



GLOBAL ORIENTAL BERHAD

(Incorporated in Malaysia)

Company No. 200101008111 (543867-T)

Interim Financial Report

30 June 2023

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GLOBAL ORIENTAL BERHAD
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Year To Date
	30.06.2023 RM'000 unaudited	30.06.2022 RM'000 unaudited	30.06.2023 RM'000 unaudited	30.06.2022 RM'000 unaudited
Revenue	27,356	114,001	27,356	114,001
Cost of sales	(25,325)	(96,944)	(25,325)	(96,944)
Gross profit	2,031	17,057	2,031	17,057
Other operating income	1,737	1,281	1,737	1,281
Operating expenses	(9,670)	(7,965)	(9,670)	(7,965)
Operating profit/(loss)	(5,902)	10,373	(5,902)	10,373
Finance costs	(2,654)	(2,747)	(2,654)	(2,747)
Share of results of an associate	118	646	118	646
Profit/(Loss) before tax	(8,438)	8,272	(8,438)	8,272
Taxation	(153)	(2,977)	(153)	(2,977)
Profit/(Loss) for the financial period	(8,591)	5,295	(8,591)	5,295
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss) for the financial period	(8,591)	5,295	(8,591)	5,295
Profit/(Loss) attributable to:				
Owners of the Company	(7,582)	5,974	(7,582)	5,974
Non-controlling interests	(1,009)	(679)	(1,009)	(679)
	(8,591)	5,295	(8,591)	5,295
Total comprehensive income/(loss) attributable to:				
Owners of the Company	(7,582)	5,974	(7,582)	5,974
Non-controlling interests	(1,009)	(679)	(1,009)	(679)
	(8,591)	5,295	(8,591)	5,295
Earnings/(Loss) per share attributable to Owners of the Company:				
- Basic (sen)	(1.67)	1.31	(1.67)	1.31
- 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 2023 and the accompanying explanatory notes attached to this interim financial statements.

GLOBAL ORIENTAL BERHAD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	As at 30.06.2023 RM'000 unaudited	As at 31.03.2023 RM'000 audited
ASSETS		
Non-current assets		
Property, plant and equipment	21,921	23,115
Right-of-use assets	35,176	37,491
Investment properties	60,241	57,241
Investment in an associate	118	-
Land held for property development	381,333	413,937
Intangible asset	3,563	2,150
Deferred tax assets	1,078	1,079
Other receivables, deposits and prepayments	9,578	7,779
	<u>513,008</u>	<u>542,792</u>
Current assets		
Inventories	75,083	78,198
Property development costs	83,427	39,661
Contract assets	13,854	1,082
Trade receivables	58,505	62,462
Other receivables, deposits and prepayments	29,071	29,007
Amount owing by an associate	43,777	43,777
Tax recoverable	3,925	3,351
Fixed deposits with licensed banks	20,002	14,872
Cash and bank balances	68,158	117,413
	<u>395,802</u>	<u>389,823</u>
TOTAL ASSETS	<u>908,810</u>	<u>932,615</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	227,338	227,338
Reserves	32,492	40,074
	<u>259,830</u>	<u>267,412</u>
Non-controlling interests	(9,687)	(8,678)
TOTAL EQUITY	<u>250,143</u>	<u>258,734</u>
LIABILITIES		
Non-current and deferred liabilities		
Borrowings - secured	148,315	136,452
Lease liabilities	29,077	31,029
Deferred tax liabilities	2,003	2,039
Trade payables	34,062	33,410
	<u>213,457</u>	<u>202,930</u>
Current liabilities		
Contract liabilities	437	3,396
Trade payables	59,295	123,516
Other payables and accruals	241,234	200,020
Provisions	40,210	40,211
Borrowings - secured	88,012	86,705
Lease liabilities	8,135	8,371
Tax liabilities	7,887	8,732
	<u>445,210</u>	<u>470,951</u>
TOTAL LIABILITIES	<u>658,667</u>	<u>673,881</u>
TOTAL EQUITY AND LIABILITIES	<u>908,810</u>	<u>932,615</u>
	-	-
Net assets per ordinary share attributable to owners of the Company (RM)	<u>0.57</u>	<u>0.59</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 2023 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 2023

	----- Attributable to the Owners of the Company -----						
	----- Reserves -----				Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Issued capital RM'000	Capital reserve RM'000	Share option reserve RM'000	Accumulated losses RM'000			
Current 3 months ended 30 June 2023 (unaudited)							
As at 1 April 2023	227,338	91,037	1,597	(52,560)	267,412	(8,678)	258,734
Total comprehensive loss for the financial period	-	-	-	(7,582)	(7,582)	(1,009)	(8,591)
Employees' Share Option Scheme ("ESOS") forfeited during the financial period	-	-	(155)	155	-	-	-
As at 30 June 2023	<u>227,338</u>	<u>91,037</u>	<u>1,442</u>	<u>(59,987)</u>	<u>259,830</u>	<u>(9,687)</u>	<u>250,143</u>

	----- Attributable to the Owners of the Company -----						
	----- Reserves -----				Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Issued capital RM'000	Capital reserve RM'000	Share option reserve RM'000	Accumulated losses RM'000			
Preceding 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/(loss) 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>

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 2023 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 2023

	Current 3 months ended 30.06.2023 RM'000 unaudited	Preceding 3 months ended 30.06.2022 RM'000 unaudited
<u>Cash Flows from/(used in) Operating Activities</u>		
Profit/(Loss) before taxation	(8,438)	8,272
Adjustments for:		
Provision for bumiputra quota	-	815
Depreciation of property, plant and equipment	1,244	383
Depreciation of right-of-use assets	2,315	1,392
Amortisation of intangible asset	59	-
Inventories written off	1	2
Land held for property development written down	91	78
Gain on disposal of property, plant and equipment	(1)	-
Gain on lease termination	-	(18)
Allowance for doubtful debts no longer required	-	(13)
Share of results of an associate	(118)	(646)
Interest expenses	2,654	2,747
Interest income	(913)	(873)
Operating profit/(loss) before working capital changes	(3,106)	12,139
Decrease/(Increase) in:		
Land held for property development	32,513	(9,910)
Property development costs	(42,086)	40,560
Inventories	3,113	(29,185)
Receivables	2,807	20,614
Increase/(Decrease) in:		
Contract liabilities	(15,731)	(11,274)
Payables	(22,354)	(13,732)
Cash generated from/(used in) operations	(44,844)	9,212
Interest received	198	170
Interest paid	(4,334)	(3,585)
Tax paid	(1,607)	(1,596)
	(5,743)	(5,011)
Net cash generated from/(used in) operating activities	(50,587)	4,201
<u>Cash Flows from/(used in) Investing Activities</u>		
Additions to property, plant and equipment	(50)	(5,415)
Acquisition of investment properties	(3,000)	-
Addition to intangible asset	(1,471)	(2,326)
Proceeds from disposal of property, plant and equipment	1	66
Withdrawal/(Placement) of fixed deposits pledged and restricted cash	(5,130)	(657)
Net cash used in investing activities	(9,650)	(8,332)
<u>Cash Flows from/(used in) Financing Activities</u>		
Drawdown of bank borrowings	45,914	4,000
Repayment of bank borrowings	(33,750)	(15,313)
Payment of lease liabilities	(2,188)	(1,293)
Repayment of hire-purchase creditors	(14)	(6)
Net cash from/(used in) financing activities	9,962	(12,612)
Net decrease in cash and cash equivalents	(50,275)	(16,743)
Cash and cash equivalents at beginning of financial period	98,119	109,109
Cash and cash equivalents at end of financial period	47,844	92,366
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	68,158	102,812
Fixed deposits with licensed banks	20,002	14,244
Bank overdraft	(12,972)	(11,805)
	75,188	105,251
Less: Fixed deposits pledged and Debt Service Reserve Account	(27,344)	(12,885)
	47,844	92,366
	-	-

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2023 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 2023. 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 2023.

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 2023, save for the adoption of the following MFRS and amendments to MFRSs:

MFRS 17	Insurance Contracts
Amendments to:	
MFRS 4	Extension of the Temporary Exemption from Applying MFRS 9
MFRS 17	Insurance Contracts
MFRS 17	Initial Application of MFRS 17 and MFRS 9 Comparative Information
MFRS 101	Disclosure of Accounting Policies
MFRS 108	Definition of Accounting Estimates
MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of the above MFRS and 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 16	Lease Liability in a Sale and Leaseback ¹
MFRS 101	Classification of Liabilities as Current or Non-Current ¹
MFRS 101	Non-Current Liabilities with Covenants ¹
MFRS 10 and	Sales or Contribution of Assets between an Investor and its
MFRS 128	Associate or Joint Venture ²

¹ Effective for annual periods beginning on or after 1 January 2024.

² Effective date deferred to a date to be announced by MASB.

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 2023 was not qualified.

3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The Group's performance for the quarter ended 30 June 2023 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 2023, a total of 2,786,559 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 2023

8. SEGMENTAL INFORMATION

Group	Property development	Trading and distribution	Investment holding	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Results For 3 Months Ended 30 June 2023						
Revenue						
External sales	19,695	4,421	-	3,240	-	27,356
Inter-segment sales	-	-	-	-	-	-
	<u>19,695</u>	<u>4,421</u>	<u>-</u>	<u>3,240</u>	<u>-</u>	<u>27,356</u>
Results						
Segment results	(2,741)	368	8,331	(2,626)	(9,234)	(5,902)
Unallocated expenses:						
- Finance costs						(2,654)
- Share of results of an associate						118
Loss before tax						<u>(8,438)</u>
Taxation						<u>(153)</u>
Loss for the financial period						<u><u>(8,591)</u></u>

Group	Property development	Trading and distribution	Investment holding	Others	Elimination	Total
	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>5,256</u>	<u>-</u>	<u>1,201</u>	<u>-</u>	<u>114,001</u>
Results						
Segment results	15,204	345	(408)	(2,631)	(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>

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 2023.

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 RM285.5 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 2023

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 30.06.2023	Preceding Year Corresponding Quarter 30.06.2022		Current Year To Date 30.06.2023	Preceding Year To Date 30.06.2022	
	RM'000	RM'000		RM'000	RM'000	
Revenue	27,356	114,001	-76%	27,356	114,001	-76%
Operating profit/(loss)	(5,902)	10,373	-157%	(5,902)	10,373	-157%
Profit/(Loss) before tax	(8,438)	8,272	-202%	(8,438)	8,272	-202%
Profit/(Loss) after tax	(8,591)	5,295	-262%	(8,591)	5,295	-262%
Profit/(Loss) attributable to owners of the Company	(7,582)	5,974	-227%	(7,582)	5,974	-227%

Current Quarter

The Group registered substantially lower revenue of RM27.4 million and pre-tax loss of RM8.4 million for the current quarter under review, as compared to revenue of RM114.0 million and pre-tax profit of RM8.3 million of the preceding year corresponding quarter. The decline in performance was mainly attributed to the absence of contributions from Pavilion Embassy Phase 1 and also Galleria Phase 2 projects which had been completed in the previous financial year.

GLOBAL ORIENTAL BERHAD
INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER
AND FINANCIAL PERIOD ENDED 30 JUNE 2023

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

	Current Year Quarter 30.06.2023 RM'000	Immediate Preceding Quarter 31.03.2023 RM'000	Changes %
Revenue	27,356	142,053	-81%
Operating profit/(loss)	(5,902)	25,160	-123%
Profit/(Loss) before tax	(8,438)	22,276	-138%
Profit/(Loss) after tax	(8,591)	11,061	-178%
Profit/(Loss) attributable to owners of the Company	(7,582)	12,573	-160%

The Group's revenue and pre-tax loss for the current quarter amounting to RM27.4 million and RM8.4 million respectively were both substantially lower as compared to revenue of RM142.1 million and pre-tax profit of RM22.3 million recorded in the immediate preceding quarter. The decline in performance was primarily attributed to the completion of Pavilion Embassy Phase 1 project in the preceding quarter.

2. COMMENTARY ON PROSPECTS

Whilst Malaysia's overall economic outlook is projected to remain resilient in 2023, anchored by domestic demand, the gradual increase in the overnight policy rate since May 2022 is anticipated to have an impact on property market activities.

The Group will remain vigilant in the implementation of project rollout plans and will strive to optimise cost efficiencies in its operations.

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 30.06.2023 RM'000	Preceding Year Corresponding Quarter 30.06.2022 RM'000	Current Year To Date 30.06.2023 RM'000	Preceding Year To Date 30.06.2022 RM'000
Current taxation	188	3,319	188	3,319
Deferred taxation	(35)	(342)	(35)	(342)
	<u>153</u>	<u>2,977</u>	<u>153</u>	<u>2,977</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.

GLOBAL ORIENTAL BERHAD
INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER
AND FINANCIAL PERIOD ENDED 30 JUNE 2023

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 30.06.2023		
	Long Term	Short Term	Total Borrowings
	RM'000	RM'000	RM'000
<u>Secured</u>			
Bank borrowings	148,100	74,982	223,082
Hire-purchase creditors	215	58	273
Bank overdrafts	-	12,972	12,972
	148,315	88,012	236,327
	As at 30.06.2022		
	Long Term	Short Term	Total Borrowings
	RM'000	RM'000	RM'000
<u>Secured</u>			
Bank borrowings	114,258	77,631	191,889
Bank overdrafts	-	11,805	11,805
	114,258	89,436	203,694

All borrowings are denominated in Ringgit Malaysia.

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 FIRST QUARTER
AND FINANCIAL PERIOD ENDED 30 JUNE 2023

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.

	Current Year Quarter 30.06.2023	Preceding Year Corresponding Quarter 30.06.2022	Current Year To Date 30.06.2023	Preceding Year To Date 30.06.2022
Profit/(Loss) attributable to owners of the Company (RM'000)	(7,582)	5,974	(7,582)	5,974
Number of ordinary shares in issue ('000)	454,676	454,676	454,676	454,676
Basic earnings/(loss) per share (sen)	(1.67)	1.31	(1.67)	1.31

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:

	Current Year Quarter 30.06.2023 RM'000	Preceding Year Corresponding Quarter 30.06.2022 RM'000	Current Year To Date 30.06.2023 RM'000	Preceding Year To Date 30.06.2022 RM'000
After Charging:				
Interest expenses	2,654	2,747	2,654	2,747
Depreciation of property, plant and equipment	1,244	383	1,244	383
Depreciation of right-of-use assets	2,315	1,392	2,315	1,392
Amortisation of intangible asset	59	-	59	-
Inventories written off	1	2	1	2
Land held for property development written down	91	78	91	78
Provision for bumiputra quota	-	815	-	815
After Crediting:				
Interest income	913	873	913	873
Allowance for doubtful debts no longer required	-	13	-	13
Gain on disposal of property, plant and equipment	1	-	1	-
Gain on lease termination	-	18	-	18

**GLOBAL ORIENTAL BERHAD
INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER
AND FINANCIAL PERIOD ENDED 30 JUNE 2023**

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 28 August 2023.