2021</b> |
|--|--|--|--|--|
| Profit/(Loss) attributable to owners of the Company (RM'000) | (4,260)  | 1,754  | 1,714  | 3,021  |
| Number of ordinary shares in issue ('000)                    | 454,676  | 454,676  | 454,676  | 454,676  |
| Basic earnings per share (sen)                               | (0.94)   | 0.39   | 0.38   | 0.66   |

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**b) Diluted**

ESOS granted is excluded from the diluted earnings/(loss) 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:

|   | <b>Current<br/>Year<br/>Quarter<br/>30.09.2022<br/>RM'000</b> | <b>Preceding Year<br/>Corresponding<br/>Quarter<br/>30.09.2021<br/>RM'000</b> | <b>Current<br/>Year<br/>To Date<br/>30.09.2022<br/>RM'000</b> | <b>Preceding<br/>Year<br/>To Date<br/>30.09.2021<br/>RM'000</b> |
|---|---|---|---|---|
| <b>After Charging:</b>                            |   |   |   |   |
| Interest expenses                                 | 2,845   | 3,334   | 5,592   | 7,082   |
| Depreciation of property, plant and equipment     | 1,558   | 194   | 1,941   | 390   |
| Depreciation of right-of-use assets               | 2,297   | 523   | 3,689   | 1,047   |
| Property, plant and equipment written off         | 139   | -   | 139   | -   |
| Inventories written off                           | 4   | 1   | 6   | 1   |
| Bad debts written off                             | -   | 3   | -   | 3   |
| Land held for property development written down   | 2   | 2   | 80  | 10  |
| Provision for bumiputra quota penalties           | -   | -   | 815   | -   |
| <b>After Crediting:</b>                           |   |   |   |   |
| Interest income                                   | 803   | 980   | 1,676   | 2,654   |
| Allowance for doubtful debts no longer required   | -   | -   | 13  | 5   |
| Gain on disposal of property, plant and equipment | 4   | -   | 4   | -   |
| Gain on lease termination                         | -   | -   | 16  | -   |
| Gain on lease modification                        | 305   | -   | 305   | -   |

There were no gain or loss on disposal of quoted investment, gain or loss on derivatives and exceptional items for the current quarter under review.

**11. AUTHORISATION FOR ISSUE**

These interim financial statements have been authorised by the Board of Directors for issuance in accordance with a resolution of the Directors duly passed at the Board of Directors' Meeting held on 24 November 2022.