

# 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 first quarter of financial year ending 30 June 2018.

### Condensed consolidated statement of profit or loss and other comprehensive income for the financial period ended 30 September 2017

[The figures have not been audited.]

	Individual Quarter		Cumulative Quarter	
	Current Year 1st Quarter 30/09/2017 RM'000	Preceding Year Corresponding 1st Quarter 30/09/2016 RM'000	Current Year To Date 30/09/2017 RM'000	Preceding Year Corresponding Period 30/09/2016 RM'000
Revenue	50,030	57,961	50,030	57,961
Cost of sales	(26,457)	(36,591)	(26,457)	(36,591)
<b>Gross profit</b>	23,573	21,370	23,573	21,370
Other income	635	1,633	635	1,633
Selling and distribution expenses	(1,363)	(1,109)	(1,363)	(1,109)
Administrative expenses	(4,102)	(3,269)	(4,102)	(3,269)
Other expenses	(1,466)	(490)	(1,466)	(490)
<b>Results from operating activities</b>	17,277	18,135	17,277	18,135
Finance costs	(542)	(503)	(542)	(503)
Share of results of an associate	7	6	7	6
<b>Profit before tax</b>	16,742	17,638	16,742	17,638
Taxation	(4,305)	(4,471)	(4,305)	(4,471)
<b>Profit for the financial period/ Total comprehensive income</b>	12,437	13,167	12,437	13,167
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	9,896	9,296	9,896	9,296
Non-controlling interests	2,541	3,871	2,541	3,871
	12,437	13,167	12,437	13,167
<b>Basic and diluted earnings per ordinary share (sen)</b>	6.83	6.42	6.83	6.42

The condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the annual financial report for the financial year ended 30 June 2017.

**Condensed consolidated statement of financial position as at 30 September 2017**  
[The figures have not been audited.]

	30/09/2017 RM'000	30/06/2017 RM'000
<b>ASSETS</b>		
Property, plant and equipment	71,507	71,753
Land held for property development	95,752	94,901
Investment properties	26,379	26,441
Biological assets	1,116	1,136
Investment in an associate	5,248	5,241
Deferred tax assets	5,194	5,484
<b>Total non-current assets</b>	205,196	204,956
Property development costs	108,698	112,445
Inventories	36	9
Developed properties	18,187	26,529
Amounts due from customers on construction contracts	15,583	9,813
Trade and other receivables	153,623	141,938
Available-for-sale financial assets	95	95
Tax recoverable	2,257	2,189
Short term investments	14,671	40,239
Cash and bank balances	18,579	16,050
<b>Total current assets</b>	331,729	349,307
<b>Total assets</b>	<u>536,925</u>	<u>554,263</u>
<b>EQUITY</b>		
Share capital	144,872	144,872
Reserves	196,070	196,315
<b>Equity attributable to owners of the Company</b>	340,942	341,187
<b>Non-controlling interests</b>	72,565	70,024
<b>Total equity</b>	<u>413,507</u>	<u>411,211</u>
<b>LIABILITIES</b>		
Loans and borrowings	22,320	23,924
Deferred tax liabilities	558	561
<b>Total non-current liabilities</b>	22,878	24,485
Loans and borrowings	56,459	56,413
Trade and other payables	40,411	59,292
Tax payable	3,670	2,862
<b>Total current liabilities</b>	100,540	118,567
<b>Total liabilities</b>	<u>123,418</u>	<u>143,052</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>536,925</u>	<u>554,263</u>
<b>Net assets per share attributable to owners of the Company (RM)</b>	2.35	2.36

The condensed consolidated statement of financial position should be read in conjunction with the annual financial report for the financial year ended 30 June 2017.

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**Condensed consolidated statement of changes in equity  
for the financial period ended 30 September 2017**

[The figures have not been audited.]

	-----Attributable to owners of the Company-----						
	Share capital	Fair value reserves	Revaluation reserves	Retained earnings	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 01 July 2016</b>	144,872	27	9,385	159,842	314,126	61,242	375,368
Profit for the financial period	-	-	-	9,296	9,296	3,871	13,167
<b>Transactions with owners:</b>							
Dividend paid							
- interim in respect of preceding financial period	-	-	-	(11,590)	(11,590)	-	(11,590)
- interim in respect of current financial period	-	-	-	-	-	(1,122)	(1,122)
<b>Total transactions with owners of the Company</b>	-	-	-	(11,590)	(11,590)	(1,122)	(12,712)
Realisation of revaluation reserves	-	-	(160)	160	-	-	-
<b>At 30 September 2016</b>	<b>144,872</b>	<b>27</b>	<b>9,225</b>	<b>157,708</b>	<b>311,832</b>	<b>63,991</b>	<b>375,823</b>
<b>At 01 July 2017</b>	144,872	-	8,886	187,429	341,187	70,024	411,211
Profit for the financial period	-	-	-	9,896	9,896	2,541	12,437
<b>Transactions with owners:</b>							
Dividend paid							
- interim in respect of preceding financial period	-	-	-	(10,141)	(10,141)	-	(10,141)
- interim in respect of current financial period	-	-	-	-	-	-	-
<b>Total transactions with owners of the Company</b>	-	-	-	(10,141)	(10,141)	-	(10,141)
Realisation of revaluation reserves	-	-	(71)	71	-	-	-
<b>At 30 September 2017</b>	<b>144,872</b>	<b>-</b>	<b>8,815</b>	<b>187,255</b>	<b>340,942</b>	<b>72,565</b>	<b>413,507</b>

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 2017.

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**Condensed consolidated statement of cash flows  
for the financial period ended 30 September 2017**

[The figures have not been audited.]

	Period Ended	
	30/09/2017 RM'000	30/09/2016 RM'000
<b>Cash flows from operating activities</b>		
<b>Profit before tax</b>	16,742	17,638
<i>Adjustments for:-</i>		
Depreciation and amortisation	613	474
Net interest expense/(income)	235	(17)
Write back of allowance for impairment of receivables	(28)	-
Other non-cash items	(7)	(200)
	17,555	17,895
Operating profit before changes in working capital	17,555	17,895
Net change in current assets	(4,668)	6,744
Net change in current liabilities	(18,881)	(544)
	(5,994)	24,095
Cash (used in)/from operating activities	(5,994)	24,095
Tax paid	(3,701)	(5,090)
Tax refunded	423	-
	(9,272)	19,005
<b>Net cash (used in)/from operating activities</b>	(9,272)	19,005
<b>Cash flows from investing activities</b>		
Interest received	307	520
Proceeds from disposal of property, plant and equipment	-	77
Additions to property, plant and equipment	(284)	(388)
Additions to land held for property development	(1,549)	(855)
Additions to biological assets	-	(30)
Additions to investment properties	-	(20)
	(1,526)	(696)
<b>Net cash used in investing activities</b>	(1,526)	(696)
<b>Cash flows from financing activities</b>		
Interest paid	(542)	(503)
Dividend paid to non-controlling interests	-	(1,122)
Dividend paid to Company's shareholders	(10,141)	(11,590)
Repayment of loans and borrowings	(1,558)	(1,552)
Drawdown of loans and borrowings	-	2,500
	(12,241)	(12,267)
<b>Net cash used in financing activities</b>	(12,241)	(12,267)
<b>Net change in cash and cash equivalents during the financial period</b>	(23,039)	6,042
Cash and cash equivalents		
- at the beginning of the period	56,289	57,371
- at the end of the period	33,250	63,413
<b>Cash and cash equivalents included in the cash flows comprise the following:-</b>		
Short term investments	14,671	49,652
Cash and bank balances	18,579	13,761
	33,250	63,413

The condensed consolidated statement of cash flows should be read in conjunction with the annual financial report for the financial year ended 30 June 2017.

**Notes to the quarterly report - 30 September 2017****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 ("Bursa Securities"), and should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2017. 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 2017.

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 2017 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 2017 as follows:-

- |                         |  |
|-------------------------|--|
| - Amendments to FRS 12  | Disclosures of Interests in Other Entities (Annual improvements to FRSs 2014 - 2016 Cycle) |
| - Amendments to FRS 107 | Statement of Cash Flows - Disclosure Initiative  |
| - Amendments to FRS 112 | Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses                    |

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 2018. 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 2018. 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 for the financial period ended 30 September 2017.

**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 period to date.

**Notes to the quarterly report - 30 September 2017**

**A.6. Dividend Paid**

An interim single-tier dividend of 7 sen per ordinary share in respect of the financial year ended 30 June 2017 was declared on 7 August 2017. The dividend, which amounted to RM10.14 million, was paid on 30 August 2017.

**A.7. 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.8. Changes in the Composition of the Group**

There were no changes in the composition of the entity during the interim reporting period.

**A.9. 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 2017						
<b>Revenue</b>						
Total revenue	48,387	17,956	685	1,909	958	69,895
Inter-segment revenue	-	(17,956)	-	(1,909)	-	(19,865)
Revenue from external customers	<u>48,387</u>	<u>-</u>	<u>685</u>	<u>-</u>	<u>958</u>	<u>50,030</u>
<b>Profit/(Loss)</b>						
Reportable segment profit/(loss)	17,531	-	337	(1,076)	(57)	16,735
Share of results of an associate	-	-	-	7	-	7
Profit before tax						<u>16,742</u>
<b>Corresponding period ended</b>						
30 September 2016						
<b>Revenue</b>						
Total revenue	48,983	36,069	212	4,725	746	90,735
Inter-segment revenue	-	(28,049)	-	(4,725)	-	(32,774)
Revenue from external customers	<u>48,983</u>	<u>8,020</u>	<u>212</u>	<u>-</u>	<u>746</u>	<u>57,961</u>
<b>Profit/(Loss)</b>						
Reportable segment profit/(loss)	16,827	495	(27)	410	(73)	17,632
Share of results of an associate	-	-	-	6	-	6
Profit before tax						<u>17,638</u>

**Notes to the quarterly report - 30 September 2017**

**A.10. Commitments**

There were no changes in commitments since the last annual reporting date as at 30 June 2017, except for the following:-

	01/07/2017 RM'000	Changes RM'000	30/09/2017 RM'000
<b>Unsecured</b>			
Bankers' guarantee issued to third parties in favour of subsidiaries	<u>5,041</u>	<u>35</u>	<u>5,076</u>
<b>Landowners' entitlement</b>			
Contracted but not provided for	<u>34,799</u>	<u>24,835</u>	<u>59,634</u>
<b>Development land</b>			
Contracted but not provided for	<u>128,138</u>	<u>2,687</u>	<u>130,825</u>

**A.11 Related Party Transactions**

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

	30/09/2017 RM'000
<b>Sale/(Purchase) of goods and services to/(from):-</b>	
- Enterprises in which substantial interests are owned directly by persons connected with Directors of a subsidiary of the Company	(17)
- Enterprise in which substantial interests are owned directly by persons connected with Directors of a subsidiary of the Company	8
- Enterprises in which substantial interests are owned indirectly by Directors/major shareholders of the Company	(6,724)
- Enterprises in which substantial interests are owned indirectly by Directors/major shareholders of the Company	140
<b>Rental income/(expenses) from/(to):-</b>	
- Enterprise in which substantial interests are owned indirectly by Directors/major shareholders of the Company	24
- Enterprise in which substantial interests are owned indirectly by Directors/major shareholders of the Company	(37)

Notes to the quarterly report - 30 September 2017

**B. Additional Information required by the Bursa Malaysia Securities Berhad 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**

	Individual Quarter			Cumulative Quarter		
	Current Year 1st Quarter 30/09/2017 RM'000	Preceding Year Corresponding 1st Quarter 30/09/2016 RM'000	Changes %	Current Year To Date 30/09/2017 RM'000	Preceding Year Corresponding Period 30/09/2016 RM'000	Changes %
<b>Revenue</b>						
Property Development	48,387	48,983	(1)	48,387	48,983	(1)
General Construction	-	8,020	(100)	-	8,020	(100)
Oil Palm Cultivation	685	212	223	685	212	223
Others	958	746	28	958	746	28
<b>Total</b>	<b>50,030</b>	<b>57,961</b>	<b>(14)</b>	<b>50,030</b>	<b>57,961</b>	<b>(14)</b>
<b>Profit/(Loss) before tax</b>						
Property Development	17,531	16,827	4	17,531	16,827	4
General Construction	-	495	(100)	-	495	(100)
Oil Palm Cultivation	337	(27)	1,348	337	(27)	1,348
Investment Holding	(1,069)	416	(357)	(1,069)	416	(357)
Others	(57)	(73)	22	(57)	(73)	22
<b>Total</b>	<b>16,742</b>	<b>17,638</b>	<b>(5)</b>	<b>16,742</b>	<b>17,638</b>	<b>(5)</b>

The Group registered revenue of RM50.03 million and profit before tax ("PBT") of RM16.74 million for the reporting quarter, representing 14% and 5% decrease from RM57.96 million and RM17.64 million respectively compared with the corresponding quarter.

Comparing with the corresponding quarter, although revenue of Property Development Division for the reporting quarter decreased by 1%, PBT increased by 4%; mainly due to improved project margin. Meanwhile, for the same comparable periods, revenue and PBT from General Construction Division are unavailable because of the Group's decision to focus on the Group's property development division, whilst simultaneously seeking out work from external customers.

The Oil Palm Cultivation Division reported upside in its performance where an increase in tonnage harvested has contributed to a 223% spike in revenue and improved price of crude palm oil contributed further to a 13 times increase in PBT compared with the corresponding quarter.



Notes to the quarterly report - 30 September 2017

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

	<b>Current Year 1st Quarter 30/09/2017 RM'000</b>	<b>Immediate Preceding 4th Quarter 30/06/2017 RM'000</b>	<b>Changes %</b>
<b>Revenue</b>			
Property Development	48,387	90,678	(47)
General Construction	-	1,859	(100)
Oil Palm Cultivation	685	648	6
Others	958	862	11
Total	<u>50,030</u>	<u>94,047</u>	(47)
<b>Profit/(Loss) before tax</b>			
Property Development	17,531	30,105	(42)
General Construction	-	302	(100)
Oil Palm Cultivation	337	179	88
Investment Holding	(1,069)	(517)	(107)
Others	(57)	(97)	41
Total	<u>16,742</u>	<u>29,972</u>	(44)

The Group recorded 47% and 44% drop in revenue and PBT respectively compared to the immediate preceding quarter. Both key divisions reported decline: Revenue from Property Development Division dipped significantly by 47% resulting in corresponding 42% drop in PBT, principally due to completion of some projects during the preceding quarter. Due to the absence of billings to external customers, there is no PBT available during this quarter. Meanwhile, revenue and PBT of Oil Palm Cultivation Division increased by 6% and 88% respectively, compared with immediate preceding quarter, due to better harvesting despite of sliding price of crude palm oil.

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

The Group is cautiously optimistic for the following quarter, recognising that stringent lending requirements by financial institutions and heavier competition among developers are ever present. However, with the addition of several new phases catering to the RM400,000 - RM700,000 segment primarily in the Puchong and Putrajaya area, the Group is confident that its revenue and profit will be driven by these launches in the subsequent quarters.

With the handover of 280 units of Casa Dahlia and the launching of a new project entitled Myra alongside strong sales from the northern PPA1M projects in Sungai Petani, Bedong & Kulim, the Group anticipates achieving healthy profitability and growth. This is further bolstered by steady sales of the central projects, namely, Seroja Hills and Taman Belia Antarabangsa. With the launch of Selangorku homes, the Group welcomes the additional boost in sales to further increase revenue and ensuring the Group's objectives is on track to be met.

Taking into account the strong growth of the RM400,000 - RM700,000 segment, the Group is strategically planning its acquisition of land banks to cater to this segment and to diversify the Group's offerings. Adding on to a newly established department of Customer Experience, the Group is confident of creating a clear positive differentiation across its products.

The Group's prospects remain positive due to the current mix of developments falling into the affordable segment, as well as consistent sales from both North and Central Malaysia.

**Notes to the quarterly report - 30 September 2017**

**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 30/09/2017 RM'000	Current Year To Date 30/09/2017 RM'000
Profit before taxation is arrived at after (charging)/crediting:-		
Depreciation and amortisation	(613)	(613)
Interest expense	(542)	(542)
Write back of allowance for impairment of receivables	28	28
Rental income	222	222
Interest income	307	307
Other income	78	78
	<u>78</u>	<u>78</u>

Save as disclosed above, the other items as required under Appendix 9B, Part A (16) of the Bursa Securities Listing Requirements are not applicable.

**B.6. Taxation**

	Current Year 1st Quarter 30/09/2017 RM'000	Current Year To Date 30/09/2017 RM'000
Malaysian income tax based on the profit for the financial year	4,018	4,018
Deferred taxation	287	287
	<u>4,305</u>	<u>4,305</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.

**Notes to the quarterly report - 30 September 2017****B.7. Status of Corporate Proposals**

There were no corporate proposals that have been announced but not completed as at 19 November 2017, the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial statements, other than as follows:-

On 23 May 2017, RHB Investment Bank Berhad had, on behalf of the Board of Directors of the Company (“the Board”), announced that OIB Properties (K) Sdn Bhd (“OIB(K)”), a wholly-owned subsidiary of the Company had on 23 May 2017, entered into four (4) separate conditional sale and purchase agreements (“SPA”) for the proposed acquisitions of the following:-

- (a) A parcel of leasehold land measuring approximately 35.57 acres held under P.T. No. 10564 (H.S. (D) 5728), Mukim Ijok, District of Kuala Selangor, State of Selangor from Advance Return Sdn Bhd, for a purchase consideration of RM28,000,000 to be satisfied through a combination of cash amounting to RM14,999,231 and the issuance of 13,000,769 redeemable preference shares in OIB (“Consideration RPS”) at an issue price of RM1.00 each (“Proposed Ijok Land Acquisition”);
- (b) 406 sub-divided freehold lands measuring in aggregate approximately 33.08 acres of Parent Lot P.T. No. 92957 (H.S. (D) 111141), Bandar Amanjaya, District of Kuala Muda, State of Kedah from Seloka Setia Sdn Bhd, for a purchase consideration of RM40,142,000 to be satisfied through a combination of cash amounting to RM21,503,540 and the issuance of 18,638,460 Consideration RPS at an issue price of RM1.00 each (“Proposed Amanjaya Land Acquisition”);
- (c) Part of six (6) parcels of freehold lands measuring in aggregate approximately 148.61 acres (or approximately 57.38% of the total land area of 259.04 acres) held under Lot Nos. 3189, 3190 and 3191 (GM 4694, GM 4695 and GRN 32168), Mukim Sungai Petani and Lot No. 63198, P.T. Nos. 92960 and 91 (H.S. (D) 128656, H.S. (D) 111137 and H.S. (D) 115284), Bandar Amanjaya, all in District of Kuala Muda, State of Kedah, from Impian Seloka Sdn Bhd, for a purchase consideration of RM34,805,000 to be satisfied through a combination of cash amounting to RM18,644,579 and the issuance of 16,160,421 Consideration RPS at an issue price of RM1.00 each (“Proposed SP Land Acquisition”); and
- (d) 11 parcels of adjoining freehold lands measuring in aggregate approximately 5.03 acres held under Lot Nos. 13769 to 13771 (GRN 70994 to 70996), Lot Nos. 13772 to 13773 (GRN 70971 to 70972), Lot Nos. 13742 to 13746 (GRN 71006 to 71010) and P.T. No. 6574 (H.S. (D) 24950) all in Mukim 12, District of Barat Daya, State of Pulau Pinang, from ETOS Wangsa Sdn Bhd, for a purchase consideration of RM26,280,000 to be satisfied through a combination of cash amounting to RM1,314,000 and the issuance of 9,986,400 new ordinary shares in OIB at an issue price of RM2.50 each (“Proposed Mukim 12 Land Acquisition”).

(The Proposed Ijok Land Acquisition, Proposed Amanjaya Land Acquisition, Proposed SP Land Acquisition and Proposed Mukim 12 Land Acquisition are collectively referred to as the “Proposed Acquisitions”).

In addition, the Company also proposes to amend certain clauses in the existing articles of association of the Company to facilitate the issuance of the Consideration RPS (“Proposed Amendment”).

(The Proposed Acquisitions and the Proposed Amendment are collectively referred to as the “Proposals”).

On 24 July 2017, RHB Investment Bank Berhad had, on behalf of the Board announced that the listing application in relation to the Proposals has been submitted to Bursa Securities on 21 July 2017.

**Notes to the quarterly report - 30 September 2017**

**B.7. Status of Corporate Proposals (continued)**

On 9 October 2017, RHB Investment Bank Berhad had, on behalf of the Board announced that Bursa Securities had, vide its letter dated 6 October 2017 approved the listing of and quotation for 9,986,400 Consideration Shares to be issued pursuant to the Proposed Acquisitions subject to the following conditions:-

- (a) OIB and RHB Investment Bank Berhad must fully comply with the relevant provisions under the Main Market Listing Requirements pertaining to the implementation of the Proposed Acquisitions;
- (b) OIB and RHB Investment Bank Berhad to inform Bursa Securities upon the completion of the Proposed Acquisitions;
- (c) OIB and RHB Investment Bank Berhad to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Acquisitions are completed; and
- (d) OIB to furnish Bursa Securities with a certified true copy of the resolutions passed by the shareholders at the extraordinary general meeting approving the Proposals.

On 17 October 2017, the Board announced an extraordinary general meeting of OIB will be held on 26 November 2017 for the approval of Proposals from the shareholders.

On 17 October 2017, RHB Investment Bank Berhad had, on behalf of the Board announced that OIB (K) and the Vendors had on 17 October 2017, vide an exchange of letters between their respective solicitors, mutually agreed to extend the period to fulfil the conditions precedent in the respective SPAs from 24 November 2017 to 31 January 2018.

**B.8. Group Borrowings and Debt Securities**

	<b>Long Term RM'000</b>	<b>Short Term RM'000</b>	<b>Total RM'000</b>
<b>Current period ended</b>			
30 September 2017			
<b>Secured</b>			
Term loans	22,320	6,459	28,779
<b>Unsecured</b>			
Revolving credit	-	50,000	50,000
	<u>22,320</u>	<u>56,459</u>	<u>78,779</u>
<b>Corresponding period ended</b>			
30 September 2016			
<b>Secured</b>			
Term loans	28,734	6,464	35,198
<b>Unsecured</b>			
Revolving credit	-	49,000	49,000
	<u>28,734</u>	<u>55,464</u>	<u>84,198</u>

**Notes to the quarterly report - 30 September 2017**

**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 30/09/2017 RM'000	Preceding Financial Year 30/06/2017 RM'000
Total retained earnings of the Company and its subsidiaries:-		
- Realised	311,270	308,973
- Unrealised	(453)	(451)
	<u>310,817</u>	<u>308,522</u>
Total share of retained earnings from an associated company:-		
- Realised	78	72
- Unrealised	-	-
	<u>310,895</u>	<u>308,594</u>
Less : Consolidation adjustments	(123,640)	(121,165)
Total group retained earnings as per consolidated financial statements	<u><u>187,255</u></u>	<u><u>187,429</u></u>

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

There were no pending material litigations as at 19 November 2017, the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial statements.

**B.13. Dividend**

Other than the dividend paid as disclosed in Note A6 herein, the Board of Directors does not recommend any payment of dividend in respect of the current financial year ending 30 June 2018.

**Notes to the quarterly report - 30 September 2017****B.14. Earnings Per Share ("EPS")**

	Current Year 1st Quarter 30/09/2017	Current Year To Date 30/09/2017
<b>(a) Basic</b>		
Profit attributable to owners of the Company (RM'000)	<u>9,896</u>	<u>9,896</u>
Number of ordinary shares in issue at beginning of the period ('000)	<u>144,872</u>	<u>144,872</u>
Basic EPS (sen)	<u>6.83</u>	<u>6.83</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]

26 November 2017