

**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 2015.

**Condensed consolidated statement of comprehensive income  
for the financial period ended 30 September 2014**

[The figures have not been audited.]

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year</b>	<b>Preceding Year Corresponding</b>	<b>Current Year</b>	<b>Preceding Year Corresponding</b>
	<b>1st Quarter</b>	<b>1st Quarter</b>	<b>To Date</b>	<b>Period</b>
	<b>30/09/2014</b>	<b>30/09/2013</b>	<b>30/09/2014</b>	<b>30/09/2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>	34,125	16,690	34,125	16,690
<b>Cost of sales</b>	(26,938)	(12,616)	(26,938)	(12,616)
<b>Gross profit</b>	7,187	4,074	7,187	4,074
Other operating income	624	583	624	583
Selling and distribution costs	(336)	(389)	(336)	(389)
Administrative expenses	(2,693)	(2,358)	(2,693)	(2,358)
Other operating expenses	(659)	(793)	(659)	(793)
<b>Operating profit</b>	4,123	1,117	4,123	1,117
Finance cost	-	-	-	-
Share of profit/(loss) of an associate	2	(5)	2	(5)
<b>Profit before taxation</b>	4,125	1,112	4,125	1,112
Taxation	(937)	(416)	(937)	(416)
<b>Total comprehensive income</b>	3,188	696	3,188	696
<b>Profit attributable to:</b>				
Owners of the parent	2,589	185	2,589	185
Non-controlling interests	599	511	599	511
	3,188	696	3,188	696
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	2,589	185	2,589	185
Non-controlling interests	599	511	599	511
	3,188	696	3,188	696
<b>Earnings per share attributable to owners of the parent (sen per share)</b>				
- Basic and fully diluted	2.86	0.20	2.86	0.20

The condensed consolidated statement of comprehensive income should be read in conjunction with the annual financial report for the financial year ended 30 June 2014.



**ORIENTAL INTEREST BERHAD**

[Company No. 272144-M]

Page 2 of 12

**Condensed consolidated statement of financial position as at 30 September 2014**

[The figures have not been audited.]

	<b>30/09/2014</b>	<b>30/06/2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	72,520	72,240
Land held for property development	62,934	24,451
Investment properties	6,427	3,524
Biological assets	1,065	1,082
Investment in associate	5,187	5,185
Deferred tax assets	3,908	3,432
	152,041	109,914
<b>Current assets</b>		
Property development costs	109,999	109,716
Amounts due from customers on construction contracts	11,979	4,680
Inventories	47	33
Developed Properties	8,734	8,947
Trade and other receivables	61,539	63,887
Available-for-sale financial assets	7,606	6,978
Current tax recoverable	2,937	4,255
Fixed deposits held as security for trade facilities	231	224
Fixed deposits with licensed banks	-	38,633
Cash and bank balances	16,536	19,033
	219,608	256,386
<b>TOTAL ASSETS</b>	<b>371,649</b>	<b>366,300</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	90,545	90,545
Reserves	181,482	178,893
	272,027	269,438
<b>Non-controlling interests</b>	<b>55,562</b>	<b>54,963</b>
<b>Total equity</b>	<b>327,589</b>	<b>324,401</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	773	799
Provision for property development	4,527	4,527
	5,300	5,326
<b>Current liabilities</b>		
Trade and other payables	36,266	34,599
Provision for property development	814	986
Current tax payable	1,680	988
	38,760	36,573
<b>Total liabilities</b>	<b>44,060</b>	<b>41,899</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>371,649</b>	<b>366,300</b>
<b>Net assets per share attributable to owners of the parent (RM)</b>	<b>3.00</b>	<b>2.98</b>

The condensed consolidated statement of financial position should be read in conjunction with the annual financial report for the financial year ended 30 June 2014.



**ORIENTAL INTEREST BERHAD**

[Company No. 272144-M]

Page 3 of 12

**Condensed consolidated statement of changes in equity  
for the financial period ended 30 September 2014**

[The figures have not been audited.]

-----Attributable to owners of the Parent-----

	<u>Non-distributable</u>		<u>Distributable</u>		Total	Non-controlling interest	Total equity	
	Share capital	Share premium	Revaluation of available-for-sale financial assets	Revaluation reserves				Retained earnings
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<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
<b>At 01 July 2014</b>	90,545	186	1,061	10,974	166,672	269,438	54,963	324,401
Total comprehensive income for the financial year	-	-	-	-	2,589	2,589	599	3,188
<b>At 30 September 2014</b>	90,545	186	1,061	10,974	169,261	272,027	55,562	327,589

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 2014.



**ORIENTAL INTEREST BERHAD**

[Company No. 272144-M]

Page 4 of 12

**Condensed consolidated statement of cash flows  
for the financial period ended 30 September 2014**

[The figures have not been audited.]

	Period Ended	
	30/09/2014 RM'000	30/09/2013 RM'000
<b>Cash flows from operating activities</b>		
Profit before taxation	4,125	1,112
<i>Adjustments for:-</i>		
Depreciation and amortisation	362	315
Net interest income	(259)	(274)
Allowance for impairment of receivables written back	-	(102)
Others non-cash items	(3)	5
Operating profit before changes in working capital	4,225	1,056
Net change in current assets	(3,624)	4,423
Net change in current liabilities	1,701	(3,686)
Cash generated from operating activities	2,302	1,793
Taxation paid	(1,200)	(871)
Tax refunds	1,783	20
Net cash generated from operating activities	2,885	942
<b>Cash flows from investing activities</b>		
Interest received	259	274
Proceeds from disposal of property, plant and equipment	75	-
Additions to property, plant and equipment	(1,260)	(86)
Additions to land held for property development	(40,135)	(646)
Additions to biological assets	(1)	-
Additions to investment properties	(2,342)	(61)
Net cash outflow upon loss of control of a subsidiary company	(604)	-
Net cash used in investing activities	(44,008)	(519)
<b>Cash flows from financing activities</b>		
Withdrawal of deposits with licensed banks pledged as security	-	562
Deposits with licensed banks pledged as security	(7)	(7)
Net cash (used in) / generated from financing activities	(7)	555
<b>Net change in cash and cash equivalents during the financial period</b>	(41,130)	978
<b>Cash and cash equivalents</b>		
- at the beginning of the period	57,666	45,247
- at the end of the period	16,536	46,225
<b>Cash and cash equivalents included in the cash flows comprise the following:-</b>		
Fixed deposits with licensed banks	231	31,659
Cash and bank balances	16,536	14,790
	16,767	46,449
Fixed deposits held as security for trade facilities	(231)	(224)
	16,536	46,225

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 2014.



**Notes to the quarterly report - 30 September 2014**

**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 2014. 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 2014.

The interim financial statements have been reviewed by the Company's auditor in accordance with the International Standards on Review Engagements ("ISRE") 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

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 2014 except for the changes in accounting policies and presentation resulting from the adoption of relevant FRSs and amendments to FRSs that are applicable and effective for the Group's financial year beginning on or after 1 July 2014 as follows:-

- |   |   |
|---|---|
| - Amendments to FRS 10, 12 & 127                | Consolidated Financial Statements, Disclosures of Interests in Other Entities and Separate Financial Statement (2011) : Investment Entities |
| - Amendment to FRS 132                          | Financial Instruments - Presentation  |
| - Amendment to FRS 136                          | Recoverable Amount Disclosures for Non-financial Assets   |
| - IC Interpretation 21                          | Levies  |
| - Annual improvements to FRSs 2010 - 2012 Cycle |   |
| - Annual improvements to FRSs 2011 - 2013 Cycle |   |

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 until financial year ending 30 June 2017. 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 falls within the scope definition of transitioning entities and has elected to continue to apply FRS during the financial year. The Group will adopt the new IFRS-compliant framework, Malaysian Financial Reporting Standards ("MFRS") from financial year beginning on 1 July 2017. 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.

**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 2014****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 reporting period, other than as follows:-

On 1 July 2014, Central Kedah Brick Kiln Sdn Berhad ("CKBK"), being a wholly owned subsidiary company of Aturan Cemerlang Sdn Bhd, in which the Company holds 73% equity interest, had commenced member's voluntary winding up proceedings pursuant to Section 254(1)(b) of the Companies Act, 1965. Consequently, CKBK was reclassified as Available-for-sale financial assets in accordance with FRS139. The effect on fair value changes of Available-for-sale financial assets at the date when control was lost were as follows:-

	Carrying value RM'000	Fair value RM'000
Trade and other receivables	68	68
Deposits with licensed banks	533	533
Cash and bank balances	71	71
Trade and other payables	(32)	(32)
Tax payables	(12)	(12)
Net assets	<u>628</u>	<u>628</u>
Less : Interest in CKBK		<u>(628)</u>
Effect on fair value changes recognised in equity		<u>-</u>



**ORIENTAL INTEREST BERHAD**

[Company No. 272144-M]

Page 7 of 12

**Notes to the quarterly report - 30 September 2014**

**A.10. Operating Segments**

	Property Development RM'000	General Construction RM'000	Oil Palm Cultivation RM'000	Investment Holding RM'000	Others RM'000	Consolidated RM'000
<b>Current period ended</b>						
30 September 2014						
<b>Revenue</b>						
Total revenue	21,580	24,761	295	507	293	47,436
Inter-segment revenue	-	(12,804)	-	(507)	-	(13,311)
Revenue from external customers	<u>21,580</u>	<u>11,957</u>	<u>295</u>	<u>-</u>	<u>293</u>	<u>34,125</u>
<b>Profit / (Loss)</b>						
Reportable segment profit / (loss)	3,678	665	(1)	(88)	(131)	4,123
Share of profit of an associate	-	-	-	2	-	2
Profit before taxation						<u>4,125</u>
<b>Corresponding period ended</b>						
30 September 2013						
<b>Revenue</b>						
Total revenue	15,975	-	613	-	102	16,690
Inter-segment revenue	-	-	-	-	-	-
Revenue from external customers	<u>15,975</u>	<u>-</u>	<u>613</u>	<u>-</u>	<u>102</u>	<u>16,690</u>
<b>Profit / (Loss)</b>						
Reportable segment profit / (loss)	916	-	279	70	(148)	1,117
Share of loss of an associate	-	-	-	(5)	-	(5)
Profit before taxation						<u>1,112</u>



## ORIENTAL INTEREST BERHAD

[Company No. 272144-M]

Page 8 of 12

### Notes to the quarterly report - 30 September 2014

#### A.11. Commitments

There were no changes in commitments since the last annual reporting date as at 30 June 2014, except for the following:-

	01/07/2014 RM'000	Changes RM'000	30/09/2014 RM'000
<b>Unsecured</b>			
Corporate guarantee issued to financial institution for banking facilities granted to certain subsidiaries	12	-	12
Bankers' guarantee issued to third parties in favour of subsidiaries	2,576	235	2,811
<b>Secured</b>			
Fixed deposits pledged to a financial institution for bank guarantee issued to third party	200	-	200
	<u>2,788</u>	<u>235</u>	<u>3,023</u>
<b>Property development expenditure contracted but not yet incurred</b>			
- Landowners' entitlement	<u>38,924</u>	<u>(546)</u>	<u>38,378</u>
<b>Capital commitments contracted but not provided for</b>			
- Purchase of development land	<u>36,950</u>	<u>(36,950)</u>	<u>-</u>

#### A.12 Related Party Transactions

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

	30/09/2014 RM'000
<b>Sale/(Purchase) of goods and services to/(from):-</b>	
- Enterprises in which a substantial interest is owned directly by a person connected with a Director of a subsidiary of the Company	(58)
- Enterprises in which a substantial interest is owned indirectly by Directors/major shareholders of the Company	(8,965)
- Enterprises in which a substantial interest is owned indirectly by Directors/major shareholders of the Company	12,329





**Notes to the quarterly report - 30 September 2014**

**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 revenue of RM34.125million and pre-tax profit of RM4.125million for the reporting financial quarter, representing increase of 104% and 271% respectively compared with the corresponding first financial quarter of previous financial year. Property Development contributed RM21.580million progress billings and RM3.678million profit before taxation, representing increase of 35% and 302% respectively compared with the same corresponding quarter. Meanwhile, reporting as a separate segment for the first time, General Construction generating RM11.957million revenue and RM0.665million profit before taxation from services rendered to external customers, where this Division only acted as in-house main contractor under the past management.

Compared with corresponding period, the great performance for OIB Group in the reporting quarter was mainly due to overall upward revision for on-going projects of Property Development and external source of income from General Construction, in spite of significant reduction in yield rate and marginal drop in crude palm oil price had seen revenue of Oil Palm Cultivation decreased by 52% and registering a minimal loss.

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

Revenue and profit before taxation of the Group increased by 31% and 6% respectively, compared with immediate preceding financial quarter. Progress billings for Property Development almost levelled, while its profit before taxation was lower by 12%; mainly due to additional profits recognised in preceding quarter arising from revision of margin. Meanwhile, revenue and profit before taxation for General Construction increased by 250% and 190% respectively for the same comparable quarters, due to increased business activities. Whereas, for Oil Palm Cultivation, significant fall in crude palm oil price and yield rate had resulted in 37% drop in revenue and reported an operating loss.

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

Although the Government had widened the goods that will not be subject to Goods and Services Tax (“GST”) in Budget 2015 that was tabled last month, the additional relaxation still fell short of satisfying the anticipation of the general public. Furthermore, in the absence of significant incentives introduced in the form of reliefs, especially those that most were hopeful to cushion the impact of GST after 1 April 2015; for normal individual taxpayers; the interest and sentiment in property market generally remain lukewarm.

However, OIB Group is focusing on its niche market and strategic locations, as well as with additional source of income from providing construction service to external customers, the Board of Directors, through good working relationship with management team, is confident that results for the current financial year will continue to be profitable.

**Notes to the quarterly report - 30 September 2014****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.

**B.5. Profit Before Taxation**

	Current Year 1st Quarter 30/09/2014 RM'000	Current Year To Date 30/09/2014 RM'000
Profit before taxation is arrived at after (charging)/crediting:-		
Depreciation and amortisation	(362)	(362)
Rental income	142	142
Interest income	259	259
Other income	223	223

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 30/09/2014 RM'000	Current Year To Date 30/09/2014 RM'000
Malaysian income tax based on the profit for the financial period	1,319	1,319
Transfer from deferred taxation	(219)	(219)
Taxation overprovided in respect of prior financial period	(163)	(163)
	<u>937</u>	<u>937</u>

The effective tax rate of the Group for the financial periods are lower than the statutory tax rate mainly due to overprovision of taxation in respect of prior financial period.

**B.7. Status of Corporate Proposals**

There were no corporate proposals that have been announced but not completed as at 18 November 2014, 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 2014****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 30/09/2014 RM'000	Preceding Financial Year 30/06/2014 RM'000
Total retained earnings of the Company and its subsidiaries:-		
- Realised	171,850	169,458
- Unrealised	670	234
	<u>172,520</u>	<u>169,692</u>
Total share of retained earnings from an associated company:-		
- Realised	18	16
- Unrealised	-	-
	<u>172,538</u>	<u>169,708</u>
Less : Consolidation adjustments	<u>(3,277)</u>	<u>(3,036)</u>
Total group retained earnings as per consolidated financial statements	<u><u>169,261</u></u>	<u><u>166,672</u></u>

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

There were no pending material litigation as at 18 November 2014, 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 members had approved the payment of a first and final single-tier tax-exempt dividend of 5% per ordinary share in respect of financial year ended 30 June 2014 at the Annual General Meeting of the Company held on 25 November 2014;
- (ii) The amount per share is 5 sen;
- (iii) For the previous corresponding period, the gross amount per share of the first and final 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 2014; and
- (v) In respect of deposited securities, entitlement to the aforesaid first and final single-tier tax-exempt dividend will be determined on the basis of the record of depositors of the Company at close of business on 2 December 2014.
- (b) The Board of Directors does not recommend any payment of interim dividend in respect of current financial year ending 30 June 2015.

**ORIENTAL INTEREST BERHAD**

[Company No. 272144-M]

Page 12 of 12

**Notes to the quarterly report - 30 September 2014****B.14. Earnings Per Share ("EPS")**

	Current Year 1st Quarter 30/09/2014 RM'000	Current Year To Date 30/09/2014 RM'000
<b>(a) Basic</b>		
Profit attributable to owners of the parent	<u>2,589</u>	<u>2,589</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>2.86</u>	<u>2.86</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)****Ong Tze-En (MAICSA 7026537)**

[Joint Company Secretaries]

25 November 2014