



ORIENTAL INTEREST BERHAD

[Company No. 272144-M]

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QUARTERLY REPORT

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

Condensed consolidated statement of comprehensive income for the financial year ended 30 June 2013

[The figures have not been audited.]

	Individual Quarter		Cumulative Quarter	
	Current Year 4th Quarter 30/06/2013 RM'000	Preceding Year Corresponding 4th Quarter 30/06/2012 RM'000	Current Year To Date 30/06/2013 RM'000	Preceding Year Corresponding Period 30/06/2012 RM'000
Revenue	26,475	23,775	83,695	96,950
Cost of sales	(20,239)	(16,714)	(62,526)	(67,057)
Gross profit	6,236	7,061	21,169	29,893
Other operating income	1,405	791	3,326	3,797
Selling and distribution costs	(813)	(312)	(1,873)	(1,317)
Administrative expenses	(2,628)	(2,393)	(9,743)	(8,839)
Other operating expenses	(1,781)	(1,359)	(3,532)	(2,820)
Operating profit	2,419	3,788	9,347	20,714
Finance cost	-	(3)	-	(3)
Share of profit of an associate	(2)	1	2	9
Profit before taxation	2,417	3,786	9,349	20,720
Taxation	(791)	(744)	(2,361)	(5,151)
Profit from continuing operations	1,626	3,042	6,988	15,569
Loss from discontinued operations	-	(1,187)	(1,035)	(1,762)
Profit after taxation	1,626	1,855	5,953	13,807
Other comprehensive income				
(Loss)/Gain on fair value changes	(370)	-	1,669	-
Total comprehensive income	1,256	1,855	7,622	13,807
Profit attributable to:				
Owners of the parent	869	550	3,823	9,068
Non-controlling interests	757	1,305	2,130	4,739
	1,626	1,855	5,953	13,807
Total comprehensive income attributable to:				
Owners of the parent	499	550	5,492	9,068
Non-controlling interests	757	1,305	2,130	4,739
	1,256	1,855	7,622	13,807
Earnings per share attributable to owners of the parent (sen per share)				
- Basic and fully diluted	0.96	0.61	4.22	10.01
Earnings/(Loss) per share from continuing and discontinued operations attributable to owners of the Parent				
Basic and fully diluted (sen per share)				
- From continuing operations	0.96	1.92	5.36	11.96
- From discontinued operations	-	(1.31)	(1.14)	(1.95)

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.



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Condensed consolidated statement of financial position as at 30 June 2013

[The figures have not been audited.]

	30/06/2013	30/06/2012
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	62,629	59,584
Land held for property development	35,987	38,234
Investment properties	3,673	3,676
Biological assets	742	794
Investment in associate	3,170	3,168
Deferred tax assets	3,147	3,820
	<u>109,348</u>	<u>109,276</u>
Current assets		
Property development costs	124,308	118,047
Inventories	16	1,811
Developed Properties	1,787	11,103
Trade receivables	33,163	27,210
Other receivables	31,141	32,101
Available-for-sale financial assets	11,840	-
Current tax recoverable	3,784	3,289
Fixed deposits held as security for trade facilities	780	1,225
Fixed deposits with licensed banks	26,826	29,200
Cash and bank balances	18,421	29,490
	<u>252,066</u>	<u>253,476</u>
TOTAL ASSETS	<u><u>361,414</u></u>	<u><u>362,752</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	90,545	90,545
Reserves	176,346	177,645
	<u>266,891</u>	<u>268,190</u>
Non-controlling interests	<u>60,211</u>	<u>58,088</u>
Total equity	<u>327,102</u>	<u>326,278</u>
Non-current liabilities		
Deferred tax liabilities	283	260
Provision for property development	6,576	5,747
	<u>6,859</u>	<u>6,007</u>
Current liabilities		
Trade payables	18,705	20,144
Other payables	4,974	6,104
Provision for property development	3,735	2,982
Current tax payable	39	1,126
Bank overdrafts	-	111
	<u>27,453</u>	<u>30,467</u>
Total liabilities	<u>34,312</u>	<u>36,474</u>
TOTAL EQUITY AND LIABILITIES	<u><u>361,414</u></u>	<u><u>362,752</u></u>
Net assets per share attributable to owners of the parent (RM)	2.95	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 year ended 30 June 2013**

[The figures have not been audited.]

	-----Attributable to owners of the Parent-----						Non- controlling interest	Total equity
	Share capital RM'000	Share premium RM'000	Non- distributable		Distributable			
			Fair value reserve RM'000	Revaluation surplus RM'000	Retained earnings RM'000	Total RM'000		
At 01 July 2011	90,545	186	-	10,974	164,208	265,913	54,366	320,279
Prior year adjustment	-	-	-	-	-	-	-	-
Restated balance	-	-	-	-	-	-	-	-
Total comprehensive income for the financial year	-	-	-	-	9,068	9,068	4,739	13,807
Transactions with owners								
Dividend paid								
- first and final in respect of preceding financial year	-	-	-	-	(6,791)	(6,791)	-	(6,791)
- interim in respect of current financial year	-	-	-	-	-	-	(1,017)	(1,017)
Total transactions with owners	-	-	-	-	(6,791)	(6,791)	(1,017)	(7,808)
At 30 June 2012	90,545	186	-	10,974	166,485	268,190	58,088	326,278
At 01 July 2012	90,545	186	-	10,974	166,485	268,190	58,088	326,278
Total comprehensive income for the financial year	-	-	1,669	-	3,823	5,492	2,130	7,622
Transactions with owners								
Dividend paid								
- first and final in respect of preceding financial year	-	-	-	-	(6,791)	(6,791)	-	(6,791)
- interim in respect of current financial year	-	-	-	-	-	-	(7)	(7)
Total transactions with owners	-	-	-	-	(6,791)	(6,791)	(7)	(6,798)
At 30 June 2013	90,545	186	1,669	10,974	163,517	266,891	60,211	327,102

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.



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**Condensed consolidated statement of cash flows
for the financial year ended 30 June 2013**

[The figures have not been audited.]

	Year Ended	
	30/06/2013 RM'000	30/06/2012 RM'000
Cash flows from operating activities		
Profit from continuing operations	9,349	20,720
Loss from discontinued operations	(1,035)	(1,574)
Profit before taxation	8,314	19,146
<i>Adjustments for:-</i>		
Depreciation and amortisation	1,118	2,742
Net interest income	(1,176)	(1,697)
Provision for impairment of receivables	14	(884)
Others non-cash items	(3,934)	(843)
Operating profit before changes in working capital	4,336	18,464
Net change in current assets	(4,365)	(7,157)
Net change in current liabilities	(2,074)	6,641
Cash (used in)/generated from operating activities	(2,103)	17,948
Income tax paid	(4,488)	(3,800)
Income tax refunded	1,267	209
Net cash (used in)/generated from operating activities	(5,324)	14,357
Cash flows from investing activities		
Interest received	1,176	1,649
Additions to property, plant and equipment	(1,615)	(202)
Additions to land held for property development	(983)	(76)
Additions to biological assets	-	(158)
Additions to investment properties	(78)	(5)
Net cash (used in)/generated from investing activities	(1,415)	1,208
Cash flows from financing activities		
Interest paid	-	(3)
Proceeds from withdrawal of fixed deposits held under lien as security for trade facilities	226	21
Placements of fixed deposits held under lien as security for trade facilities	(21)	(808)
Dividend paid to non-controlling interests	(7)	(1,017)
Dividend paid to Company's shareholders	(6,791)	(6,791)
Net cash used in financing activities	(6,593)	(8,598)
Net change in cash and cash equivalents during the financial year	(13,332)	6,967
Cash and cash equivalents		
- at the beginning of the year	58,579	51,612
- at the end of the year	45,247	58,579
Cash and cash equivalents included in the cash flows comprise the following:-		
Fixed deposits with licensed banks	27,606	30,425
Cash and bank balances	18,421	29,490
Bank overdrafts	-	(111)
	46,027	59,804
Fixed deposits held as security for trade facilities	(780)	(1,225)
	45,247	58,579

The condensed consolidated 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 June 2013

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 2012 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 does not have any material impact on the financial statements of the Group.

The Group will continue to apply the Financial Reporting Standard framework for financial years ending 30 June 2014 and 30 June 2015. 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.

The Group will be adopting the new IFRS-compliant framework, Malaysian Financial Reporting Standards ("MFRS") from financial year beginning on 1 July 2015. In adopting the new framework, the Group will be applying MFRS 1 "First-time adoption of MFRS".

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 (loss)/gain on fair value changes recognised in equity arising from available-for-sale financial assets as disclosed in A9.



Notes to the quarterly report - 30 June 2013

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.

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

The first and final ordinary dividend of 10% (10sen) gross per ordinary share, less 25% income tax (7.50 sen per share net), amounting to RM6.791million in respect of preceding financial year ended 30 June 2012, approved by the members at the Annual General Meeting of the Company held on 05 December 2012, had been paid on 21 December 2012.

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 :-

(i) Discontinued operations

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 results of the Cahajaya Group operations are presented separately in the income statement as discontinued operations. Post-acquisition profits, net of merger debit, attributable to owners of the parents had been realised to the income statement, and interest in Cahajaya Group was subsequently reclassified as Available-for-sale financial assets in accordance with FRS127 and FRS139. Gain or loss on fair value changes arising from the difference between the fair value of the Available-for-sale financial assets and the interest in Cahajaya Group recorded in book of the Company was recognised in equity directly as at end of reporting period.

(ii) Group restructuring

On 25 February 2013, the Company acquired in aggregate totalling 1,088,600 redeemable non-cumulative non-convertible preference shares of RM1.00 nominal value with share premium of RM99.00 each per share totalling RM108.86million in the share capital of certain wholly owned subsidiary companies of the Company.



Notes to the quarterly report - 30 June 2013

A.10. Operating Segments

	Property Development RM'000	Oil Palm Cultivation RM'000	Investment Holding RM'000	Others RM'000	Consolidated RM'000	Manufacturing (Discontinued) RM'000
Current year ended						
30 June 2013						
Revenue						
Total revenue	80,350	2,909	2,751	436	86,446	211
Inter-segment revenue	-	-	(2,751)	-	(2,751)	-
Revenue from external customers	<u>80,350</u>	<u>2,909</u>	<u>(0)</u>	<u>436</u>	<u>83,695</u>	<u>211</u>
Profit / (Loss)						
Reportable segment profit / (loss)	8,054	1,411	(118)	0	9,347	(1,035)
Share of profit of an associate			2		2	
Profit before taxation					<u>9,349</u>	
Corresponding year ended						
30 June 2012						
Revenue						
Total revenue	93,103	3,847	8,226	-	105,176	7,370
Inter-segment revenue	-	-	(8,226)	-	(8,226)	-
Revenue from external customers	<u>93,103</u>	<u>3,847</u>	<u>-</u>	<u>-</u>	<u>96,950</u>	<u>7,370</u>
Profit / (Loss)						
Reportable segment profit / (loss)	18,438	2,471	(198)	-	20,711	(1,574)
Share of profit of an associate			9		9	
Profit before taxation					<u>20,720</u>	



Notes to the quarterly report - 30 June 2013

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	Changes RM'000	30/06/2013 RM'000
Unsecured			
Corporate guarantee issued to financial institution for banking facilities granted to certain subsidiaries	133	(39)	94
Bankers' guarantee issued to third party in favour of subsidiaries	2,588	999	3,587
Secured			
Fixed deposits pledged to a financial institution for bank guarantee facility granted to certain subsidiaries	54	(54)	-
Fixed deposits pledged to a financial institution for bank guarantee issued to third party	640	(440)	200
	<u>3,415</u>	<u>466</u>	<u>3,881</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	Changes RM'000	30/06/2013 RM'000
Landowners' entitlement	<u>41,088</u>	<u>(2,860)</u>	<u>38,228</u>

A.12 Related Party Transactions

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

	30/06/2013 RM'000
Provision of services to:	
Enterprise in which a substantial interest is owned directly by a person connected with a Director of the Company	30
Sale/(Purchase) of goods and services to/(from):	
Enterprise in which a substantial interest is owned directly by a person connected with a Director of the Company	(572)
Enterprise in which a substantial interest is owned directly by a person connected with a Director of subsidiary company	(119)
A person connected with a Director of the Company	142
Rental charges payables to:	
A person connected with a Director of the Company	(92)



Notes to the quarterly report - 30 June 2013

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

For the financial quarter under review, although revenue of the Group increased by 11%, pre-tax profit dipped by 36%, compared with the corresponding financial quarter. Consequently, revenue and pre-tax profit for the reporting financial year were down 14% and 55% respectively, compared with the preceding financial year. Excluding the non-recurrent gain of RM3.291million arising from sale of land of RM7.928million recognised by Property Division in the preceding financial year and reversal of impairment loss on leasehold lands of RM0.905million in the reporting financial year, revenue and pre-tax profit for the reporting financial year were in fact lower by 6% and 52% respectively.

Compared with the corresponding financial quarter, although Property Division recorded 12% increase in revenue, pre-tax profit contracted significantly by 29%. Meanwhile, revenue and pre-tax profit for the reporting financial year were lower by 14% and 56% respectively, compared with preceding financial year. Excluding the non-recurrent gain mentioned above, revenue and pre-tax profit were actually reduced by 6% and 53% respectively for the same comparable periods. The weakened results mainly due to lower progress revenue recognised from on-going housing projects coupled with reduced profit margin, arising from escalating construction costs and sales of more affordable housing projects undertaken in the reporting financial year.

Compared with the corresponding financial quarter, revenue and pre-tax profit from Oil Palm Cultivation activities decreased by 48% and 72% respectively, mainly due to lower yield rate and weakened CPO price. Compared with preceding financial year, revenue and pre-tax profit from Oil Palm Cultivation activities dropped by 24% and 43% respectively, principally attributable to weakened CPO price.

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

Compared with immediate preceding financial quarter, although revenue of the Group increased by 9%, pre-tax profit increased by 35%. Excluding the non-recurrent gain arising from reversal of impairment loss on leasehold lands of R0.905million, pre-tax profit were actually reduced by 16% as compared with preceding quarter; mainly due to higher selling and distribution cost and general maintenance work incurred by Property Division during the reporting quarter under review. Meanwhile, revenue and pre-tax profit of Oil Palm Cultivation were lower by 25% and 50% respectively, mainly due to lower yield rate and CPO price.

B.3. Prospects for the Current Financial Year

With the current slow global recovery, Malaysian economic growth would expect to be affected for the remaining of 2013. Although the interest rate had been continuously kept at its present level to provide an environment conducive to sustaining domestic economy growth, the recent curbs imposed by Central Bank on capping personal loans and property loans aimed to regulate escalating household debt level, may have a negative short term effect on property market.

Moving forward, the Board expects the business environment in which the Group is operating to be more challenging and competitive. Nevertheless, Property Division will remain focus in continuing service its traditional clientele mainly comprised of owner-occupiers. With OIB Group focusing on affordable landed residential units at strategic locations, the Group will generate enough contribution from existing and newly launched schemes to ensure its results remain profitable for the forthcoming financial year.

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.



Notes to the quarterly report - 30 June 2013

B.5. Profit Before Taxation

	Current Year 4th Quarter 30/06/2013 RM'000	Current Year To Date 30/06/2013 RM'000
Profit before taxation is arrived at after (charging)/crediting :-		
Depreciation and amortisation	(498)	(1,163)
Provision for impairment of receivable	(182)	(182)
Rental income	128	502
Interest income	327	1,176
Reversal of impairment of assets	905	905
Allowance for impairment of receivables written back	-	226
Other income	52	517

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 4th Quarter 30/06/2013 RM'000	Current Year To Date 30/06/2013 RM'000
Malaysian income tax based on the profit for the financial period	550	1,940
Transfer from deferred taxation	241	696
Taxation overprovided in respect of prior financial period	(0)	(275)
	<u>791</u>	<u>2,361</u>

The effective tax rate of the Group for the financial year is higher than the statutory income tax rate mainly due to non-allowable tax expenses.

B.7. Status of Corporate Proposals

There were no corporate proposals that have been announced but not completed as at 20 August 2013, the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial statements.

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 June 2013

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 30/06/2013 RM'000	Preceding Financial Year 30/06/2012 RM'000
Total retained earnings of the Company and its subsidiaries :		
- Realised	164,891	167,199
- Unrealised	2,773	3,454
	<u>167,665</u>	<u>170,653</u>
Total share of retained earnings from an associated company :		
- Realised	20	19
- Unrealised	-	-
	<u>167,685</u>	<u>170,672</u>
Less : Consolidation adjustments	(4,168)	(4,187)
Total group retained earnings as per consolidated financial statements	<u><u>163,517</u></u>	<u><u>166,485</u></u>

B.12. Changes in Material Litigation

There were no pending material litigation as at 20 August 2013, 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% income tax, in respect of financial year ended 30 June 2013, which is subject to the approval of members at the forthcoming Annual General Meeting of the Company;
- (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) Payment date for the aforesaid first and final dividend has yet to be determined; 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 at a date to be fixed.
- (b) The total gross dividend per share for the current financial year ended 30 June 2013 is 10 sen , less 25% income tax (7.50 sen per share net).



Notes to the quarterly report - 30 June 2013

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

	Current Year 4th Quarter 30/06/2013 RM'000	Current Year To Date 30/06/2013 RM'000
(a) Basic		
Profit attributable to owners of the parent	<u>869</u>	<u>3,823</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>0.96</u>	<u>4.22</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)

Tan Ai Ning (MAICSA 7015852)

[Joint Company Secretaries]

27 August 2013