

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 second quarter of financial year ending 30 June 2018.

Condensed consolidated statement of profit or loss and other comprehensive income for the financial period ended 31 December 2017

[The figures have not been audited.]

	Individual Quarter		Cumulative Quarter	
	Current Year 2nd Quarter 31/12/2017 RM'000	Preceding Year Corresponding 2nd Quarter 31/12/2016 RM'000	Current Year To Date 31/12/2017 RM'000	Preceding Year Corresponding Period 31/12/2016 RM'000
Revenue	57,453	38,649	107,483	96,610
Cost of sales	(33,065)	(21,875)	(59,522)	(58,466)
Gross profit	24,388	16,774	47,961	38,144
Other income	838	983	1,473	2,616
Selling and distribution expenses	(962)	(1,481)	(2,325)	(2,590)
Administrative expenses	(5,619)	(3,440)	(9,721)	(6,709)
Other expenses	(1,529)	(879)	(2,995)	(1,369)
Results from operating activities	17,116	11,957	34,393	30,092
Finance costs	(753)	(443)	(1,295)	(946)
Share of results of an associate	6	6	13	12
Profit before tax	16,369	11,520	33,111	29,158
Taxation	(3,719)	(2,614)	(8,024)	(7,085)
Profit for the financial period/ Total comprehensive income	12,650	8,906	25,087	22,073
Total comprehensive income attributable to:				
Owners of the Company	8,768	6,839	18,664	16,135
Non-controlling interests	3,882	2,067	6,423	5,938
	12,650	8,906	25,087	22,073
Basic and diluted earnings per ordinary share (sen)	6.05	4.72	12.88	11.14

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 31 December 2017

[The figures have not been audited.]

	31/12/2017 RM'000	30/06/2017 RM'000
ASSETS		
Property, plant and equipment	71,177	71,753
Land held for property development	38,770	94,901
Investment properties	26,317	26,441
Biological assets	1,095	1,136
Investment in an associate	5,254	5,241
Deferred tax assets	6,608	5,484
Total non-current assets	149,221	204,956
Property development costs	162,573	112,445
Inventories	12	9
Developed properties	43,483	26,529
Amounts due from customers on construction contracts	13,424	9,813
Trade and other receivables	179,660	141,938
Available-for-sale financial assets	95	95
Tax recoverable	3,109	2,189
Short term investments	34,701	40,239
Cash and bank balances	27,004	16,050
Total current assets	464,061	349,307
Total assets	<u>613,282</u>	<u>554,263</u>
EQUITY		
Share capital	144,872	144,872
Reserves	205,113	196,315
Equity attributable to owners of the Company	349,985	341,187
Non-controlling interests	71,966	70,024
Total equity	<u>421,951</u>	<u>411,211</u>
LIABILITIES		
Loans and borrowings	20,303	23,924
Deferred tax liabilities	267	561
Total non-current liabilities	20,570	24,485
Loans and borrowings	102,873	56,413
Trade and other payables	61,216	59,292
Tax payable	6,672	2,862
Total current liabilities	170,761	118,567
Total liabilities	<u>191,331</u>	<u>143,052</u>
TOTAL EQUITY AND LIABILITIES	<u>613,282</u>	<u>554,263</u>
Net assets per share attributable to owners of the Company (RM)	2.42	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 31 December 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
At 01 July 2016	144,872	27	9,385	159,842	314,126	61,242	375,368
Profit for the financial period	-	-	-	16,135	16,135	5,938	22,073
Transactions with owners:							
Issuance of ordinary shares by a subsidiary	-	-	-	-	-	200	200
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)
Total transactions with owners of the Company	-	-	-	(11,590)	(11,590)	(922)	(12,512)
Realisation of revaluation reserves	-	-	(238)	238	-	-	-
At 31 December 2016	144,872	27	9,147	164,625	318,671	66,258	384,929
At 01 July 2017	144,872	-	8,886	187,429	341,187	70,024	411,211
Profit for the financial period	-	-	-	18,664	18,664	6,423	25,087
Transactions with owners:							
Acquisition of non-controlling interests in a subsidiary	-	-	-	275	275	(895)	(620)
Dividend paid							
- interim in respect of preceding financial period	-	-	-	(10,141)	(10,141)	-	(10,141)
- interim in respect of current financial period	-	-	-	-	-	(3,586)	(3,586)
Total transactions with owners of the Company	-	-	-	(9,866)	(9,866)	(4,481)	(14,347)
Realisation of revaluation reserves	-	-	(155)	155	-	-	-
At 31 December 2017	144,872	-	8,731	196,382	349,985	71,966	421,951

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 31 December 2017**

[The figures have not been audited.]

	Period Ended	
	31/12/2017 RM'000	31/12/2016 RM'000
Cash flows from operating activities		
Profit before tax	33,111	29,158
<i>Adjustments for:-</i>		
Depreciation and amortisation	1,234	980
Net interest expense/(income)	467	(159)
Write back of allowance for impairment of receivables	(28)	-
Other non-cash items	(13)	(170)
	34,771	29,809
Net change in current assets	(46,132)	1,200
Net change in current liabilities	1,924	4,396
	(9,437)	35,405
Cash (used in)/from operating activities	(9,437)	(8,762)
Tax paid	(6,974)	-
Tax refunded	423	-
	(15,988)	26,643
Cash flows from investing activities		
Interest received	828	1,105
Proceeds from disposal of property, plant and equipment	-	141
Additions to property, plant and equipment	(493)	(789)
Additions to land held for property development	(6,128)	(2,159)
Additions to biological assets	-	(30)
Additions to investment properties, net of reversal	-	1,731
	(5,793)	(1)
Cash flows from financing activities		
Acquisition of non-controlling interests in a subsidiary	(620)	-
Interest paid	(1,295)	(946)
Dividend paid to non-controlling interests	(3,586)	(1,122)
Dividend paid to Company's shareholders	(10,141)	(11,590)
Repayment of loans and borrowings	(3,161)	(3,155)
Drawdown of loans and borrowings	46,000	3,500
Proceeds from issuance of ordinary shares by a subsidiary	-	200
	27,197	(13,113)
Net change in cash and cash equivalents during the financial period	5,416	13,529
Cash and cash equivalents		
- at the beginning of the period	56,289	57,371
- at the end of the period	61,705	70,900
Cash and cash equivalents included in the cash flows comprise the following:-		
Short term investments	34,701	56,494
Cash and bank balances	27,004	14,406
	61,705	70,900

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 2017.

Notes to the quarterly report - 31 December 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 31 December 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 - 31 December 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, other than as follows:-

The Company had, on 28 December 2017, acquired 1.89% equity stake in Aturan Cemerlang Sdn Bhd ("AC") represented by 238,642 ordinary shares from a minority shareholder for a total cash consideration of RM620,469. Following the aforesaid acquisition, the Company now holds 75.28% equity interest in AC.

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
Current period ended						
31 December 2017						
Revenue						
Total revenue	96,310	72,403	1,273	11,652	2,206	183,844
Inter-segment revenue	-	(64,709)	-	(11,652)	-	(76,361)
Revenue from external customers	<u>96,310</u>	<u>7,694</u>	<u>1,273</u>	<u>-</u>	<u>2,206</u>	<u>107,483</u>
Profit/(Loss)						
Reportable segment profit/(loss)	33,890	545	498	(2,018)	183	33,098
Share of results of an associate	-	-	-	13	-	13
Profit before tax						<u>33,111</u>
Corresponding period ended						
31 December 2016						
Revenue						
Total revenue	81,284	67,782	486	5,278	1,591	156,421
Inter-segment revenue	-	(54,533)	-	(5,278)	-	(59,811)
Revenue from external customers	<u>81,284</u>	<u>13,249</u>	<u>486</u>	<u>-</u>	<u>1,591</u>	<u>96,610</u>
Profit/(Loss)						
Reportable segment profit/(loss)	27,748	878	(20)	494	46	29,146
Share of results of an associate	-	-	-	12	-	12
Profit before tax						<u>29,158</u>

Notes to the quarterly report - 31 December 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	31/12/2017 RM'000
Unsecured			
Bankers' guarantee issued to third parties in favour of subsidiaries	<u>5,041</u>	<u>297</u>	<u>5,338</u>
Landowners' entitlement			
Contracted but not provided for	<u>34,799</u>	<u>15,309</u>	<u>50,108</u>
Development land			
Contracted but not provided for	<u>128,138</u>	<u>(872)</u>	<u>127,266</u>

A.11 Related Party Transactions

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

	31/12/2017 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	(51)
- Enterprise in which substantial interests are owned directly by persons connected with Directors of a subsidiary of the Company	12
- Enterprises in which substantial interests are owned indirectly by Directors/major shareholders of the Company	(18,569)
- Enterprises in which substantial interests are owned indirectly by Directors/major shareholders of the Company	8,112
Rental income/(expenses) from/(to):-	
- Enterprise in which substantial interests are owned indirectly by Directors/major shareholders of the Company	84
- Enterprise in which substantial interests are owned indirectly by Directors/major shareholders of the Company	(77)

Notes to the quarterly report - 31 December 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. Financial Review for Current Quarter and Financial Year to Date

	Individual Quarter			Cumulative Quarter		
	Current Year 2nd Quarter 31/12/2017 RM'000	Preceding Year Corresponding 2nd Quarter 31/12/2016 RM'000	Changes %	Current Year To Date 31/12/2017 RM'000	Preceding Year Corresponding Period 31/12/2016 RM'000	Changes %
Revenue						
Property Development	47,923	32,301	48	96,310	81,284	18
General Construction	7,694	5,229	47	7,694	13,249	(42)
Oil Palm Cultivation	588	274	115	1,273	486	162
Others	1,248	845	48	2,206	1,591	39
Total	57,453	38,649	49	107,483	96,610	11
Profit/(Loss) before tax						
Property Development	16,359	10,921	50	33,890	27,748	22
General Construction	545	383	42	545	878	(38)
Oil Palm Cultivation	161	7	2,200	498	(20)	2,590
Investment Holding	(936)	90	(1,140)	(2,005)	506	(496)
Others	240	119	102	183	46	298
Total	16,369	11,520	42	33,111	29,158	14

For the reporting of the financial quarter, revenue and profit before taxation ("PBT") for the Group increased by 49% and 42% respectively compared with those of the corresponding quarter. Consequently, revenue and PBT for the first half of the current financial year exceeded results of the first six-month of the preceding financial year by 11% and 14% respectively.

Property Development Division remains a major contributor to the Group's results, achieving revenue and PBT of RM47.92 million and RM16.36 million respectively for the reporting quarter, representing 48% and 50% increase respectively, compared with the corresponding financial quarter. Compared with half-year results of the last financial year, RM96.31 million of revenue and RM33.89 million of PBT recorded shows growth of 18% and 22% respectively; mainly due to the addition of new projects with higher contribution margin in the current reporting financial period.

Nonetheless, the increase in revenue and PBT by 47% and 42% respectively for General Construction Division for the reporting quarter were unable to mitigate the impact of slide in revenue and PBT by 42% and 38% respectively for the first half of the current financial year compare with the last financial year. The decrease in revenue for the first half of the current financial year was mainly due to some projects were completed in the last financial year.

Compared with the corresponding financial quarter, revenue and PBT for Oil Palm Cultivation Division rose by 115% and 2,200% respectively; consequently revenue and PBT for the half-year for the current financial year increased by 162% and 2,590% compare with the last financial year, mainly due to increased in tonnage harvested despite the slight drop of crude palm oil prices.

Notes to the quarterly report - 31 December 2017

B.2. Financial Review for Current Quarter Compared with Immediate Preceding Quarter

	Current Year 2nd Quarter 31/12/2017 RM'000	Immediate Preceding 1st Quarter 30/09/2017 RM'000	Changes %
Revenue			
Property Development	47,923	48,387	(1)
General Construction	7,694	-	100
Oil Palm Cultivation	588	685	(14)
Others	1,248	958	30
Total	<u>57,453</u>	<u>50,030</u>	15
Profit/(Loss) before tax			
Property Development	16,359	17,531	(7)
General Construction	545	-	100
Oil Palm Cultivation	161	337	(52)
Investment Holding	(936)	(1,069)	12
Others	240	(57)	521
Total	<u>16,369</u>	<u>16,742</u>	(2)

Revenue of the Group has increased by 15% although the PBT has decreased by 2% in comparison with the previous financial quarter. The total revenue of the Property Development Division remains approximately the same despite seeing its PBT reduced by 7% mainly due to higher operating expenses. The revenue and PBT of Oil Palm Cultivation Division slid by 14% and 52% respectively for the same comparable periods due to a lower yield rate and further drop in price for crude palm oil. However, for the General Construction Division, both its revenue and PBT has experienced a surge of 100% due to billings of new projects.

B.3. Prospects for the Current Financial Year

The Group is optimistic of delivering positive performance in the near to medium term following 100% take-up rate for Residensi-14 (“R-14”) project and the first phase of Myra Meranti project as well as strong demand for other projects such as Taman Seri Bestari, Taman Belia Antarabangsa and Seroja Hills. The bookings for R-14 and first phase of Myra Meranti projects were closed during the quarter under review. The unbilled sales as at 31 December 2017 was RM93.19 million and this is expected to bolster the strong sales from Myra Meranti, Seroja Hills and Taman Belia Antarabangsa projects as well as multiple successful launches in the northern region during the current quarter. Several new projects and new phases of existing projects are in the pipeline slated for launch through the near future.

Adding to that, the Group’s total land bank grew to 365.88 acres upon completion of the Proposed Acquisition afore-mentioned with the lands, which are situated in the north and central regions of Peninsular Malaysia, provide opportunities for various developments in time to come.

Given the above, the Board is confident that the Group would be able to deliver yet another year of strong performance.

Notes to the quarterly report - 31 December 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 2nd Quarter 31/12/2017 RM'000	Current Year To Date 31/12/2017 RM'000
Profit before taxation is arrived at after (charging)/crediting:-		
Depreciation and amortisation	(621)	(1,234)
Interest expense	(753)	(1,295)
Write back of allowance for impairment of receivables	-	28
Rental income	244	466
Interest income	521	828
Other income	73	151
	<u>73</u>	<u>151</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 2nd Quarter 31/12/2017 RM'000	Current Year To Date 31/12/2017 RM'000
Malaysian income tax based on the profit for the financial year	5,424	9,442
Deferred taxation	(1,705)	(1,418)
	<u>3,719</u>	<u>8,024</u>

The effective tax rate of the Group for the financial periods are approximate to the statutory income tax rate.

Notes to the quarterly report - 31 December 2017**B.7. Status of Corporate Proposals**

The following proposals were completed on 30 January 2018:-

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 ("Consideration Shares") 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 - 31 December 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.

On 18 December 2017, RHB Investment Bank Berhad had, on behalf of the Board announced that OIB(K) has been informed by the Vendors' solicitors, that the relevant State Authority's unconditional consent to transfer the Ijok Land from Advance Return to OIB(K) has been obtained. In view that this is the final condition precedent for the SPAs, the parties to the SPAs agree and acknowledge that the SPAs have become unconditional as at 18 December 2017.

On 30 January 2018, RHB Investment Bank Berhad had, on behalf of the Board announced the Proposed Acquisitions have been completed on 30 January 2018 following the payment by OIB(K) of the balance cash consideration of RM50.00 million as well as the issuance and allotment of 47,799,650 Consideration RPS and 9,986,400 Consideration Shares to the vendors. After allotment of 9,986,400 Consideration Shares, the latest share capital of OIB is represented by 154,858,934 ordinary shares.

Other than the above, there were no corporate proposals announced but not completed as at 6 February 2018, 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 - 31 December 2017

B.8. Group Borrowings and Debt Securities

	Long Term RM'000	Short Term RM'000	Total RM'000
Current period ended			
31 December 2017			
Secured			
Term loans	20,303	6,873	27,176
Revolving credit	-	46,000	46,000
Unsecured			
Revolving credit	-	50,000	50,000
	<u>20,303</u>	<u>102,873</u>	<u>123,176</u>
Corresponding period ended			
31 December 2016			
Secured			
Term loans	26,717	6,878	33,595
Revolving credit	-	-	-
Unsecured			
Revolving credit	-	50,000	50,000
	<u>26,717</u>	<u>56,878</u>	<u>83,595</u>

The weighted average interest rate at the end of the reporting period are at follows:

	As at 31/12/2017	As at 31/12/2016
Floating interest rate		
Term loans	4.88%	4.82%
Revolving credit	4.67%	4.30%

(a) The increase of borrowings is mainly to finance the on-going housing projects.

(b) There were no bank borrowings denominated in foreign currencies as at the reporting date.

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.

Notes to the quarterly report - 31 December 2017

B.11. Realised and Unrealised Earnings or Losses Disclosure

The retained earnings are analysed as follows:-

	Current Year To date 31/12/2017 RM'000	Preceding Financial Year 30/06/2017 RM'000
Total retained earnings of the Company and its subsidiaries:-		
- Realised	321,823	308,973
- Unrealised	323	(451)
	<u>322,146</u>	<u>308,522</u>
Total share of retained earnings from an associated company:-		
- Realised	85	72
- Unrealised	-	-
	<u>322,231</u>	<u>308,594</u>
Less : Consolidation adjustments	(125,849)	(121,165)
Total group retained earnings as per consolidated financial statements	<u><u>196,382</u></u>	<u><u>187,429</u></u>

B.12. Changes in Material Litigation

There were no pending material litigations as at 6 February 2018, 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.

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

	Current Year 2nd Quarter 31/12/2017	Current Year To Date 31/12/2017
(a) Basic		
Profit attributable to owners of the Company (RM'000)	<u>8,768</u>	<u>18,664</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>6.05</u>	<u>12.88</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.

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Notes to the quarterly report - 31 December 2017**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]

13 February 2018