



# ORIENTAL INTEREST BERHAD

[Company No. 272144-M]

Page 1 of 12

## 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 2014.

### Condensed consolidated statement of comprehensive income for the financial period ended 30 September 2013

[The figures have not been audited.]

	Individual Quarter		Cumulative Quarter	
	Current Year 1st Quarter 30/09/2013 RM'000	Preceding Year Corresponding 1st Quarter 30/09/2012 RM'000	Current Year To Date 30/09/2013 RM'000	Preceding Year Corresponding Period 30/09/2012 RM'000
<b>Revenue</b>	16,690	18,317	16,690	18,317
<b>Cost of sales</b>	(12,616)	(12,007)	(12,616)	(12,007)
<b>Gross profit</b>	4,074	6,310	4,074	6,310
Other operating income	583	803	583	803
Selling and distribution costs	(389)	(301)	(389)	(301)
Administrative expenses	(2,358)	(2,216)	(2,358)	(2,216)
Other operating expenses	(793)	(453)	(793)	(453)
<b>Operating profit</b>	1,117	4,143	1,117	4,143
Finance cost	-	-	-	-
Share of profit of an associate	(5)	2	(5)	2
<b>Profit before taxation</b>	1,112	4,145	1,112	4,145
Taxation	(416)	(1,023)	(416)	(1,023)
<b>Profit from continuing operations</b>	696	3,122	696	3,122
Loss from discontinued operations	-	(1,035)	-	(1,035)
<b>Profit after taxation</b>	696	2,087	696	2,087
<b>Other comprehensive income</b>				
Gain on fair value changes	-	3,746	-	3,746
<b>Total comprehensive income</b>	696	5,833	696	5,833
<b>Profit attributable to:</b>				
Owners of the parent	185	1,578	185	1,578
Non-controlling interests	511	509	511	509
	696	2,087	696	2,087
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	185	5,324	185	5,324
Non-controlling interests	511	509	511	509
	696	5,833	696	5,833
<b>Earnings per share attributable to owners of the parent (sen per share)</b>				
- Basic and fully diluted	0.20	1.74	0.20	1.74
<b>Earnings/(Loss) per share from continuing and discontinued operations attributable to owners of the Parent</b>				
Basic and fully diluted (sen per share)				
- From continuing operations	0.20	2.89	0.20	2.88
- From discontinued operations	-	(1.14)	-	(1.14)

The condensed consolidated statement of comprehensive income should be read in conjunction with the annual financial report for the financial year ended 30 June 2013.



**ORIENTAL INTEREST BERHAD**  
[Company No. 272144-M]

Page 2 of 12

**Condensed consolidated statement of financial position as at 30 September 2013**  
[The figures have not been audited.]

	30/09/2013 RM'000	30/06/2013 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	73,408	62,629
Land held for property development	36,633	35,987
Investment properties	3,713	3,673
Biological assets	729	742
Investment in associate	3,165	3,170
Deferred tax assets	3,220	3,144
	120,868	109,345
<b>Current assets</b>		
Property development costs	115,172	124,308
Inventories	12	16
Developed Properties	2,156	1,787
Trade receivables	25,746	33,424
Other receivables	33,160	32,004
Available-for-sale financial assets	10,978	10,978
Current tax recoverable	4,172	3,784
Fixed deposits held as security for trade facilities	224	780
Fixed deposits with licensed banks	31,435	26,826
Cash and bank balances	14,790	18,421
	237,845	252,328
<b>TOTAL ASSETS</b>	358,713	361,673
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	90,545	90,545
Reserves	176,520	176,335
	267,065	266,880
<b>Non-controlling interests</b>	60,733	60,222
<b>Total equity</b>	327,798	327,102
<b>Non-current liabilities</b>		
Deferred tax liabilities	310	283
Provision for property development	6,368	6,368
	6,678	6,651
<b>Current liabilities</b>		
Trade payables	12,831	18,702
Other payables	7,960	5,236
Provision for property development	3,409	3,943
Current tax payable	37	39
	24,237	27,920
<b>Total liabilities</b>	30,915	34,571
<b>TOTAL EQUITY AND LIABILITIES</b>	358,713	361,673
<b>Net assets per share attributable to owners of the parent (RM)</b>	2.95	2.95

The condensed consolidated statement of financial position should be read in conjunction with the annual financial report for the financial year ended 30 June 2013.



**ORIENTAL INTEREST BERHAD**

[Company No. 272144-M]

**Condensed consolidated statement of changes in equity  
for the financial period ended 30 September 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		
<b>At 01 July 2012</b>	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
<b>At 30 September 2012</b>	90,545	186	3,746	10,974	168,063	273,514	58,597	332,111
<b>At 01 July 2013</b>	90,545	186	1,669	10,974	163,506	266,880	60,222	327,102
Total comprehensive income for the financial year	-	-	-	-	185	185	511	696
<b>At 30 September 2013</b>	90,545	186	1,669	10,974	163,691	267,065	60,733	327,798

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 2013.



**ORIENTAL INTEREST BERHAD**

[Company No. 272144-M]

Page 4 of 12

**Condensed consolidated statement of cash flows  
for the financial period ended 30 September 2013**

[The figures have not been audited.]

	Period Ended	
	30/09/2013 RM'000	30/09/2012 RM'000
<b>Cash flows from operating activities</b>		
Profit from continuing operations	1,112	4,145
Loss from discontinued operations	-	(1,035)
<b>Profit before taxation</b>	1,112	3,110
<i>Adjustments for:-</i>		
Depreciation and amortisation	315	207
Net interest income	(274)	(294)
Provision for impairment of receivables	(102)	-
Others non-cash items	5	(170)
Operating profit before changes in working capital	1,056	2,853
Net change in current assets	4,423	(3,170)
Net change in current liabilities	(3,686)	(1,962)
Cash generated from / (used in) operating activities	1,793	(2,279)
Income tax paid	(871)	(2,036)
Income tax refunded	20	92
Net cash generated from / (used in) operating activities	942	(4,223)
<b>Cash flows from investing activities</b>		
Interest received	274	294
Additions to property, plant and equipment	(86)	(611)
Additions to land held for property development	(646)	(37)
Additions to investment properties	(61)	-
Net cash used in investing activities	(519)	(354)
<b>Cash flows from financing activities</b>		
Proceeds from withdrawal of fixed deposits held under lien as security for trade facilities	563	-
Placements of fixed deposits held under lien as security for trade facilities	(7)	(21)
Net cash generated from / (used in) financing activities	556	(21)
<b>Net change in cash and cash equivalents during the financial period</b>	978	(4,598)
<b>Cash and cash equivalents</b>		
- at the beginning of the period	45,247	58,579
- at the end of the period	46,225	53,981
<b>Cash and cash equivalents included in the cash flows comprise the following:-</b>		
Fixed deposits with licensed banks	31,659	28,206
Cash and bank balances	14,790	26,781
	46,449	54,987
Fixed deposits held as security for trade facilities	(224)	(1,006)
	46,225	53,981

The condensed consolidated statement of cash flows should be read in conjunction with the annual financial report for the financial year ended 30 June 2013.



**Notes to the quarterly report - 30 September 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 2013. 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 2013.

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 2013 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 2013 as follows:

- FRS 10	Consolidated Financial Statements
- FRS 11	Joint Arrangements
- FRS 12	Disclosures of Interests in Other Entities
- FRS 13	Fair Value Measurement
- FRS 127 (revised)	Separate Financial Statements
- FRS 128 (revised)	Investments in Associates and Joint Ventures
- Amendment to FRS 119	Employee Benefits
- Amendment to FRS 7	Financial Instruments - Disclosures
- Amendment to FRS 116	Property, Plant and Equipment

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.



**Notes to the quarterly report - 30 September 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**

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.



**Notes to the quarterly report - 30 September 2013**

**A.10. Operating Segments**

	Property Development RM'000	Oil Palm Cultivation RM'000	Investment Holding RM'000	Others RM'000	Continuing Operations RM'000	Discontinued Operations (Manufacturing) RM'000
<b>Current period ended</b>						
30 September 2013						
<b>Revenue</b>						
Total revenue	15,975	613	0	102	16,690	-
Inter-segment revenue	-	-	-	-	-	-
Revenue from external customers	<u>15,975</u>	<u>613</u>	<u>0</u>	<u>102</u>	<u>16,690</u>	<u>-</u>
<b>Profit / (Loss)</b>						
Reportable segment profit / (loss)	916	279	70	(148)	1,117	-
Share of profit of an associate			(5)		(5)	
Profit before taxation					<u>1,112</u>	
<b>Corresponding period ended</b>						
30 September 2012						
<b>Revenue</b>						
Total revenue	17,415	902	-	-	18,317	211
Inter-segment revenue	-	-	-	-	-	-
Revenue from external customers	<u>17,415</u>	<u>902</u>	<u>-</u>	<u>-</u>	<u>18,317</u>	<u>211</u>
<b>Profit / (Loss)</b>						
Reportable segment profit / (loss)	3,430	500	213	-	4,143	(1,035)
Share of profit of an associate			2		2	
Profit before taxation					<u>4,145</u>	



**Notes to the quarterly report - 30 September 2013**

**A.11. Commitments**

There were no changes in commitments since the last annual reporting date as at 30 June 2013, except for the following: -

	01/07/2013 RM'000	Changes RM'000	30/09/2013 RM'000
<b>Unsecured</b>			
Corporate guarantee issued to financial institution for banking facilities granted to certain subsidiaries	94	(82)	12
Bankers' guarantee issued to third party in favour of subsidiaries	3,687	(253)	3,434
Fixed deposits pledged to a financial institution for bank guarantee issued to third party	200	-	200
	<u>3,981</u>	<u>(335)</u>	<u>3,646</u>

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

	01/07/2013 RM'000	Changes RM'000	30/09/2013 RM'000
Landowners' entitlement	<u>39,948</u>	<u>(739)</u>	<u>39,209</u>

**A.12 Related Party Transactions**

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

	30/09/2013 RM'000
<b>Sale/( Purchase) of goods and services to/(from):</b>	
Enterprise in which a substantial interest is owned directly by a person connected with a Director of the Company	(71)
A person connected with a Director of subsidiary Company	125
<b>Rental charges payables to:</b>	
A person connected with a Director of the Company	(32)





**Notes to the quarterly report - 30 September 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**

The Group recorded a pre-tax profit of RM1.112million at the back of revenue of RM16.690million for the first financial quarter of the current financial year, representing a decrease of 73% in pre-tax profit and 9% in revenue respectively as compared with corresponding financial quarter, predominantly due to 8% decrease in progress billings by Property Division coupled with reduced profit margin arising from escalating construction costs and more low cost housing projects undertaken in the reporting financial quarter. Meanwhile, Oil Palm Cultivation registered a decrease of 32% in revenue and 44% in pre-tax profit, mainly due to the lower yields of fresh fruit bunches and crude palm oil prices compared with corresponding financial quarter.

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

Revenue and pre-tax profit of the Group decreased by 37% and 54% respectively, compared with RM26.475million and RM2.417million that were reported in the immediate preceding financial quarter, mainly due to a dampened performance of Property Division; whereas, Oil Palm Cultivation registered increase of 4% in revenue and 45% in pre-tax profit due to improved crude palm oil prices.

**B.3. Prospects for the Current Financial Year**

With the inclusion of certain measures proposed in Budget 2014, for instance higher rates on real property gain tax, raising price threshold of property that can be purchased by foreigners and prohibition on developer interest-bearing schemes aiming to curb speculative property market activities, obviously it would have consequential effect on the property sector in general. However, these measures might not have significant impact on the results of OIB Group, as the clientele of Property Division mainly comprises of genuine owner-occupants rather than speculative buyers.

Moving forward, the Board expects the business environment in which the Group is operating to be more challenging and competitive in term of product offerings and pricing. Nevertheless, with the emergence of a new controlling shareholder on 1 November 2013 and imminent Board reshuffle upon completion of the mandatory general offer exercise, there could be a new business direction and strategy for OIB Group. Notwithstanding the aforesaid, under existing operational strategy, Property Division will remain focusing on affordable landed residential units at strategic locations and the Group is confident to 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.



## ORIENTAL INTEREST BERHAD

[Company No. 272144-M]

Page 10 of 12

### Notes to the quarterly report - 30 September 2013

#### B.5. Profit Before Taxation

	Current Year 1st Quarter 30/09/2013 RM'000	Current Year To Date 30/09/2013 RM'000
Profit before taxation is arrived at after (charging)/crediting :-		
Depreciation and amortisation	(314)	(314)
Rental income	126	126
Interest income	274	274
Allowance for impairment of receivables written back	102	102
Other income	81	81

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 30/09/2013 RM'000	Current Year To Date 30/09/2013 RM'000
Malaysian income tax based on the profit for the financial period	855	855
Transfer from deferred taxation	(366)	(366)
Taxation overprovided in respect of prior financial period	(74)	(74)
	<u>416</u>	<u>416</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 and operating losses incurred by certain subsidiary companies, which were not recognised as deferred assets.

#### B.7. Status of Corporate Proposals

There were no corporate proposals that have been announced but not completed as at 12 November 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 September 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 30/09/2013 RM'000	Preceding Financial Year 30/06/2013 RM'000
Total retained earnings of the Company and its subsidiaries :		
- Realised	164,081	163,813
- Unrealised	788	1,096
	<u>164,869</u>	<u>164,910</u>
Total share of retained earnings from an associated company :		
- Realised	16	20
- Unrealised	-	-
	<u>164,885</u>	<u>164,930</u>
Less : Consolidation adjustments	(1,194)	(1,424)
Total group retained earnings as per consolidated financial statements	<u><u>163,691</u></u>	<u><u>163,506</u></u>

**B.12. Changes in Material Litigation**

There were no pending material litigation as at 12 November 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% tax, in respect of financial year ended 30 June 2013, which is subject to the approval of the members at the forthcoming Annual General Meeting ("AGM") to be held on 19 November 2013;
- (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 12 December 2013; 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 26 November 2013.
- (b) The Board of Directors does not recommend any payment of interim dividend in respect of current financial year ending 30 June 2014.



**Notes to the quarterly report - 30 September 2013**

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

	Current Year 1st Quarter 30/09/2013 RM'000	Current Year To Date 30/09/2013 RM'000
<b>(a) Basic</b>		
Profit attributable to owners of the parent	<u>185</u>	<u>185</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>0.20</u>	<u>0.20</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]

19 November 2013