



ORIENTAL INTEREST BERHAD

[Company No. 272144-M]

Page 1 of 13

QUARTERLY REPORT

The Board of Directors is pleased to announce the interim financial statements on consolidated results for the first quarter of financial year ending 30 June 2013.

Condensed consolidated statement of comprehensive income for the financial period ended 30 September 2012

[The figures have not been audited.]

	Individual Quarter		Cumulative Quarter	
	Current Year 1st Quarter 30/09/2012 RM'000	Preceding Year Corresponding 1st Quarter 30/09/2011 RM'000	Current Year To Date 30/09/2012 RM'000	Preceding Year Corresponding Period 30/09/2011 RM'000
Revenue	18,317	14,812	18,317	14,812
Cost of sales	(12,007)	(8,739)	(12,007)	(8,739)
Gross profit	6,310	6,073	6,310	6,073
Other operating income	803	834	803	834
Selling and distribution costs	(301)	(319)	(301)	(319)
Administrative expenses	(2,216)	(1,958)	(2,216)	(1,958)
Other operating expenses	(453)	(528)	(453)	(528)
Operating profit	4,143	4,102	4,143	4,102
Finance cost	-	-	-	-
Share of profit of an associate	2	3	2	3
Profit before taxation	4,145	4,105	4,145	4,105
Taxation	(1,023)	(995)	(1,023)	(995)
Profit from continuing operations	3,122	3,110	3,122	3,110
Loss from discontinued operations	(1,035)	(43)	(1,035)	(43)
Profit after taxation	2,087	3,067	2,087	3,067
Other comprehensive income				
Gain on fair value changes	3,746	-	3,746	-
Total comprehensive income	5,833	3,067	5,833	3,067
Profit attributable to:				
Owners of the parent	1,578	2,681	1,578	2,681
Non-controlling interests	509	386	509	386
	2,087	3,067	2,087	3,067
Total comprehensive income attributable to:				
Owners of the parent	5,324	2,681	5,324	2,681
Non-controlling interests	509	386	509	386
	5,833	3,067	5,833	3,067
Earnings per share attributable to owners of the parent (sen per share)				
- Basic and fully diluted	1.74	2.96	1.74	2.96
Earnings per share from continuing and discontinued operations attributable to owners of the Parent				
Basic and fully diluted (sen per share)				
- From continuing operations	2.88	3.01	2.88	3.01
- From discontinued operations	(1.14)	(0.05)	(1.14)	(0.05)

The condensed consolidated statement of comprehensive income should be read in conjunction with the annual financial report for the financial year ended 30 June 2012.



ORIENTAL INTEREST BERHAD

[Company No. 272144-M]

Page 2 of 13

Condensed consolidated statement of financial position as at 30 September 2012

[The figures have not been audited.]

	30/09/2012 RM'000	30/06/2012 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	50,866	59,584
Land held for property development	38,271	38,234
Investment properties	3,657	3,676
Biological assets	781	794
Available-For-Sale Investment	13,665	-
Investment in associate	3,170	3,168
Deferred tax assets	3,556	3,820
	113,966	109,276
Current assets		
Property development costs	122,184	118,047
Inventories	54	1,811
Developed Properties	10,811	11,103
Trade receivables	27,142	27,210
Other receivables	30,813	32,101
Current tax recoverable	3,483	3,289
Fixed deposits held as security for trade facilities	1,006	1,225
Fixed deposits with licensed banks	27,200	29,200
Cash and bank balances	26,781	29,490
	249,474	253,476
TOTAL ASSETS	363,440	362,752
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	90,545	90,545
Reserves	182,969	177,645
	273,514	268,190
Non-controlling interests	58,597	58,088
Total equity	332,111	326,278
Non-current liabilities		
Deferred tax liabilities	260	260
Provision for property development	6,035	5,747
	6,295	6,007
Current liabilities		
Trade payables	18,834	20,144
Other payables	3,939	6,104
Provision for property development	2,152	2,982
Current tax payable	109	1,126
Bank overdrafts	-	111
	25,034	30,467
Total liabilities	31,329	36,474
TOTAL EQUITY AND LIABILITIES	363,440	362,752
Net assets per share attributable to owners of the parent (RM)	3.02	2.96

The condensed consolidated statement of financial position should be read in conjunction with the annual financial report for the financial year ended 30 June 2012.



ORIENTAL INTEREST BERHAD

[Company No. 272144-M]

**Condensed consolidated statement of changes in equity
for the financial period ended 30 September 2012**

[The figures have not been audited.]

	-----Attributable to owners of the Parent-----					Total	Non- controlling interest	Total equity
	Share capital	Share premium	<u>Non- distributable</u> Fair value reserve	Revaluation surplus	<u>Distributable</u> Retained earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 01 July 2011	90,545	186	-	10,974	164,208	265,913	54,366	320,279
Total comprehensive income for the financial year	-	-	-	-	2,681	2,681	386	3,067
At 30 September 2011	90,545	186	-	10,974	166,889	268,594	54,752	323,346
At 01 July 2012	90,545	186	-	10,974	166,485	268,190	58,088	326,278
Total comprehensive income for the financial year	-	-	3,746	-	1,578	5,324	509	5,833
At 30 September 2012	90,545	186	3,746	10,974	168,063	273,514	58,597	332,111

The condensed consolidated statement of changes in equity should be read in conjunction with the annual financial report for the financial year ended 30 June 2012.



ORIENTAL INTEREST BERHAD

[Company No. 272144-M]

Page 4 of 13

**Condensed consolidated statement of cash flows
for the financial period ended 30 September 2012**

[The figures have not been audited.]

	Period Ended	
	30/09/2012 RM'000	30/09/2011 RM'000
Cash flows from operating activities		
Profit from continuing operations	4,145	4,105
Loss from discontinued operations	(1,035)	(43)
Profit before taxation	3,110	4,062
<i>Adjustments for:-</i>		
Depreciation and amortisation	207	272
Net interest income	(294)	(277)
Provision for impairment of receivables	-	23
Others non-cash items	(170)	138
Operating profit before changes in working capital	2,853	4,217
Net change in current assets	(3,170)	(3,896)
Net change in current liabilities	(1,962)	(670)
Cash used in operations	(2,278)	(349)
Income tax paid	(2,036)	(545)
Income tax refunded	92	159
Net cash used in operating activities	(4,222)	(735)
Cash flows from investing activities		
Interest received	294	277
Additions to property, plant and equipment	(611)	(23)
Additions to land held for property development	(37)	(2)
Net cash (used in)/generated from investing activities	(354)	252
Cash flows from financing activities		
Placements of fixed deposits held under lien as security for trade facilities	(21)	(562)
Net cash used in financing activities	(21)	(562)
Net change in cash and cash equivalents during the financial year	(4,598)	(1,044)
Cash and cash equivalents		
- at the beginning of the period	58,579	51,612
- at the end of the period	53,981	50,568
Cash and cash equivalents included in the cash flows comprise the following:-		
Fixed deposits with licensed banks	28,206	28,276
Cash and bank balances	26,781	23,291
	54,987	51,567
Fixed deposits held as security for trade facilities	(1,006)	(999)
	53,981	50,568

The condensed consolidated of statement of cash flows should be read in conjunction with the annual financial report for the financial year ended 30 June 2012.



Notes to the quarterly report - 30 September 2012

A. Selected Explanatory Notes to the Interim Financial Statements as required under FRS 134

[The figures have not been audited.]

A.1. Basis of Preparation

The interim financial statements have been prepared in accordance with Financial Reporting Standards ("FRS") 134 "Interim Financial Reporting" and Paragraph 9.22 of Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2012. The 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 financial year ended 30 June 2012.

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted for the annual financial statements for the financial year ended 30 June 2012 except for the changes in accounting policies and presentation resulting from the adoption of relevant FRSs and amendments to FRSs that are effective for the Group's financial year beginning on or after 1 July 2011 as follows:

- FRS 124 (revised)	Related Party Disclosures
- Amendments to FRS 7	Disclosures – Transfers of Financial Assets
- Amendments to FRS 112	Deferred tax – Recovery of Underlying Assets
- Amendments to FRS 1	Severe Hyperinflation and Removal of Fixed Dates for First Time Adopters
- Amendments to FRS 101	Preparation of Items of Other Comprehensive Income

The adoption of the above accounting standards, amendments and improvements to published standards and interpretations have resulted in changes of certain accounting policies and classification adopted by the Group as well as presentation of financial statements as follows:-

There are no other FRS or interpretations to existing standards not yet effective that would be expected to have a material impact on the Group and Company.

A.2. Seasonal or Cyclical Factors

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

A.3. Unusual Items Due to Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity and net income, or cash flows for the financial period under review, other than gain on fair value changes recognised in equity arising from available-for-sale investment as disclosed in A9.

A.4. Changes in Estimates

There were no material changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years.



Notes to the quarterly report - 30 September 2012

A.5. Debt and Equity Securities

There were no 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.

A.6. Dividend Paid

No dividend was paid since the end of the Company's previous financial year.

A.7. Valuation of Property, Plant and Equipment

The valuations of property, plant and equipment have been brought forward without any amendments from the previous annual financial statements.

A.8. Material Events Subsequent to the Interim Reporting Period

There were no material events that have arisen subsequent to the end of the interim reporting period, which have not been reflected in the interim financial statements.

A.9. Changes in the Composition of the Group

There were no changes in the composition of the entity during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments and restructurings, except for discontinued operations as follows:-

On 11 July 2012, the Cahajaya Group (comprising Cahajaya Timber Industries Sdn Bhd, Patriot Furniture Sdn Bhd and Guar Timber Industries Sdn Bhd), being wholly owned subsidiary companies of the Company, had commenced member's voluntary winding up pursuant to Section 254(1)(b) of the Companies Act, 1965. The member's voluntary winding up of the Cahajaya Group was to rationalise and streamline the Group structure. Upon commencement of the member's voluntary winding up, the Cahajaya Group ceased its manufacturing operations. The results of the Cahajaya Group operations are presented separately in the income statement as discontinued operations, as set out below:-

	Current Year 1st Quarter 30/09/2012 RM'000	Current Year To Date 30/09/2012 RM'000
Discontinued operations		
Revenue	211	211
Cost of sales	(222)	(222)
Gross loss	<u>(11)</u>	<u>(11)</u>
Operating expenses	(1,024)	(1,024)
Other operating expenses	-	-
Loss from discontinued operating for the period	<u>(1,035)</u>	<u>(1,035)</u>
Loss from discontinued operations for the period after charging:-		RM'000
Provision for liquidation expenses		<u>1,001</u>



Notes to the quarterly report - 30 September 2012

A.9. Changes in the Composition of the Group (continued)

Gain on deconsolidation

This represents consolidation adjustments made to effect the realisation of post-acquisition profits, net of merger debit, attributable to owners of the parents to the income statement when control in Cahajaya Group is lost.

	RM'000
Realisation of post-acquisition profits	(3,987)
Reversal of merger debit recognised	4,154
	<u>167</u>

Gain on fair value changes of Available-For-Sale Investment

As a result of loss of control in Cahajaya Group on 11 July 2012, interest in Cahajaya Group was subsequently reclassified as Available-For-Sale Investment in accordance with FRS139. The interest in Cahajaya Group comprises unquoted shares at cost and amounts due from Cahajaya Timber Industries Sdn. Bhd. The gain on fair value changes of Available-For-Sale Investment at the date when control is lost are as follows:-

	Carrying value RM'000	Fair value RM'000
Property, plant and equipment	9,137	14,710
Inventories	1,600	550
Trade and other receivables	173	173
Tax recoverable	18	18
Deposits with licensed banks	240	240
Cash and bank balances	799	799
Trade and other payables	(2,783)	(2,783)
Tax payables	(42)	(42)
Net assets	<u>9,142</u>	<u>13,665</u>
Less : Interest in Cahajaya Group		(9,919)
Gain on fair value changes recognised in equity		<u>3,746</u>



Notes to the quarterly report - 30 September 2012

A.10. Operating Segments

	Property Development RM'000	Manufacturing (Discontinued) RM'000	Investment Holding RM'000	Oil Palm Cultivation RM'000	Consolidated RM'000
Current period ended					
30 September 2012					
Revenue					
Total revenue	17,415	211	-	902	18,528
Inter-segment revenue	-	-	-	-	-
Revenue from external customers	<u>17,415</u>	<u>211</u>	<u>-</u>	<u>902</u>	<u>18,528</u>
Profit / (Loss)					
Reportable segment profit / (loss)	3,430	(1,035)	213	500	3,108
Share of profit of an associate			2		2
Profit before taxation					<u>3,110</u>
Corresponding period ended					
30 September 2011					
Revenue					
Total revenue	14,065	1,660	-	747	16,472
Inter-segment revenue	-	-	-	-	-
Revenue from external customers	<u>14,065</u>	<u>1,660</u>	<u>-</u>	<u>747</u>	<u>16,472</u>
Profit / (Loss)					
Reportable segment profit / (loss)	3,675	(43)	(9)	436	4,059
Share of profit of an associate			3		3
Profit before taxation					<u>4,062</u>



Notes to the quarterly report - 30 September 2012

A.11. Commitments

There were no changes in commitments since the last annual reporting date as at 30 June 2012, except for the following: -

	01/07/2012 RM'000	Increase/ (Decrease) RM'000	30/09/2012 RM'000
Unsecured			
Corporate guarantee issued to financial institution for banking facilities granted to certain subsidiaries	133	(36)	97
Bankers' guarantee issued to third party in favour of subsidiaries	2,588	383	2,971
Secured			
Fixed deposits pledged to a financial institution for bank guarantee facility granted to certain subsidiaries	54	(15)	39
Fixed deposits pledged to a financial institution for bank guarantee issued to third party	640	-	640
	<u>3,415</u>	<u>332</u>	<u>3,747</u>

Property development expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

	01/07/2012 RM'000	Increase/ (Decrease) RM'000	30/09/2012 RM'000
Landowners' entitlement	<u>41,088</u>	<u>(478)</u>	<u>40,610</u>

A.12 Related Party Transactions

The Group's related party transaction in the current financial year to date are as follows:-

	30/09/2012 RM'000
Management fees and sales commission receivable from/(payable to):	
Enterprise in which a substantial interest is owned directly by a person connected with a Director of the Company	(31)
Enterprise in which a substantial interest is owned directly by a person connected with a Director of the Company	15
Purchase of goods from:	
Enterprise in which a substantial interest is owned directly by a person connected with a Director of the Company	(200)



Notes to the quarterly report - 30 September 2012

B. Additional Information required by the Bursa Malaysia Securities Listing Requirements in relation to the issuance of the Interim Financial Statements
[The figures have not been audited.]

B.1. Review of Performance of the Company and its Principal Subsidiaries

Revenue of the Group for the reporting quarter rose 23% to RM18.317million compared with the corresponding quarter, mainly due to progress billings generated by Property Division was 24% higher for comparable quarters. Oil Palm Cultivation activity also registered a 21% increase in revenue mainly due to higher yield of fresh fruit bunches despite weaker CPO price compared with corresponding quarter.

The Group registered profit before taxation of RM4.145million from continuing operations for the reporting quarter, which was 1% higher than the corresponding quarter, mainly due to 15% increase in profit before taxation from Oil Palm Cultivation activity, and a non-recurrent gain of RM0.167million recognised from deconsolidation of Cahajaya Group that was placed under member's voluntary winding up. However, the "one-off" RM1.035million loss recognised for the discontinued operations of Cahajaya Group, mainly arising from provision of liquidation expenses, had reduced the profit for the reporting quarter to RM2.087million, representing a 32% decrease compared with corresponding quarter.

B.2. Material Changes in the Quarterly Results as compared with the Preceding Quarter

Although the Group recorded 22% drop in revenue for the reporting quarter compared with the immediate preceding quarter of RM23.774million, profit before taxation increased by 10% from continuing operations mainly due to the favourable revision in profit margin for housing projects and non-recurrent gain as mentioned in B1.

B.3. Prospects for the Current Financial Year

Bank Negara maintains interest rate at present level for the foreseeable future to control inflation and ensure sustainability of overall growth prospects for Malaysian economy at the backdrop of continuous uncertainty of global economic outlook. Whilst additional 5% Real Property Gain Tax imposed on disposal of properties within the first 5 years proposed under the recent Budget 2013, might have short term effect on property sector, but would not have significant impact on the results of OIB Group, as the clientele of its Property Division largely comprises of genuine owner-occupants. With relaxation of requirements in loan applications for houses purchased under My First Home Scheme and extension of stamp duty exemption as announced in Budget 2013, the Group believe that these positive initiatives by government will continue to spur housing demand in residential sector and this augurs well with the Group's operations capitalising on new avenues for growth. Overall, the Board remains positive that the performance of OIB Group for the current financial year is expected to be satisfactory.

B.4. 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.



ORIENTAL INTEREST BERHAD

[Company No. 272144-M]

Page 11 of 13

Notes to the quarterly report - 30 September 2012

B.5. Profit Before Taxation

	Current Year 1st Quarter 30/09/2012 RM'000	Current Year To Date 30/09/2012 RM'000
Profit before taxation is arrived at after (charging)/crediting :-		
Impairment of assets	-	-
Depreciation and amortisation	(207)	(207)
Gain/(Loss) on foreign exchange	-	-
Rental income	126	126
Interest income	294	294
Provision for impairment of receivable	-	-
Other income	383	383

Other income comprises mainly of scrap sales, compensation received, forfeited income, discount received and gain on deconsolidation as mentioned in A9. Save as disclosed above, the other items as required under Appendix 9B, Part A(16) of the Bursa Listing Requirements are not applicable.

B.6. Taxation

	Current Year 1st Quarter 30/09/2012 RM'000	Current Year To Date 30/09/2012 RM'000
Malaysian income tax based on the profit for the financial period	759	759
Transfer from deferred taxation	264	264
	<u>1,023</u>	<u>1,023</u>

There has been no significant variance between the effective and statutory tax rate noted for the current quarter.

B.7. Status of Corporate Proposals

There were no corporate proposals that have been announced but not completed as at 19 November 2012, the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial

B.8. Group Borrowings and Debt Securities

The Group did not have any borrowings nor debt securities as at the end of the reporting period.

B.9. Derivative Financial Instrument

The Group did not have any derivative financial instruments as at the end of the reporting period.

**Notes to the quarterly report - 30 September 2012****B.10. Gain and losses arising from Fair Value Changes of Financial Liabilities**

There were no gain and losses arising from fair value changes of financial liabilities for the current quarter and current financial year to date.

B.11. Realised and Unrealised Earnings or Losses Disclosure

The retained earnings are analysed as follows:-

	Current Year To date 30/09/2012 RM'000	Preceding Financial Year 30/06/2012 RM'000
Total retained earnings of the Company and its subsidiaries :		
- Realised	169,062	166,332
- Unrealised	3,193	4,329
	<u>172,255</u>	<u>170,662</u>
Total share of retained earnings from an associated company :		
- Realised	21	10
- Unrealised	-	-
	<u>172,276</u>	<u>170,672</u>
Less : Consolidation adjustments	(4,213)	(4,187)
Total group retained earnings as per consolidated financial statements	<u><u>168,063</u></u>	<u><u>166,485</u></u>

B.12. Changes in Material Litigation

There were no pending material litigation as at 19 November 2012, the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial statements.

B.13. Dividend

- (a) (i) The Board of Directors is pleased to recommend the payment of a first and final ordinary dividend of 10% per share, less 25% tax, in respect of financial year ended 30 June 2012, which is subject to the approval of the members at the forthcoming Annual General Meeting ("AGM") to be held on 5 December 2012;
- (ii) The gross amount per share is 10 sen, less 25% income tax (7.50 sen per share net);
- (iii) For the previous corresponding period, the gross amount per share of the first and final ordinary dividend paid was 10 sen, less 25% income tax (7.50 sen per share net);
- (iv) The aforesaid approved dividend is payable on 21 December 2012; and
- (v) In respect of deposited securities, entitlement to the aforesaid first and final dividend will be determined on the basis of the record of depositors of the Company at close of business on 10 December 2012.
- (b) The Board of Directors does not recommend any payment of interim dividend in respect of current financial year ending 30 June 2013.



Notes to the quarterly report - 30 September 2012

B.14. Earnings Per Share ("EPS")

	Current Year 1st Quarter 30/09/2012 RM'000	Current Year To Date 30/09/2012 RM'000
(a) Basic		
Profit attributable to owners of the parent	<u>1,578</u>	<u>1,578</u>
Number of ordinary shares in issue at beginning of the period ('000)	<u>90,545</u>	<u>90,545</u>
Basic EPS (sen)	<u>1.74</u>	<u>1.74</u>

(b) Diluted

The Group has no dilution in its earnings per ordinary share in the quarter under review / financial year to date as there are no dilutive potential ordinary shares.

B.15. Audit report for the preceding annual financial statements

There was no qualification on the report of the auditors on the annual financial statements of the Company for the immediate preceding financial year.

By order of the Board

Tai Yit Chan (MAICSA 7009143)

[Company Secretary]

26 November 2012