

ORIENTAL INTEREST BERHAD [Company No. 272144-M]

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 2015.

Condensed consolidated statement of comprehensive income for the financial year ended 30 June 2015

[The figures have not been audited.]

	Individual Quarter		Cumulative Quarter	
	Current Year 4th Quarter 30/06/2015 RM'000	Preceding Year Corresponding 4th Quarter 30/06/2014 RM'000	Current Year To Date 30/06/2015 RM'000	Preceding Year Corresponding Period 30/06/2014 RM'000
Revenue	50,184	26,057	219,662	97,663
Cost of sales	(40,085)	(19,280)	(171,334)	(69,025)
Gross profit	10,099	6,777	48,328	28,638
Other operating income	1,825	1,270	4,731	3,700
Selling and distribution costs	(554)	(243)	(1,517)	(1,008)
Administrative expenses	(3,617)	(2,986)	(12,136)	(9,608)
Other operating expenses	(827)	(931)	(3,429)	(4,793)
Operating profit	6,926	3,887	35,977	16,929
Finance cost	(54)	-	(210)	(2)
Share of profit/(loss) of an associate	5	1	7	(5)
Profit before taxation	6,877	3,888	35,774	16,922
Taxation	(1,968)	(234)	(9,580)	(3,975)
Profit after taxation	4,909	3,654	26,194	12,947
Other comprehensive income				
Realisation of fair value upon disposal of available-for-sale financial assets	(685)	(608)	(1,019)	(608)
Total comprehensive income	4,224	3,046	25,175	12,339
Profit attributable to:				
Owners of the parent	2,303	2,266	19,988	9,210
Non-controlling interests	2,606	1,388	6,206	3,737
	4,909	3,654	26,194	12,947
Total comprehensive income attributable to:				
Owners of the parent	1,618	1,658	18,969	8,602
Non-controlling interests	2,606	1,388	6,206	3,737
	4,224	3,046	25,175	12,339
Earnings per share attributable to owners of the parent (sen per share)				
- Basic and fully diluted	2.54	2.50	22.08	10.17

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.

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Condensed consolidated statement of financial position as at 30 June 2015

[The figures have not been audited.]

	30/06/2015	30/06/2014
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	70,317	72,240
Land held for property development	72,816	24,451
Investment properties	22,100	3,524
Biological assets	1,029	1,082
Investment in associate	5,192	5,185
Deferred tax assets	3,729	3,432
	<u>175,183</u>	<u>109,914</u>
Current assets		
Property development costs	102,844	109,716
Amounts due from customers on construction contracts	3,273	4,680
Inventories	61	33
Developed properties	8,520	8,947
Trade and other receivables	101,314	63,887
Available-for-sale financial assets	906	6,978
Current tax recoverable	1,519	4,255
Fixed deposits held as security for trade facilities	231	224
Fixed deposits with licensed banks	6,936	38,633
Cash and bank balances	32,402	19,033
	<u>258,006</u>	<u>256,386</u>
TOTAL ASSETS	<u><u>433,189</u></u>	<u><u>366,300</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	90,545	90,545
Reserves	193,335	178,893
	<u>283,880</u>	<u>269,438</u>
Non-controlling interests	<u>58,818</u>	<u>54,963</u>
Total equity	<u><u>342,698</u></u>	<u><u>324,401</u></u>
Non-current liabilities		
Deferred tax liabilities	454	799
Provision for property development	-	4,527
Loans and borrowings	23,579	-
	<u>24,033</u>	<u>5,326</u>
Current liabilities		
Trade and other payables	48,779	34,599
Provision for property development	-	986
Loans and borrowings	15,741	-
Current tax payable	1,938	988
	<u>66,458</u>	<u>36,573</u>
Total liabilities	<u><u>90,491</u></u>	<u><u>41,899</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>433,189</u></u>	<u><u>366,300</u></u>
Net assets per share attributable to owners of the parent (RM)	3.14	2.98

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.

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**Condensed consolidated statement of changes in equity
for the financial year ended 30 June 2015**

[The figures have not been audited.]

	-----Attributable to owners of the Parent-----							
	<u>Non-distributable</u>				<u>Distributable</u>			
	Share capital RM'000	Share premium RM'000	Revaluation of available- for-sale financial assets RM'000	Revaluation reserves RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interest RM'000	Total equity RM'000
At 01 July 2013	90,545	186	1,669	10,974	163,506	266,880	60,222	327,102
Comprehensive income:								
Net profit for the financial year	-	-	-	-	9,210	9,210	3,737	12,947
Other comprehensive income:								
Realisation of fair value	-	-	(608)	-	-	(608)	-	(608)
Total comprehensive income for the financial year	-	-	(608)	-	9,210	8,602	3,737	12,339
Transactions with owners:								
Acquisition of non-controlling interests in subsidiaries	-	-	-	-	746	746	(9,695)	(8,949)
Disposal of interests to non-controlling interest	-	-	-	-	1	1	(1)	-
Issuance of ordinary shares by subsidiaries	-	-	-	-	-	-	700	700
Dividend paid - first and final in respect of preceding financial year	-	-	-	-	(6,791)	(6,791)	-	(6,791)
Total transactions with owners	-	-	-	-	(6,044)	(6,044)	(8,996)	(15,040)
At 30 June 2014	90,545	186	1,061	10,974	166,672	269,438	54,963	324,401
At 01 July 2014	90,545	186	1,061	10,974	166,672	269,438	54,963	324,401
Comprehensive income:								
Net profit for the financial year	-	-	-	-	19,988	19,988	6,206	26,194
Other comprehensive income:								
Realisation of fair value	-	-	(1,019)	(1,102)	1,102	(1,019)	-	(1,019)
Total comprehensive income for the financial year	-	-	(1,019)	(1,102)	21,090	18,969	6,206	25,175
Transactions with owners:								
Dividend paid - first and final in respect of preceding financial year	-	-	-	-	(4,527)	(4,527)	-	(4,527)
- interim in respect of current financial year	-	-	-	-	-	-	(2,351)	(2,351)
Total transactions with owners	-	-	-	-	(4,527)	(4,527)	(2,351)	(6,878)
At 30 June 2015	90,545	186	42	9,872	183,235	283,880	58,818	342,698

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.

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**Condensed consolidated statement of cash flows
for the financial year ended 30 June 2015**

[The figures have not been audited.]

	Year Ended	
	30/06/2015 RM'000	30/06/2014 RM'000
Cash flows from operating activities		
Profit before taxation	35,774	16,922
<i>Adjustments for:-</i>		
Depreciation and amortisation	1,478	1,252
Net interest income	(433)	(1,456)
Allowance for impairment of receivables written back	-	(256)
Others non-cash items	(1,064)	(433)
Operating profit before changes in working capital	35,755	16,029
Net change in current assets	(33,642)	823
Net change in current liabilities	14,215	10,660
Cash generated from operating activities	16,328	27,512
Taxation paid	(10,523)	(5,125)
Tax refunds	3,999	1,859
Net cash generated from operating activities	9,804	24,246
Cash flows from investing activities		
Interest received	638	1,410
Proceeds from disposal of property, plant and equipment	181	440
Proceeds from disposal of investment properties	-	250
Proceeds from available-for-sale financial assets	6,700	4,000
Additions to property, plant and equipment	(1,817)	(346)
Additions to land held for property development	(52,415)	(602)
Additions to biological assets	(6)	(391)
Additions to investment properties	(13,034)	(82)
Investment in associate	-	(2,020)
Net cash outflow upon loss of control of a subsidiary company	(604)	-
Net cash (used in)/generated from financing investing activities	(60,357)	2,659
Cash flows from financing activities		
Drawdown of loans and borrowings	54,820	
Repayment of loans and borrowings	(15,500)	-
Interest paid	(210)	(2)
Withdrawal of deposits with licensed banks pledged as security	-	563
Deposits with licensed banks pledged as security	(7)	(7)
Acquisition of non-controlling interests in subsidiaries	-	(8,949)
Proceeds from issuance of ordinary shares by subsidiaries	-	700
Dividend paid to non-controlling interests	(2,351)	-
Dividend paid to Company's shareholders	(4,527)	(6,791)
Net cash generated from/(used in) financing activities	32,225	(14,486)
Net change in cash and cash equivalents during the financial year	(18,328)	12,419
Cash and cash equivalents		
- at the beginning of the year	57,666	45,247
- at the end of the year	39,338	57,666
Cash and cash equivalents included in the cash flows comprise the following:-		
Fixed deposits with licensed banks	7,167	38,857
Cash and bank balances	32,402	19,033
	39,569	57,890
Fixed deposits held as security for trade facilities	(231)	(224)
	39,338	57,666

The condensed consolidated 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 June 2015**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 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
- 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.

Notes to the quarterly report - 30 June 2015**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

Dividends paid since the end of the Company's previous financial year were as follows:-

- (a) A single-tier first and final dividend of 5 sen per ordinary share amounting to RM4.527million, in respect of the preceding financial year ended 30 June 2014, that was approved by the members at the Annual General Meeting of the Company held on 25 November 2014, had been paid on 12 December 2014.
- (b) A single-tier interim dividend of 12 sen per ordinary share amounting to RM10.865million, in respect of the current financial year ended 30 June 2015, that was declared by the Board of Directors on 10 July 2015, had been paid on 10 August 2015.

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, except for the declaration of single-tier interim dividend as disclosed in Note A6 herein.

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:-

The Company had on 29 April 2015, incorporated a wholly-owned subsidiary bearing the name of OIB Properties (Meru) Sdn Bhd ("OIBPM") and its issued and paid-up share capital is RM2.00 comprising of 2 ordinary shares of RM1.00 each.

OIBPM is currently a dormant company and its intended business activities are property development, investment holding and construction.

Notes to the quarterly report - 30 June 2015
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
Current year ended						
30 June 2015						
Revenue						
Total revenue	135,120	173,291	1,572	12,177	1,573	323,733
Inter-segment revenue	-	(91,894)	-	(12,177)	-	(104,071)
Revenue from external customers	<u>135,120</u>	<u>81,397</u>	<u>1,572</u>	<u>-</u>	<u>1,573</u>	<u>219,662</u>
Profit/(Loss)						
Reportable segment profit/(loss)	27,096	7,877	405	659	(270)	35,767
Share of profit of an associate	-	-	-	7	-	7
Profit before taxation						<u>35,774</u>
Corresponding year ended						
30 June 2014						
Revenue						
Total revenue	90,908	36,017	2,275	2,451	1,066	132,717
Inter-segment revenue	-	(32,603)	-	(2,451)	-	(35,054)
Revenue from external customers	<u>90,908</u>	<u>3,414</u>	<u>2,275</u>	<u>-</u>	<u>1,066</u>	<u>97,663</u>
Profit/(Loss)						
Reportable segment profit/(loss)	16,980	(735)	1,170	(224)	(264)	16,927
Share of loss of an associate	-	-	-	(5)	-	(5)
Profit before taxation						<u>16,922</u>

Notes to the quarterly report - 30 June 2015
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	30/06/2015 RM'000
Unsecured			
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	1,552	4,128
Secured			
Fixed deposits pledged to a financial institution for bank guarantee issued to third party	200	-	200
Capital expenditure commitments			
Plant and equipment			
Contracted but not provided for	<u>-</u>	<u>293</u>	<u>293</u>
Landowners' entitlement			
Contracted but not provided for	<u>38,924</u>	<u>4,164</u>	<u>43,088</u>
Development land			
Contracted but not provided for	<u>36,950</u>	<u>(36,950)</u>	<u>-</u>
Investment properties			
Contracted but not provided for	<u>-</u>	<u>3,756</u>	<u>3,756</u>

A.12 Related Party Transactions

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

	30/06/2015 RM'000
Sale/(Purchase) of goods and services to/(from):-	
- Enterprises in which substantial interests are owned directly by persons connected with Directors of a subsidiary of the Company	(372)
- Enterprise in which substantial interests are owned directly by persons connected with Directors of a subsidiary of the Company	24
- Enterprises in which substantial interests are owned indirectly by Directors/major shareholders of the Company	(39,762)
- Enterprises in which substantial interests are owned indirectly by Directors/major shareholders of the Company	82,269
Rental income from:-	
- Enterprise in which substantial interests are owned indirectly by Directors/major shareholders of the Company	36

Notes to the quarterly report - 30 June 2015**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, revenue and pre-tax profit of the Group surged by 93% and 77% respectively, compare with the corresponding financial quarter. Again, Property Development, with progress billings and pre-tax profit increased by 86% and 50% respectively, and General Construction, where revenue jumped by 159% and turning loss into profit, accounted for almost all the improved performance of the Group.

Consequently, revenue and pre-tax profit for the reporting financial year also rose by 125% and 111% respectively, compared with the preceding financial year; predominantly due to increase in operating activities and improved overall profit margin. As previously reported, there was a sale of land for RM12.731million, with net gain of RM2.257million, in the previous financial year; should the non-recurrent item be excluded, revenue and pre-tax profit would in fact rose by 159% and 144% respectively, for the same comparable financial years.

Compared with previous financial year, Property Development remained the main contributor to the results of the Group, with its progress billings and pre-tax profit increased by 49% and 61% respectively; whereas in its first full year of operation providing services to external customers, General Construction increased its revenue by almost 23 times and turning an operating loss into RM7.877million pre-tax profit.

Meanwhile, revenue and pre-tax profit of Oil Palm Cultivation increased by 28% and 57% respectively, compare with corresponding financial quarter, due to better harvesting despite of sliding price of Crude Palm Oil ("CPO"). However, for full reporting financial year, both revenue and pre-tax profit dropped by 31% and 65% respectively, compared with those of preceding financial year, attributable to reduction in both yield rate and CPO price.

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

Compared with the best ever recorded results of the Group reported in the immediate preceding financial quarter, revenue and pre-tax profit reduced by 39% and 56% respectively, mainly attributable to 81% decrease in revenue for General Construction and completion of certain low margin old housing projects for Property Development. Whereas, revenue and pre-tax profit of Oil Palm Cultivation increased by 25% and 86% respectively for the same comparable periods, due to reasonable improved yield rate more than cushioned off dropping in price of CPO.

B.3. Prospects for the Current Financial Year

The gradual weakening of Ringgit against most foreign currencies over the period was further depreciated in recent weeks; and it was generally anticipated to have a serious and wider repercussion in the nation's economy across almost all industries. Inflationary effect is expected to cause upward spiral in the cost structure of many businesses, and this in turn would have an adverse effect on the purchasing power of the consumers, especially the sentiment in the property market that involving heavy financial capital commitment.

Facing with tremendous challenge, OIB Group is cautiously taking steps to steer itself into sectors within property industry that would yield better return. Coupled with the strategic acquisitions and smart partnership with landowners, the Board of Directors and the management are confident that the results of OIB Group would remain profitable for the forthcoming financial year.

Notes to the quarterly report - 30 June 2015
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 4th Quarter 30/06/2015 RM'000	Current Year To Date 30/06/2015 RM'000
Profit before taxation is arrived at after (charging)/crediting:-		
Depreciation and amortisation	(376)	(1,478)
Interest expense	(54)	(210)
Rental income	193	665
Interest income	237	643
Realisation of fair value upon disposal of available-for-sale financial assets	685	1,019
Other income	710	2,404

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 30/06/2015 RM'000	Current Year To Date 30/06/2015 RM'000
Malaysian income tax based on the profit for the financial year	2,343	10,185
Transfer from deferred taxation	(359)	(642)
Taxation (over)/underprovided in respect of prior financial year	(16)	37
	<u>1,968</u>	<u>9,580</u>

The effective tax rate of the Group for the financial periods are 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 14 August 2015, the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial statements.

Notes to the quarterly report - 30 June 2015
B.8. Group Borrowings and Debt Securities

The Group's borrowings as at 30 June 2015 are as follows:-

		Secured RM'000	Unsecured RM'000	Total RM'000
Long Term: -	Term loans	23,579	-	23,579
Short Term: -	Current portion of term loans	1,241	-	1,241
	Unsecured revolving credit	-	14,500	14,500
		<u>24,820</u>	<u>14,500</u>	<u>39,320</u>

B.9. Derivative Financial Instrument

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

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 30/06/2015 RM'000	Preceding Financial Year 30/06/2014 RM'000
Total retained earnings of the Company and its subsidiaries:-		
- Realised	192,966	169,458
- Unrealised	161	234
	<u>193,127</u>	<u>169,692</u>
Total share of retained earnings from an associated company:-		
- Realised	23	16
- Unrealised	-	-
	<u>193,150</u>	<u>169,708</u>
Less : Consolidation adjustments	(9,915)	(3,036)
Total group retained earnings as per consolidated financial statements	<u>183,235</u>	<u>166,672</u>

B.12. Changes in Material Litigation

There were no pending material litigation as at 14 August 2015, the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial statements.

Notes to the quarterly report - 30 June 2015
B.13. Dividend

- (a) Other than the dividend paid as disclosed in Note A6 herein, the Board of Directors does not recommend any payment of final dividend in respect of the current financial year ended 30 June 2015.
- (b) The total dividend for the current financial year ended 30 June 2015 is 12 sen per share, single-tier (2014: 5 sen per share, single-tier).

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

	Current Year 4th Quarter 30/06/2015 RM'000	Current Year To Date 30/06/2015 RM'000
(a) Basic		
Profit attributable to owners of the parent	<u>2,303</u>	<u>19,988</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>2.54</u>	<u>22.08</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]

21 August 2015