

**ORIENTAL INTEREST BERHAD**

(Company No. 272144-M)

(Incorporated in Malaysia)

**QUARTERLY REPORT**

The Board of Directors is pleased to announce the quarterly report on consolidated results for the **fourth** financial quarter ended 30th June 2002.

[The figures have not been audited.]

**CONSOLIDATED INCOME STATEMENT**

|  | <u>Individual Quarter</u>   |   | <u>Cumulative Quarter</u>   |  |
|--|---|---|---|--|
|  | <u>Current Year</u><br><u>4th Quarter</u><br><u>30-06-02</u><br><u>RM ' 000</u> | <u>Preceding Year</u><br><u>Corresponding</u><br><u>4th Quarter</u><br><u>30-06-01</u><br><u>RM ' 000</u> | <u>Current Year</u><br><u>To Date</u><br><u>30-06-02</u><br><u>RM ' 000</u> | <u>Preceding Year</u><br><u>Corresponding</u><br><u>Period</u><br><u>30-06-01</u><br><u>RM ' 000</u> |
| 1. (a) Revenue   | 28,968  | 35,337  | 132,171   | 104,683  |
| (b) Investment income  | -   | -   | -   | -  |
| (c) Other income   | 454   | 887   | 1,377   | 1,413  |
| 2. (a) Profit/(loss) before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items | 9,406   | 3,384   | 26,182  | 15,459   |
| (b) Finance cost   | (314)   | (469)   | (1,361)   | (1,667)  |
| (c) Depreciation and amortisation  | (416)   | (479)   | (1,768)   | (1,874)  |
| (d) Exceptional items  | -   | -   | -   | -  |
| (e) Profit/(loss) before income tax, minority interests and extraordinary items  | 8,676   | 2,435   | 23,053  | 11,917   |
| (f) Share of profits and losses of associated companies  | 342   | 25  | 506   | 75   |
| (g) Profit/(loss) before income tax, minority interests and extraordinary items  | 9,018   | 2,460   | 23,559  | 11,992   |
| (h) Income tax   | (1,548)   | (766)   | (5,172)   | (3,640)  |
| (i) (i) Profit/(loss) after income tax before deducting minority interests   | 7,470   | 1,694   | 18,387  | 8,352  |

|   | <b>Individual Quarter</b>                                     |   | <b>Cumulative Quarter</b>                                 |  |
|---|---|---|---|--|
|   | <b>Current Year<br/>4th Quarter<br/>30-06-02<br/>RM ' 000</b> | <b>Preceding Year<br/>Corresponding<br/>4th Quarter<br/>30-06-01<br/>RM ' 000</b> | <b>Current Year<br/>To Date<br/>30-06-02<br/>RM ' 000</b> | <b>Preceding Year<br/>Corresponding<br/>Period<br/>30-06-01<br/>RM ' 000</b> |
| (ii) Minority interests   | (193)   | (262)   | (711)   | (627)  |
| (j) Net profit/(loss) from ordinary activities attributable to members of the company                           | 7,277   | 1,431   | 17,676  | 7,725  |
| (k) (i) Extraordinary items   | -   | -   | -   | -  |
| (ii) Less minority interests  | -   | -   | -   | -  |
| (iii) Extraordinary items attributable to members of the company  | -   | -   | -   | -  |
| (l) Net profit/(loss) attributable to members of the company  | 7,277   | 1,431   | 17,676  | 7,725  |
| 3. (a) Earnings per share based on 2(l) above after deducting any provision for preference dividends, if any :- |   |   |   |  |
| (i) Basic (sen)<br>[based on weighted average number of ordinary shares outstanding during the period]          | 8.07<br>90,167,335  | 1.59<br>90,005,002  | 19.63<br>90,050,377                                       | 8.58<br>90,005,002   |
| (ii) Fully diluted (sen)<br>[based on weighted average number of ordinary shares outstanding during the period] | 7.92<br>91,879,243  | 1.59<br>90,005,002  | 19.07<br>92,712,762                                       | 8.58<br>90,005,002   |

**ORIENTAL INTEREST BERHAD**

(Company No. 272144-M)  
(Incorporated in Malaysia)

**CONSOLIDATED BALANCE SHEET**

|   | <b>AS AT<br/>END OF<br/>CURRENT<br/>QUARTER<br/>30-06-02<br/>RM ' 000</b> | <b>AS AT<br/>PRECEDING<br/>FINANCIAL<br/>YEAR END<br/>30/06/2001<br/>RM ' 000</b> |
|---|---|---|
| 1. Property, plant and equipment              | 24,011  | 25,491  |
| 2. Investment property                        | -   | -   |
| 3. Investment in associated companies         | 11,096  | 10,740  |
| 4. Long term investments                      | 6   | 6   |
| 5. Goodwill on consolidation                  | -   | -   |
| 6. Intangible assets                          | -   | -   |
| 7. Other long term assets                     |   |   |
| - Real property assets                        | 29,337  | 33,725  |
| <b>8. Current assets</b>                      |   |   |
| - Development properties                      | 112,002   | 113,809   |
| - Inventories                                 | 18,428  | 18,913  |
| - Trade receivables                           | 47,117  | 24,452  |
| - Other receivables, deposits & prepayments   | 3,521   | 4,076   |
| - Fixed deposits with licensed banks          | 1,272   | 2,620   |
| - Cash and bank balances                      | 8,313   | 8,973   |
|   | <b>190,653</b>  | <b>172,844</b>  |
| <b>9. Current liabilities</b>                 |   |   |
| - Trade payables                              | 7,993   | 6,201   |
| - Other payables                              | 4,688   | 2,704   |
| - Short term borrowings                       | 28,573  | 33,987  |
| - Provision for taxation                      | 1,495   | 1,908   |
|   | <b>42,748</b>   | <b>44,800</b>   |
| <b>10. Net current assets</b>                 | <b>147,905</b>  | <b>128,044</b>  |
|   | <b>212,354</b>  | <b>198,005</b>  |
| <b>11. Shareholders' funds</b>                |   |   |
| Share capital                                 | 90,190  | 90,005  |
| Reserves                                      |   |   |
| - Share premium                               | 73  | 14  |
| - Retained profit                             | 105,237   | 92,097  |
|   | <b>195,500</b>  | <b>182,116</b>  |
| 12. Minority interests                        | 16,795  | 15,830  |
| 13. Long term borrowings                      |   |   |
| - Term loans                                  | -   | -   |
| 14. Other long term liabilities               | -   | -   |
| 15. Deferred taxation                         | 59  | 59  |
|   | <b>212,354</b>  | <b>198,005</b>  |
| <b>16. Net tangible assets per share (RM)</b> | <b>2.17</b>   | <b>2.02</b>   |

**ORIENTAL INTEREST BERHAD**

(Company No. 272144-M)

(Incorporated in Malaysia)

**NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30th JUNE 2002****1. Accounting Policies**

The quarterly financial statements have been prepared in accordance with the same accounting policies and methods of computation adopted by the Group in the preparation of its most recent annual financial statements.

**2. Exceptional Items**

There were no exceptional items for the financial period under review.

**3. Extraordinary Items**

There were no extraordinary items for the financial periods under review.

**4. Taxation**

|  | Individual Quarter                                     |  | Cumulative Quarter                                 |   |
|--|--|--|--|---|
|  | Current<br>Year<br>4th Quarter<br>30-06-02<br>RM ' 000 | Preceding Year<br>Corresponding<br>4th Quarter<br>30-06-01<br>RM ' 000 | Current<br>Year<br>To Date<br>30-06-02<br>RM ' 000 | Preceding Year<br>Corresponding<br>Period<br>30-06-01<br>RM ' 000 |
| Taxation based on the profit for the period:                           |  |  |  |   |
| Malaysian income tax   | 1,545  | 858  | 5,101  | 3,649   |
| Transfer to/(from) deferred taxation                                   | -  | -  | -  | -   |
| Share of taxation in associated companies                              | 96   | 10   | 140  | 24  |
|  | <u>1,641</u>   | <u>869</u>   | <u>5,240</u>                                       | <u>3,673</u>  |
| Taxation (over)/underprovided in<br>respect of prior financial periods | (93)   | (102)  | (69)   | (103)   |
| Real property gains tax on disposal<br>of landed property              | -  | -  | -  | 70  |
|  | <u><u>1,548</u></u>                                    | <u><u>766</u></u>  | <u><u>5,172</u></u>                                | <u><u>3,640</u></u>   |

**5. Pre-Acquisition Profits**

There were no pre-acquisition profits for the current financial year to date.

**6. Profits on Sale of Investments and/or Properties**

There were no disposals of investments and/or properties outside the ordinary course of business of the Group for the current financial year to date.

**7. Quoted Securities**

(a) Particular of purchases or disposals of quoted securities for the current financial year to date.

|                                 | RM |
|---------------------------------|----|
| Total purchases                 | -  |
| Total disposals                 | -  |
| Total profit/(loss) on disposal | -  |

**ORIENTAL INTEREST BERHAD**

(Company No. 272144-M)

(Incorporated in Malaysia)

**NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30th JUNE 2002**

(b) Investments in quoted securities as at the end of the reporting period.

|   | RM    |
|---|-------|
| Total investment at cost *                                  | 5,700 |
| Total investment at carrying value/book value               | 5,700 |
| Total investment at market value at end of reporting period | 2,580 |

\* - The shares were acquired by way of share allotment in a business supplier via Initial Public Offering in the 1st quarter of financial year ended 30th June 2001.

**8. Changes in the Composition of the Group**

There were no changes in the composition of the Group during the current financial year to date.

**9. Status of Corporate Proposals**

There are no corporate proposals that have been announced but not completed as at 19th August 2002, the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

**10. Seasonal or Cyclical Factors**

Seasonal or cyclical factors do not have any material impact on the Group's business operations.

**11. Debt and Equity Securities**

Except for a total of 70,000 ordinary shares issued pursuant to the Employee Share Option Scheme during the current quarter, there were no other issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial year to date.

**12. Group Borrowings and Debt Securities**

The Group's borrowings as at the end of the reporting period are as follows:

| [All denominated in Ringgit Malaysia]       | Secured<br>RM ' 000 | Unsecured<br>RM ' 000 | Total<br>RM ' 000 |
|---|---------------------|-----------------------|-------------------|
| Long Term: - Term loans                     | -                   | -                     | -                 |
| Short Term: - Current portion of term loans | -                   | -                     | -                 |
| Other borrowings                            | -                   | 28,573                | 28,573            |
|   | <u>-</u>            | <u>28,573</u>         | <u>28,573</u>     |

**13. Contingent Liabilities**

Contingent liabilities of the Group as at 19th August 2002, the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report, comprise of a disputable claim of RM0.871million brought by a purchaser against a subsidiary as well as banker's guarantees amounting to RM3.158million provided by various financial institutions for operations purposes only.

**14. Off Balance Sheet Financial Instruments**

There were no financial instruments with off balance sheet risk as at 19th August 2002, the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

**ORIENTAL INTEREST BERHAD**

(Company No. 272144-M)

(Incorporated in Malaysia)

**NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30th JUNE 2002****15. Material Litigation**

There were no pending material litigation as at 19th August 2002, the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

**16. Segmental Reporting - Current Financial Year to Date**

|  | Turnover<br>RM ' 000  | Profit/(Loss)<br>Before<br>Taxation<br>RM ' 000 | Assets<br>Employed<br>RM ' 000 |
|--|-----------------------|---|--------------------------------|
| Property Development                                     | 108,540               | 19,648  | 219,669                        |
| Manufacturing  | 23,376                | 4,152   | 22,847                         |
| Others   | 255                   | (747)   | 1,490                          |
|  | <u>132,171</u>        | <u>23,053</u>                                   | <u>244,006</u>                 |
| Share of Associated Company's Result and Assets Employed | -                     | 506   | 11,096                         |
|  | <u><u>132,171</u></u> | <u><u>23,559</u></u>                            | <u><u>255,102</u></u>          |

**17. Material Changes in the Quarterly Results as compared with the Preceding Quarter**

Revenue of the Group for the reporting quarter had shown a slight improvement of 7% (RM1.923million), from RM27.045million to RM28.968million; while pre-tax profit was more than doubled (104% or RM4.589million), from RM4.429 to RM9.018million, compared with the immediate preceding quarter. The remarkable results were achieved through increase in sale tonnage for Manufacturing Division as well as higher contribution from Property Division mainly due to reversal of intra-group transactions amounting to approximately RM2.102million previously treated as unrealised adjustment on consolidation. Launching of a housing project by the associated company recently had also seen improved contribution to the Group's results.

**18. Review of Performance of the Company and its Principal Subsidiaries**

Comparing with the corresponding quarter, although sales decreased by 18% (RM6.368million) from RM35.336million, operating profit for the reporting quarter was higher by 267% (RM6.558million) from RM2.460million. The drop in revenue arose from Property Division due to accelerated billings from several projects completed in the corresponding quarter. Despite of lower revenue by 26% (RM7.797million), from RM30.135million, operating profit surged by 279% (RM5.787million), from RM2.074million. This was mainly due to improved margin of return from existing housing schemes under construction, compared with those completed during the corresponding period. For Manufacturing Division, sales were 29% (RM1.487million) higher from RM5.081million, whilst its pre-tax profit more than doubled (RM0.933million) that of RM0.455million registered in the corresponding quarter. This was accomplished as a result of increased volume of products yielding higher margin of returns, as well as overall cost savings programme implemented recently.

Due to the availability of unabsorbed capital and reinvestment allowances as well as tax losses brought forward for offsetting, profit from Manufacturing Division was not taxable. With only income generated by Property Division and the Company were subject to Malaysian income tax, the effective tax rate on provision of RM5.101million for the current financial year, against taxable income of RM19.648million from Property Division, is approximating to that of statutory tax rate of 28%.

**ORIENTAL INTEREST BERHAD**

(Company No. 272144-M)

(Incorporated in Malaysia)

**NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30th JUNE 2002**

In the opinion of the Directors, there has not arisen in the interval between the end of the reporting period and 19th August 2002, the latest practicable date which is not earlier than 7 days from the date of issuance of this quarterly report, any item, transaction or event of a material and unusual nature that would substantially affect the results of the operations of the Group for the current financial year.

**19. Current Year Prospects**

Timely launching of new schemes by the Group at strategic locations had received encouraging response from house buyers. Of late, financial institutions, while competing for market share in property loan sector, have been actively promoting home financing products; which had maintained interest rate at affordable level among other benefits on offer. With the favourable effect on the property market by the latter, which will continue in the foreseeable future, coupled with shrewd measure taken by the management in the former, the Board expects the Group's operating results for the current financial year ending 30th June 2003 to remain profitable.

**20. Variance of Actual Profit from Forecast Profit**

Not applicable. The Group has not given any profit forecast nor profit guarantee in respect of any corporate proposals.

**21. Dividend**

- (a) (i) The Board of Directors is pleased to recommend the payment of a first and final ordinary dividend of 7% per share, less 28% income tax, in respect of financial year ended 30th June 2002, which is subject to the approval of members at the forthcoming Annual General Meeting of the Company;
  - (ii) The recommended gross amount per share is 7 sen, less 28% income tax (5.04 sen per share net);
  - (iii) For the previous corresponding period, the gross amount per share of the first and final ordinary dividend paid was 7 sen, less 28% income tax (5.04 sen per share net);
  - (iv) Payment date for the first and final dividend has yet to be determined; and
  - (v) In respect of deposited securities, entitlement to the first and final dividend will be determined on the basis of the record of depositors at a date to be fixed.
- (b) The total gross dividend per share for the current financial year ended 30th June 2001 is 7 sen , less 28% income tax (5.04 sen per share net).

**By order of the Board**

**Lam Voon Kean (MIA 4793)**

[Company Secretary]

22nd August 2002