

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 third 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 March 2018

[The figures have not been audited.]

	Individual Quarter		Cumulative Quarter	
	Current Year 3rd Quarter 31/03/2018 RM'000	Preceding Year Corresponding 3rd Quarter 31/03/2017 RM'000	Current Year To Date 31/03/2018 RM'000	Preceding Year Corresponding Period 31/03/2017 RM'000
Revenue	71,190	57,277	178,673	153,887
Cost of sales	(45,324)	(40,692)	(104,846)	(99,158)
Gross profit	25,866	16,585	73,827	54,729
Other income	673	843	2,146	3,459
Selling and distribution expenses	(1,047)	(1,231)	(3,372)	(3,821)
Administrative expenses	(7,872)	(6,694)	(17,593)	(13,403)
Other expenses	(4,017)	(2,871)	(7,012)	(4,240)
Results from operating activities	13,603	6,632	47,996	36,724
Finance costs	(687)	(619)	(1,982)	(1,565)
Share of results of an associate	7	7	20	19
Profit before tax	12,923	6,020	46,034	35,178
Taxation	(3,425)	(1,586)	(11,449)	(8,671)
Profit for the financial period/ Total comprehensive income	9,498	4,434	34,585	26,507
Total comprehensive income attributable to:				
Owners of the Company	6,438	2,982	25,102	19,117
Non-controlling interests	3,060	1,452	9,483	7,390
	9,498	4,434	34,585	26,507
Basic and diluted earnings per ordinary share (sen)	4.16	2.06	16.21	13.20

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 March 2018
[The figures have not been audited.]

	31/03/2018 RM'000	30/06/2017 RM'000
ASSETS		
Property, plant and equipment	71,730	71,753
Land held for property development	170,176	94,901
Investment properties	26,255	26,441
Biological assets	1,075	1,136
Investment in an associate	5,261	5,241
Deferred tax assets	7,823	5,484
Total non-current assets	282,320	204,956
Property development costs	172,226	112,445
Inventories	18	9
Developed properties	35,729	26,529
Amounts due from customers on construction contracts	10,693	9,813
Trade and other receivables	211,674	141,938
Available-for-sale financial assets	-	95
Tax recoverable	1,724	2,189
Short term investments	3,971	40,239
Cash and bank balances	63,272	16,050
Total current assets	499,307	349,307
Total assets	781,627	554,263
EQUITY		
Share capital	169,838	144,872
Reserves	211,554	196,315
Equity attributable to owners of the Company	381,392	341,187
Non-controlling interests	74,993	70,024
Total equity	456,385	411,211
LIABILITIES		
Loans and borrowings	116,914	23,924
Deferred tax liabilities	141	561
Total non-current liabilities	117,055	24,485
Loans and borrowings	131,258	56,413
Trade and other payables	70,361	59,292
Tax payable	6,568	2,862
Total current liabilities	208,187	118,567
Total liabilities	325,242	143,052
TOTAL EQUITY AND LIABILITIES	781,627	554,263
Net assets per share attributable to owners of the Company (RM)	2.46	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.

**Condensed consolidated statement of changes in equity
for the financial period ended 31 March 2018**

[The figures have not been audited.]

-----Attributable to owners of the Company-----

	<u>Non-distributable</u>		<u>Distributable</u>		Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Fair value reserves RM'000	Revaluation reserves RM'000	Retained earnings RM'000			
At 01 July 2016	144,872	27	9,385	159,842	314,126	61,242	375,368
Profit for the financial period	-	-	-	19,117	19,117	7,390	26,507
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	-	-	(346)	346	-	-	-
At 31 March 2017	144,872	27	9,039	167,715	321,653	67,710	389,363
At 01 July 2017	144,872	-	8,886	187,429	341,187	70,024	411,211
Profit for the financial period	-	-	-	25,102	25,102	9,483	34,585
Transactions with owners:							
Acquisition of non-controlling interests in subsidiaries	-	-	-	278	278	(928)	(650)
Issuance of ordinary shares	24,966	-	-	-	24,966	-	24,966
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	24,966	-	-	(9,863)	15,103	(4,514)	10,589
Realisation of revaluation reserves	-	-	(221)	221	-	-	-
At 31 March 2018	169,838	-	8,665	202,889	381,392	74,993	456,385

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 March 2018**

[The figures have not been audited.]

	Period Ended	
	31/03/2018 RM'000	31/03/2017 RM'000
Cash flows from operating activities		
Profit before tax	46,034	35,178
<i>Adjustments for:-</i>		
Depreciation and amortisation	2,037	1,570
Interest income	(1,040)	(1,651)
Interest expense	1,982	1,565
Write back of allowance for impairment of receivables	(28)	-
Other non-cash items	(25)	(111)
Operating profit before changes in working capital	48,960	36,551
Net change in current assets	(72,680)	2,800
Net change in current liabilities	11,070	(3,086)
Cash (used in)/from operating activities	(12,650)	36,265
Tax paid	(11,357)	(13,182)
Tax refunded	1,320	-
Net cash (used in)/from operating activities	(22,687)	23,083
Cash flows from investing activities		
Interest received	1,040	1,651
Proceeds from disposal of property, plant and equipment	7	409
Proceeds from disposal of available-for-sale financial assets	95	220
Additions to property, plant and equipment	(1,770)	(1,099)
Additions to land held for property development	(142,173)	(3,907)
Additions to biological assets	-	(103)
Additions to investment properties, net of reversal	-	1,719
Net cash used in investing activities	(142,801)	(1,110)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	24,966	-
Proceeds from issuance of redeemable preference shares	47,800	-
Acquisition of non-controlling interests in subsidiaries	(650)	-
Interest paid	(1,982)	(1,565)
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	(4,765)	(4,760)
Drawdown of loans and borrowings	124,800	3,500
Proceeds from issuance of ordinary shares by a subsidiary	-	200
Net cash from/(used in) financing activities	176,442	(15,337)
Net change in cash and cash equivalents during the financial period	10,954	6,636
Cash and cash equivalents		
- at the beginning of the period	56,289	57,371
- at the end of the period	67,243	64,007
Cash and cash equivalents included in the cash flows comprise the following:-		
Short term investments	3,971	48,442
Cash and bank balances	63,272	15,565
	67,243	64,007

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 March 2018**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 the assets, liabilities, equity, net income, or cash flows for the financial year under review.

A.4. Changes in Estimates

There were no material changes in estimates for the financial period ended 31 March 2018.

Notes to the quarterly report - 31 March 2018**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 financial period ended 31 March 2018, other than as follows:-

On 23 May 2017, OIB Properties (K) Sdn Bhd ("OIB(K)"), a wholly-owned subsidiary of the Company had entered into four (4) separate conditional sale and purchase agreements for the proposed acquisitions of the following:-

- (a) A parcel of leasehold land measuring approximately 35.57 acres located in Selangor 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 located in Kedah 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 located in Kedah 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 located in Pulau Pinang 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").

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 154,858,394 ordinary shares.

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, other than as follows:-

The Company had, on 4 April 2018, acquired 0.08% equity stake in Aturan Cemerlang Sdn Bhd ("AC") represented by 9,800 ordinary shares from a minority shareholder for a total cash consideration of RM25,480. Following the aforesaid acquisition, the Company now holds 75.36% equity interest in AC.

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Notes to the quarterly report - 31 March 2018
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:-

- (a) The Company had, on 28 December 2017, acquired 1.89% equity stake in 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.
- (b) The Company had, on 13 February 2018, announced that Cahajaya Timber Industries Sdn Bhd ("CTI"), a wholly-owned subsidiary had, on 8 February 2018, convened Final Meeting to conclude its winding up proceeding. CTI will be dissolved on the expiration of three (3) months after the date of lodgement of statutory return to the Companies Commission of Malaysia and the Official Receiver on 9 February 2018.
- (c) The Company had, on 13 February 2018, announced that Central Kedah Brick Kiln Sdn Berhad ("CKBK"), a wholly-owned sub-subsidiary had, on 8 February 2018, convened Final Meeting to conclude its winding up proceeding. CKBK will be dissolved on the expiration of three (3) months after the date of lodgement of statutory return to the Companies Commission of Malaysia and the Official Receiver on 13 February 2018.
- (d) The Company had, on 26 February 2018, acquired 0.17% equity stake in Brilliant Alliance Sdn Bhd ("BA") represented by 14,500 ordinary shares from a minority shareholder for a total cash consideration of RM29,000. Following the aforesaid acquisition, the Company now holds 87.63% equity interest in BA.

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 March 2018						
Revenue						
Total revenue	160,980	114,437	1,801	14,400	3,195	294,813
Inter-segment revenue	-	(101,740)	-	(14,400)	-	(116,140)
Revenue from external customers	<u>160,980</u>	<u>12,697</u>	<u>1,801</u>	<u>-</u>	<u>3,195</u>	<u>178,673</u>
Profit/(Loss)						
Reportable segment profit/(loss)	45,473	383	636	(511)	33	46,014
Share of results of an associate	-	-	-	20	-	20
Profit before tax						<u>46,034</u>
Corresponding period ended						
31 March 2017						
Revenue						
Total revenue	125,437	95,148	1,103	18,924	2,337	242,949
Inter-segment revenue	-	(70,138)	-	(18,924)	-	(89,062)
Revenue from external customers	<u>125,437</u>	<u>25,010</u>	<u>1,103</u>	<u>-</u>	<u>2,337</u>	<u>153,887</u>
Profit/(Loss)						
Reportable segment profit/(loss)	33,062	1,096	315	726	(40)	35,159
Share of results of an associate	-	-	-	19	-	19
Profit before tax						<u>35,178</u>

Notes to the quarterly report - 31 March 2018

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	31/03/2018 RM'000
Unsecured			
Bankers' guarantee issued to third parties in favour of subsidiaries	<u>5,041</u>	<u>2,136</u>	<u>7,177</u>
Landowners' entitlement			
Contracted but not provided for	<u>34,799</u>	<u>11,224</u>	<u>46,023</u>
Development land			
Contracted but not provided for	<u>128,138</u>	<u>(128,138)</u>	<u>-</u>

A.11 Related Party Transactions

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

	31/03/2018 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	(87)
- Enterprise in which substantial interests are owned directly by persons connected with Directors of a subsidiary of the Company	18
- Enterprises in which substantial interests are owned indirectly by Directors/major shareholders of the Company	(31,930)
- Enterprises in which substantial interests are owned indirectly by Directors/major shareholders of the Company	13,667
Rental income/(expenses) from/(to):-	
- Enterprise in which substantial interests are owned indirectly by Directors/major shareholders of the Company	119
- Enterprise in which substantial interests are owned indirectly by Directors/major shareholders of the Company	(192)

Notes to the quarterly report - 31 March 2018

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 3rd Quarter 31/03/2018 RM'000	Preceding Year Corresponding 3rd Quarter 31/03/2017 RM'000	Changes %	Current Year To Date 31/03/2018 RM'000	Preceding Year Corresponding Period 31/03/2017 RM'000	Changes %
Revenue						
Property Development	64,670	44,154	46	160,980	125,437	28
General Construction	5,003	11,761	(57)	12,697	25,010	(49)
Oil Palm Cultivation	528	616	(14)	1,801	1,103	63
Others	989	746	33	3,195	2,337	37
Total	71,190	57,277	24	178,673	153,887	16
Profit/(Loss) before tax						
Property Development	11,583	5,315	118	45,473	33,062	38
General Construction	(162)	217	(175)	383	1,096	(65)
Oil Palm Cultivation	138	335	(59)	636	315	102
Investment Holding	1,514	239	533	(491)	745	(166)
Others	(150)	(86)	(74)	33	(40)	183
Total	12,923	6,020	115	46,034	35,178	31

OIB Group registered its best quarterly results for the reporting of this financial quarter, with revenue and profit before taxation ("PBT") soaring by 24% and 115% respectively, as compared with the corresponding financial quarter. In addition, revenue and PBT for the first 9-months period of the current financial year jumped by 16% and 31% respectively compared with the first three quarters of the previous financial year.

The excellent performance by the Property Development Division resulted in a 46% and 118% increase in revenue and PBT respectively, greatly contributing towards the Group's results. High billings and improved project contribution margins were some of the key factors for the improved performance. Consequently, revenue and PBT for the first 9-months period has increased by 28% and 38% respectively for the comparable period.

Total revenue of General Construction Division fell by 57% to RM5.00 million and PBT decreased to a loss before tax of RM0.16 million compared with the preceding year corresponding quarter. Total revenue and PBT shrank by 49% and 65% respectively, compared with preceding year's corresponding period mainly attributable to reduced contract works from external customers.

The revenue and PBT for the Oil Palm Cultivation Division reduced by 14% and 59% respectively. However, when comparing against the first 9 months of the previous financial year, the revenue and PBT records an increase of 63% and 102% respectively due to the substantial increase in yield rate despite the slight decrease of CPO price.

Notes to the quarterly report - 31 March 2018

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

	Current Year 3rd Quarter 31/03/2018 RM'000	Immediate Preceding 2nd Quarter 31/12/2017 RM'000	Changes %
Revenue			
Property Development	64,670	47,923	35
General Construction	5,003	7,694	(35)
Oil Palm Cultivation	528	588	(10)
Others	989	1,248	(21)
Total	<u><u>71,190</u></u>	<u><u>57,453</u></u>	24
Profit/(Loss) before tax			
Property Development	11,583	16,359	(29)
General Construction	(162)	545	(130)
Oil Palm Cultivation	138	161	(14)
Investment Holding	1,514	(936)	262
Others	(150)	240	(163)
Total	<u><u>12,923</u></u>	<u><u>16,369</u></u>	(21)

Compared with the immediate preceding quarter, the Group reported a 24% jump in revenue with a reduced PBT by 21%. The Property Development Division registered a 35% increase in revenue but its PBT decreased by 29%, mainly due to payment of discretionary bonuses and higher operating expenses. Revenue and PBT of General Construction Division dropped by 35% and 130%, primarily due to higher administrative costs. Meanwhile, revenue and PBT of Oil Palm Cultivation Division reduced by 10% and 14% respectively, largely due to drop in harvesting and CPO price.

B.3. Prospects for the Current Financial Year

The Group has achieved revenue of RM160.98 million from the Property Development Division in the current financial period, boosted by RM64.67 million reported in this current quarter. With the impending launches of several new projects and new phases of existing projects, the Group remains optimistic to deliver positive performances in the upcoming quarters.

The successful introduction of Myra Meranti and Myra Saujana projects has helped strengthen the Group's position in the affordable segment in urban areas. For both projects, the first phase was launched and sold out within this quarter, with plans to launch subsequent phases in the following quarters. Additionally, the third installment of the Myra series, entitled Myra Alam, is expected to be launched with an indicative price of RM400,000 per unit onwards within the next quarter as well.

The Group's unbilled sales for the Property Development Division stood at RM117.28 million as at 31 March 2018, whilst the Group's total land banks, including land banks under land owner and developer agreements, amounts to 1,698 acres and is expected to contribute positively to its future prospects.

The Group is also preparing for handover of Taman Belia Antarabangsa, Taman Salak Mulia and R-14 projects with a strong focus on engaging with customers to improve service and experience level. This is in line with the Group's direction to expand upon additional customer touch points with newly introduced measures to monitor customer satisfaction.

Given the above, the Board is confident that the Group is on track to deliver another year of strong performance.

Notes to the quarterly report - 31 March 2018

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 3rd Quarter 31/03/2018 RM'000	Current Year To Date 31/03/2018 RM'000
Profit before taxation is arrived at after (charging)/crediting:-		
Depreciation and amortisation	(803)	(2,037)
Interest expense	(687)	(1,982)
Write back of allowance for impairment of receivables	-	28
Rental income	210	676
Interest income	212	1,040
Other income	251	402
	<u>251</u>	<u>402</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 3rd Quarter 31/03/2018 RM'000	Current Year To Date 31/03/2018 RM'000
Malaysian income tax based on the profit for the financial year	4,489	13,931
Deferred taxation	(1,341)	(2,759)
Taxation underprovided in respect of prior financial year	277	277
	<u>3,425</u>	<u>11,449</u>

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

B.7. Status of Corporate Proposals

There were no corporate proposals that have been announced but not completed as at 9 May 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 March 2018

B.8. Group Borrowings and Debt Securities

	Long Term RM'000	Short Term RM'000	Total RM'000
Current period ended			
31 March 2018			
Secured			
Term loans	69,114	6,458	75,572
Revolving credit	-	74,800	74,800
Unsecured			
Revolving credit	-	50,000	50,000
Non-convertible redeemable preference shares	47,800	-	47,800
	<u>116,914</u>	<u>131,258</u>	<u>248,172</u>
Corresponding period ended			
31 March 2017			
Secured			
Term loans	25,527	6,463	31,990
Revolving credit	-	-	-
Unsecured			
Revolving credit	-	50,000	50,000
Non-convertible redeemable preference shares	-	-	-
	<u>25,527</u>	<u>56,463</u>	<u>81,990</u>

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

	As at 31/03/2018	As at 31/03/2017
Floating interest rate		
Term loans	4.87%	4.88%
Revolving credit	4.92%	4.55%
Fixed interest rate		
Non-convertible redeemable preference shares	4.00%	-

(a) The increase of borrowings is to finance certain on-going housing projects and acquisition of the lands.

(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.

Notes to the quarterly report - 31 March 2018

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 financial year under review.

B.11. Material Litigation

There were no pending material litigations as at 9 May 2018, the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial statements.

B.12. 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.13. Earnings Per Share ("EPS")

	Current Year To Date 31/03/2018	Preceding Year Corresponding Period 31/03/2017
(a) Basic		
Profit attributable to owners of the Company (RM'000)	<u>25,102</u>	<u>19,117</u>
Number of ordinary shares in issue at beginning of the period ('000)	<u>154,858</u>	<u>144,872</u>
Basic EPS (sen)	<u>16.21</u>	<u>13.20</u>

(b) Diluted

The Group has no dilution in its earnings per ordinary share in the quarter under review / financial year to date as there are no dilutive potential ordinary shares.

B.14. Auditors' 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]

16 May 2018