

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 2018.

Condensed consolidated statement of profit or loss and other comprehensive income for the financial year ended 30 June 2018

[The figures have not been audited.]

	Individual Quarter		Cumulative Quarter	
	Current Year 4th Quarter 30/06/2018 RM'000	Preceding Year 4th Quarter 30/06/2017 RM'000	Current Year To Date 30/06/2018 RM'000	Preceding Year To Date 30/06/2017 RM'000
Revenue	90,363	94,047	269,036	247,934
Cost of sales	(62,246)	(55,940)	(167,092)	(155,098)
Gross profit	28,117	38,107	101,944	92,836
Other income	341	764	2,487	4,223
Selling and distribution expenses	(1,652)	(1,030)	(5,024)	(4,851)
Administrative expenses	(5,831)	(4,739)	(23,424)	(18,142)
Other expenses	(708)	(2,600)	(7,720)	(6,840)
Results from operating activities	20,267	30,502	68,263	67,226
Finance costs	(1,053)	(536)	(3,035)	(2,101)
Share of results of an associate	6	6	26	25
Profit before tax	19,220	29,972	65,254	65,150
Taxation	(4,266)	(6,952)	(15,715)	(15,623)
Profit for the financial year	14,954	23,020	49,539	49,527
Other comprehensive income				
Realisation of fair value upon disposal of available-for-sale financial assets	-	(27)	-	(27)
Profit for the financial year/ Total comprehensive income	14,954	22,993	49,539	49,500
Profit attributable to:				
Owners of the Company	12,819	19,389	37,921	38,506
Non-controlling interests	2,135	3,631	11,618	11,021
	14,954	23,020	49,539	49,527
Total comprehensive income attributable to:				
Owners of the Company	12,819	19,362	37,921	38,479
Non-controlling interests	2,135	3,631	11,618	11,021
	14,954	22,993	49,539	49,500
Basic and diluted earnings per ordinary share (sen)	8.28	13.38	24.49	26.58

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 June 2018
[The figures have not been audited.]

	30/06/2018 RM'000	30/06/2017 RM'000
ASSETS		
Property, plant and equipment	71,490	71,753
Land held for property development	170,159	94,901
Investment properties	28,630	26,441
Biological assets	1,054	1,136
Investment in an associate	5,267	5,241
Deferred tax assets	8,929	5,484
Total non-current assets	285,529	204,956
Property development costs	169,620	112,445
Inventories	19	9
Developed properties	43,856	26,529
Amounts due from customers on construction contracts	8,978	9,813
Trade and other receivables	263,338	141,938
Available-for-sale financial assets	-	95
Tax recoverable	2,816	2,189
Short term investments	17,612	40,239
Cash and bank balances	13,422	16,050
Total current assets	519,661	349,307
Total assets	805,190	554,263
EQUITY		
Share capital	169,838	144,872
Reserves	224,389	196,315
Equity attributable to owners of the Company	394,227	341,187
Non-controlling interests	77,087	70,024
Total equity	471,314	411,211
LIABILITIES		
Loans and borrowings	115,310	23,924
Deferred tax liabilities	260	561
Total non-current liabilities	115,570	24,485
Loans and borrowings	131,213	56,413
Trade and other payables	83,446	59,292
Tax payable	3,647	2,862
Total current liabilities	218,306	118,567
Total liabilities	333,876	143,052
TOTAL EQUITY AND LIABILITIES	805,190	554,263
Net assets per share attributable to owners of the Company (RM)	2.55	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.

ORIENTAL INTEREST BERHAD

[Company No. 272144-M]

**Condensed consolidated statement of changes in equity
for the financial year ended 30 June 2018**

[The figures have not been audited.]

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

	<u>Non-distributable</u>			<u>Distributable</u>		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	Total RM'000		
At 01 July 2016	144,872	27	9,385	159,842	314,126	61,242	375,368
Other comprehensive (expense)/income:							
- Reclassification of fair value upon disposal of available-for-sale financial assets	-	(27)	-	-	(27)	-	(27)
Profit for the financial year	-	-	-	38,506	38,506	11,021	49,527
Total comprehensive (expense)/income for the financial year	-	(27)	-	38,506	38,479	11,021	49,500
Transactions with owners:							
Acquisition of non-controlling interests in subsidiaries	-	-	-	172	172	(1,317)	(1,145)
Issuance of ordinary shares by a subsidiary	-	-	-	-	-	200	200
Dividends	-	-	-	(11,590)	(11,590)	-	(11,590)
Dividend paid to non-controlling interests of a subsidiary	-	-	-	-	-	(1,122)	(1,122)
Total transactions with owners of the Company	-	-	-	(11,418)	(11,418)	(2,239)	(13,657)
Realisation of revaluation reserves	-	-	(499)	499	-	-	-
At 30 June 2017	144,872	-	8,886	187,429	341,187	70,024	411,211
At 01 July 2017	144,872	-	8,886	187,429	341,187	70,024	411,211
Profit for the financial year	-	-	-	37,921	37,921	11,618	49,539
Transactions with owners:							
Acquisition of non-controlling interests in subsidiaries	-	-	-	294	294	(969)	(675)
Issuance of ordinary shares	24,966	-	-	-	24,966	-	24,966
Dividends	-	-	-	(10,141)	(10,141)	-	(10,141)
Dividend paid to non-controlling interests of subsidiaries	-	-	-	-	-	(3,586)	(3,586)
Total transactions with owners of the Company	24,966	-	-	(9,847)	15,119	(4,555)	10,564
Realisation of revaluation reserves	-	-	(329)	329	-	-	-
At 30 June 2018	169,838	-	8,557	215,832	394,227	77,087	471,314

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.

ORIENTAL INTEREST BERHAD

[Company No. 272144-M]

**Condensed consolidated statement of cash flows
for the financial year ended 30 June 2018**

[The figures have not been audited.]

	Year Ended	
	30/06/2018 RM'000	30/06/2017 RM'000
Cash flows from operating activities		
Profit before tax	65,254	65,150
<i>Adjustments for:-</i>		
Depreciation and amortisation	2,759	2,329
Interest income	(1,408)	(2,034)
Interest expense	3,035	2,101
Impairment of available-for-sale financial assets	6	178
Write back of allowance for impairment of receivables	(28)	-
Other non-cash items	9	(207)
	69,627	67,517
Operating profit before changes in working capital	69,627	67,517
Net change in current assets	(131,227)	(39,860)
Net change in current liabilities	24,154	13,186
	(37,446)	40,843
Cash (used in)/from operating activities	(37,446)	40,843
Tax paid	(20,883)	(17,737)
Tax refunded	1,580	59
	(56,749)	23,165
Net cash (used in)/from operating activities	(56,749)	23,165
Cash flows from investing activities		
Interest received	1,408	2,034
Proceeds from disposal of property, plant and equipment	10	410
Proceeds from disposal of available-for-sale financial assets	89	220
Additions to property, plant and equipment	(2,213)	(3,213)
Additions to land held for property development	(141,513)	(4,918)
Additions to biological assets	-	(109)
Additions to investment properties	(2)	-
	(142,221)	(5,576)
Net cash used in investing activities	(142,221)	(5,576)
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	(675)	(1,145)
Interest paid	(3,035)	(2,101)
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	(6,414)	(6,413)
Drawdown of loans and borrowings	124,800	3,500
Proceeds from issuance of ordinary shares by a subsidiary	-	200
	173,715	(18,671)
Net cash from/(used in) financing activities	173,715	(18,671)
Net change in cash and cash equivalents during the financial year	(25,255)	(1,082)
Cash and cash equivalents		
- at the beginning of the year	56,289	57,371
- at the end of the year	31,034	56,289
Cash and cash equivalents included in the cash flows comprise the following:-		
Short term investments	17,612	40,239
Cash and bank balances	13,422	16,050
	31,034	56,289

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 June 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 ended 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".

MFRS 15, Revenue from Contracts with Customers

The Group is currently assessing the estimated impact that the initial application of MFRS 15 will have on its consolidated financial statements for year ended 30 June 2018 and the beginning of the earliest period presented 1 July 2017 and the process is still ongoing.

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.

Notes to the quarterly report - 30 June 2018**A.4. Changes in Estimates**

There were no material changes in estimates for the financial year ended 30 June 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 year ended 30 June 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.

Notes to the quarterly report - 30 June 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 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;
- (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 was officially dissolved on 9 May 2018, 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-subsiary had, on 8 February 2018, convened Final Meeting to conclude its winding up proceeding. CKBK was officially dissolved on 13 May 2018, 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; and
- (e) 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.

Notes to the quarterly report - 30 June 2018

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 year ended						
30 June 2018						
Revenue						
Total revenue	245,429	155,845	2,383	17,389	4,049	425,095
Inter-segment revenue	-	(138,670)	-	(17,389)	-	(156,059)
Revenue from external customers	<u>245,429</u>	<u>17,175</u>	<u>2,383</u>	<u>-</u>	<u>4,049</u>	<u>269,036</u>
Profit/(Loss)						
Reportable segment profit/(loss)	65,008	666	664	(875)	(235)	65,228
Share of results of an associate	-	-	-	26	-	26
Profit before tax						<u>65,254</u>
Corresponding year ended						
30 June 2017						
Revenue						
Total revenue	216,117	133,406	1,751	22,171	3,199	376,644
Inter-segment revenue	-	(106,539)	-	(22,171)	-	(128,710)
Revenue from external customers	<u>216,117</u>	<u>26,867</u>	<u>1,751</u>	<u>-</u>	<u>3,199</u>	<u>247,934</u>
Profit/(Loss)						
Reportable segment profit/(loss)	63,167	1,398	494	203	(137)	65,125
Share of results of an associate	-	-	-	25	-	25
Profit before tax						<u>65,150</u>

Notes to the quarterly report - 30 June 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	30/06/2018 RM'000
Unsecured			
Bankers' guarantee issued to third parties in favour of subsidiaries	<u>5,041</u>	<u>2,640</u>	<u>7,681</u>
Landowners' entitlement			
Contracted but not provided for	<u>34,799</u>	<u>2,890</u>	<u>37,689</u>
Development land			
Contracted but not provided for	<u>128,138</u>	<u>(127,438)</u>	<u>700</u>

A.11. Related Party Transactions

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

	30/06/2018 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	(135)
- 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	(43,959)
- Enterprises in which substantial interests are owned indirectly by Directors/major shareholders of the Company	18,417
Rental income/(expenses) from/(to):-	
- Enterprise in which substantial interests are owned indirectly by Directors/major shareholders of the Company	146
- Enterprise in which substantial interests are owned indirectly by Directors/major shareholders of the Company	(330)

Notes to the quarterly report - 30 June 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 4th Quarter 30/06/2018 RM'000	Preceding Year 4th Quarter 30/06/2017 RM'000	Changes %	Current Year To Date 30/06/2018 RM'000	Preceding Year To Date 30/06/2017 RM'000	Changes %
Revenue						
Property Development	84,449	90,678	(7)	245,429	216,117	14
General Construction	4,478	1,859	141	17,175	26,867	(36)
Oil Palm Cultivation	582	648	(10)	2,383	1,751	36
Others	854	862	(1)	4,049	3,199	27
Total	90,363	94,047	(4)	269,036	247,934	9
Profit/(Loss) before tax						
Property Development	19,535	30,105	(35)	65,008	63,167	3
General Construction	283	302	(6)	666	1,398	(52)
Oil Palm Cultivation	28	179	(84)	664	494	34
Investment Holding	(358)	(517)	31	(849)	228	(472)
Others	(268)	(97)	(176)	(235)	(137)	(72)
Total	19,220	29,972	(36)	65,254	65,150	0

Consolidated revenue was RM90.36 million, a slight 4% lower than RM94.05 million in the preceding year financial quarter. On the other hand, profit before taxation ("PBT") slid 36% to RM19.22 million for the same comparative quarters. Revenue and PBT for the reporting financial year were RM269.04 million and RM65.25 million respectively, representing increase of 9% in revenue and its PBT approximately the same comparing with the results of the previous financial year. Contributing factors to the performance are as described.

Revenue and PBT of Property Development Division shrank 7% and 35% respectively over comparative quarters mainly due to downward revision of profit margin for certain housing projects. On a year-to-date basis, tighter cost management helped to deliver improved profit margins from certain housing projects resulting in 14% and 3% increase in revenue and PBT for the reporting financial year when compared with preceding financial year.

The General Construction Division reported a significant 141% increase in revenue but PBT declined 6% over the same comparative quarters. The weakened results were mainly due to reduced contract works from external customers coupled with higher administrative costs. Consequently, year-to-date revenue and PBT also declined by 36% and 52% respectively compared with the previous financial year.

Meanwhile, revenue and PBT from Oil Palm Cultivation dropped by 10% and 84% respectively, compared with preceding year financial quarter, attributable to contraction in in both yield rate and Crude Palm Oil ("CPO") prices. On the overall, the division reported strong growth of 36% and 34% in revenue and PBT respectively compared with those of preceding financial year, due to better harvesting which mitigated the impact from sliding prices of CPO.

Notes to the quarterly report - 30 June 2018

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

	Current Year 4th Quarter 30/06/2018 RM'000	Immediate Preceding 3rd Quarter 31/03/2018 RM'000	Changes %
Revenue			
Property Development	84,449	64,670	31
General Construction	4,478	5,003	(10)
Oil Palm Cultivation	582	528	10
Others	854	989	(14)
Total	<u><u>90,363</u></u>	<u><u>71,190</u></u>	27
Profit/(Loss) before tax			
Property Development	19,535	11,583	69
General Construction	283	(162)	275
Oil Palm Cultivation	28	138	(80)
Investment Holding	(358)	1,514	(124)
Others	(268)	(150)	(79)
Total	<u><u>19,220</u></u>	<u><u>12,923</u></u>	49

In reviewing performance against the immediate preceding financial quarter, revenue and PBT of the Group rose by 27% and 49% respectively, principally due to improvement in overall margin for Property Development. PBT from General Construction Division grew by 275% despite a 10% decline in revenue as well as payment of discretionary bonus during the preceding quarter. The marginal improvement in CPO price and increase in tonnage harvested had contributed to a 10% increase in revenue over the comparative quarter. Nonetheless, these were insufficient to mitigate the impact from considerable slide in tonnage harvested in the preceding quarter which resulted in a 80% drop in PBT.

B.3. Prospects for the Current Financial Year

The Group reported a healthy 9% growth in revenue to RM269.04 million compared against preceding year lifted largely by strong surge in property sales evidenced by 14% revenue growth from Property Development Division.

In the Central region, the latest addition to the Myra series is performing well with the first phase launch of Myra Alam selling out within this quarter. As such, launches of subsequent phases are being expedited to meet overwhelming positive response from the public. Alongside that, the Group has secured 40% sales equivalent to RM48 million (or average selling price of RM850,000 per unit) for the second phase of Myra Meranti. In view of the anticipated launch of shop lots under Myra Meranti project and other satellite projects in the next financial year, the Group is optimistic to reach new heights both in terms of sales and projects completed.

In the Northern region, the launch of Sapphire project, with a GDV (gross development value) of RM47 million has been encouraging with sales of more than RM12 million recorded since its official launch in mid June 2018. The Group has successfully handed over 236 units under the PPAM (Perumahan Penjawat Awam Malaysia) projects in the recent past quarter whilst an additional 128 units of double storey terraces at Taman Permaipura are scheduled to be handed over in September 2018. Following the launch of the second phase of Taman Permaipura with an estimated GDV of RM36.7 million, the Group is confident that the Northern region sales will grow substantially with Taman Permaipura recording a total GDV of RM154 million.

The Group's unbilled sales for the Property Development Division stood at RM152.35 million as at 30 June 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.

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

Notes to the quarterly report - 30 June 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 4th Quarter 30/06/2018 RM'000	Current Year To Date 30/06/2018 RM'000
Profit before taxation is arrived at after (charging)/crediting:-		
Depreciation and amortisation	(722)	(2,759)
Interest expense	(1,053)	(3,035)
Impairment of available-for-sale financial assets	(6)	(6)
Write back of allowance for impairment of receivables	-	28
Rental income	(501)	175
Interest income	368	1,408
Other income	474	876
	<u>474</u>	<u>876</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 4th Quarter 30/06/2018 RM'000	Current Year To Date 30/06/2018 RM'000
Malaysian income tax based on the profit for the financial year	4,940	18,871
Deferred taxation	(988)	(3,747)
Taxation underprovided in respect of prior financial year	314	591
	<u>4,266</u>	<u>15,715</u>

The effective tax rate is approximate to the statutory tax rate for the financial periods to date; whereas the effective tax rate for the current quarter is lower than the statutory income tax rate, mainly due to exemption order to effect the reduction of income tax rate based on the increase in chargeable business income.

B.7. Status of Corporate Proposals

There were no corporate proposals that have been announced but not completed as at 10 August 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 - 30 June 2018

B.8. Group Borrowings and Debt Securities

	Long Term RM'000	Short Term RM'000	Total RM'000
Current year ended			
30 June 2018			
Secured			
Term loans	67,510	6,413	73,923
Revolving credit	-	74,800	74,800
Unsecured			
Revolving credit	-	50,000	50,000
Non-convertible redeemable preference shares	47,800	-	47,800
	<u>115,310</u>	<u>131,213</u>	<u>246,523</u>
Corresponding year ended			
30 June 2017			
Secured			
Term loans	23,924	6,413	30,337
Revolving credit	-	-	-
Unsecured			
Revolving credit	-	50,000	50,000
Non-convertible redeemable preference shares	-	-	-
	<u>23,924</u>	<u>56,413</u>	<u>80,337</u>

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

	As at 30/06/2018	As at 30/06/2017
Floating interest rate		
Term loans	5.15%	4.88%
Revolving credit	4.95%	4.30%
Fixed interest rate		
Non-convertible redeemable preference shares	<u>4.00%</u>	<u>-</u>

(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 - 30 June 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 10 August 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

The Board of Directors have proposed to declare an interim single-tier dividend of 7 sen per ordinary share in respect of the financial year ended 30 June 2018. The payment and entitlement dates for the interim dividend shall be determined by the Directors and to be announced at a later date.

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

	Current Year To Date 30/06/2018	Preceding Year To Date 30/06/2017
(a) Basic		
Profit attributable to owners of the Company (RM'000)	<u>37,921</u>	<u>38,506</u>
Number of ordinary shares in issue ('000)	<u>154,858</u>	<u>144,872</u>
Basic EPS (sen)	<u>24.49</u>	<u>26.58</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]

17 August 2018