

# 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 2019.

### Condensed consolidated statement of profit or loss and other comprehensive income for the financial period ended 30 September 2018

[The figures have not been audited.]

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/09/2018 RM'000	Preceding Year Corresponding Quarter 30/09/2017 RM'000 (Restated)	Current Year To Date 30/09/2018 RM'000	Preceding Year Corresponding Year To Date 30/09/2017 RM'000 (Restated)
<b>Revenue</b>	71,638	48,065	71,638	48,065
<b>Cost of sales</b>	(45,208)	(26,697)	(45,208)	(26,697)
<b>Gross profit</b>	26,430	21,368	26,430	21,368
Other income	1,380	1,858	1,380	1,858
Selling and distribution expenses	(884)	(1,363)	(884)	(1,363)
Administrative expenses	(4,734)	(4,102)	(4,734)	(4,102)
Other expenses	(1,555)	(1,466)	(1,555)	(1,466)
<b>Results from operating activities</b>	20,637	16,295	20,637	16,295
Finance costs	(1,523)	(542)	(1,523)	(542)
Share of results of an associate	7	7	7	7
<b>Profit before tax</b>	19,121	15,760	19,121	15,760
Taxation	(5,063)	(4,127)	(5,063)	(4,127)
<b>Profit for the financial period/ Total comprehensive income</b>	14,058	11,633	14,058	11,633
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	11,676	8,973	11,676	8,973
Non-controlling interests	2,382	2,660	2,382	2,660
	14,058	11,633	14,058	11,633
<b>Basic and diluted earnings per ordinary share (sen)</b>	7.54	6.19	7.54	6.19

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 2018 and the accompanying explanatory notes attached to the interim financial report.

**Condensed consolidated statement of financial position as at 30 September 2018**

[The figures have not been audited.]

	30/09/2018 RM'000	30/06/2018 RM'000 (Restated)	01/07/2017 RM'000 (Restated)
<b>ASSETS</b>			
Property, plant and equipment	71,093	71,490	71,753
Inventories-Land held for property development	167,347	170,159	94,901
Investment properties	28,576	28,630	26,441
Biological assets	1,034	1,054	1,136
Investment in an associate	5,273	5,267	5,241
Deferred tax assets	9,522	9,839	6,008
<b>Total non-current assets</b>	282,845	286,439	205,480
Inventories-Developed properties	34,922	43,856	26,529
Inventories-Property development costs	168,682	162,132	111,659
Inventories-Plantation supplies	18	19	9
Trade and other receivables	280,201	276,000	152,044
Available-for-sale financial assets	-	-	95
Tax recoverable	3,692	3,072	2,189
Short term investments	15,464	17,612	40,239
Cash and bank balances	49,420	13,422	16,050
<b>Total current assets</b>	552,399	516,113	348,814
<b>Total assets</b>	<u>835,244</u>	<u>802,552</u>	<u>554,294</u>
<b>EQUITY</b>			
Share capital	169,838	169,838	144,872
Reserves	233,426	221,750	195,799
<b>Equity attributable to owners of the Company</b>	403,264	391,588	340,671
<b>Non-controlling interests</b>	79,156	76,774	70,153
<b>Total equity</b>	<u>482,420</u>	<u>468,362</u>	<u>410,824</u>
<b>LIABILITIES</b>			
Loans and borrowings	105,824	115,310	23,924
Deferred tax liabilities	908	575	979
<b>Total non-current liabilities</b>	106,732	115,885	24,903
Loans and borrowings	147,563	131,213	56,413
Trade and other payables	96,058	83,445	59,292
Tax payable	2,471	3,647	2,862
<b>Total current liabilities</b>	246,092	218,305	118,567
<b>Total liabilities</b>	<u>352,824</u>	<u>334,190</u>	<u>143,470</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>835,244</u>	<u>802,552</u>	<u>554,294</u>
<b>Net assets per share attributable to owners of the Company (RM)</b>	2.60	2.53	2.35

The condensed consolidated statement of financial position should be read in conjunction with the annual financial report for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial report.

**Condensed consolidated statement of changes in equity  
for the financial period ended 30 September 2018**

[The figures have not been audited.]

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

	<u>Non-</u> <u>distributable</u> <u>Distributable</u>			<b>Total</b> <b>RM'000</b>	<b>Non-</b> <b>controlling</b> <b>interests</b> <b>RM'000</b>	<b>Total equity</b> <b>RM'000</b>
	<b>Share</b> <b>capital</b> <b>RM'000</b>	<b>Revaluation</b> <b>reserve</b> <b>RM'000</b>	<b>Retained</b> <b>earnings</b> <b>RM'000</b>			
<b>At 01 July 2017</b>	144,872	8,886	187,429	341,187	70,024	411,211
Effect of adoption of the MFRS framework	-	-	(516)	(516)	129	(387)
At 01 July 2017 (Restated)	144,872	8,886	186,913	340,671	70,153	410,824
Profit for the financial period (Restated)	-	-	8,973	8,973	2,660	11,633
<b>Transaction with owners:</b>						
Dividends	-	-	(10,141)	(10,141)	-	(10,141)
<b>Total transaction with owners of the Company</b>	-	-	(10,141)	(10,141)	-	(10,141)
Realisation of revaluation reserve	-	(71)	71	-	-	-
<b>At 30 September 2017 (Restated)</b>	144,872	8,815	185,816	339,503	72,813	412,316
<b>At 01 July 2018</b>	169,838	8,557	215,832	394,227	77,088	471,315
Effect of adoption of the MFRS framework	-	-	(2,639)	(2,639)	(314)	(2,953)
At 01 July 2018 (Restated)	169,838	8,557	213,193	391,588	76,774	468,362
Profit for the financial period	-	-	11,676	11,676	2,382	14,058
Realisation of revaluation reserve	-	(66)	66	-	-	-
<b>At 30 September 2018</b>	169,838	8,491	224,935	403,264	79,156	482,420

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 2018 and the accompanying explanatory notes attached to the interim financial report.

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**Condensed consolidated statement of cash flows  
for the financial period ended 30 September 2018**

[The figures have not been audited.]

	Period Ended	
	30/09/2018 RM'000	30/09/2017 RM'000 (Restated)
<b>Cash flows from operating activities</b>		
<b>Profit before tax</b>	19,121	15,760
<i>Adjustments for:-</i>		
Depreciation and amortisation	708	613
Interest income	(674)	(307)
Interest expense	1,523	542
Write back of allowance for impairment of receivables	-	(28)
Other non-cash items	(7)	(7)
	20,671	16,573
Operating profit before changes in working capital	20,671	16,573
Net change in current assets	3,256	(3,686)
Net change in current liabilities	12,612	(18,881)
	36,539	(5,994)
Cash from operating activities	36,539	(5,994)
Tax paid	(6,222)	(3,701)
Tax refunded	15	423
	30,332	(9,272)
<b>Net cash from/(used in) operating activities</b>	30,332	(9,272)
<b>Cash flows from investing activities</b>		
Interest received	674	307
Additions to property, plant and equipment	(228)	(284)
Additions to inventories-land held for property development	(2,259)	(1,549)
Additions to investment properties	(9)	-
	(1,822)	(1,526)
<b>Net cash used in investing activities</b>	(1,822)	(1,526)
<b>Cash flows from financing activities</b>		
Interest paid	(1,523)	(542)
Dividend paid to Company's shareholders	-	(10,141)
Repayment of loans and borrowings	(18,287)	(1,558)
Drawdown of loans and borrowings	25,150	-
	5,340	(12,241)
<b>Net cash from/(used in) financing activities</b>	5,340	(12,241)
<b>Net change in cash and cash equivalents during the financial period</b>	33,850	(23,039)
Cash and cash equivalents		
- at the beginning of the period	31,034	56,289
- at the end of the period	64,884	33,250
<b>Cash and cash equivalents included in the cash flows comprise the following:-</b>		
Short term investments	15,464	14,671
Cash and bank balances	49,420	18,579
	64,884	33,250

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 2018 and the accompanying explanatory notes attached to the interim financial report.

**Notes to the quarterly report - 30 September 2018**

**A. Selected Explanatory Notes to the Interim Financial Statements as required under MFRS 134**  
[The figures have not been audited.]

**A.1. Basis of Preparation**

The interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 "Interim Financial Reporting" and Paragraph 9.22 of Main Market 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 2018 which were prepared under Financial Reporting Standards ("FRS"). 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 2018.

The Group's financial statements for annual period beginning on 1 July 2018 are the first set of the financial statements prepared in accordance with the MFRS framework. The Group has consistently applied the same accounting policies in its opening MFRS statement of financial position as at 1 July 2017, being the transition date, and throughout all comparable interim periods presented, as if these policies had always been in effect.

A number of new standards and amendments to standards and Issue Committee ("IC") Interpretations are effective for the current financial period beginning 1 July 2018. None of these is expected to have a material impact on the consolidated financial statements of the Group except for the following set out below:

- (i) MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards
- (ii) MFRS 15: Revenue from Contracts with Customers

The financial impact to the interim financial statements of the Group arising from the adoption of MFRSs are as follows:

**Statement of profit or loss and other comprehensive income  
for the financial period ended 30/09/2017**

	As previously reported (FRS) RM'000	Effects on adoption of MFRSs RM'000	As restated (MFRS) RM'000
Revenue	50,030	(1,965)	48,065
Cost of sales	(26,457)	(240)	(26,697)
<b>Gross profit</b>	23,573	(2,205)	21,368
Other income	635	1,223	1,858
Selling and distribution expenses	(1,363)	-	(1,363)
Administrative expenses	(4,102)	-	(4,102)
Other expenses	(1,466)	-	(1,466)
<b>Results from operating activities</b>	17,277	(982)	16,295
Finance costs	(542)	-	(542)
Share of results of an associate	7	-	7
<b>Profit before tax</b>	16,742	(982)	15,760
Taxation	(4,305)	178	(4,127)
<b>Profit for the financial period/Total comprehensive income</b>	12,437	(804)	11,633
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	9,896	(923)	8,973
Non-controlling interests	2,541	119	2,660
	12,437	(804)	11,633
<b>Basic and diluted earnings per ordinary share (sen)</b>	6.83		6.19

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**Notes to the quarterly report - 30 September 2018**
**A.1. Basis of Preparation (Cont'd)**

The financial impact to the interim financial statements of the Group arising from the adoption of MFRSs are as follows: (Cont'd)

**Statement of financial position as at 01/07/2017**

	As previously reported (FRS) RM'000	Effects on adoption of MFRSs RM'000	As restated (MFRS) RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Land held for property development	94,901	(94,901)	-
Inventories-Land held for property development	-	94,901	94,901
Deferred tax assets	5,484	524	6,008
<b>Current Assets</b>			
Property development costs	112,445	(112,445)	-
Inventories-Property development costs	-	111,659	111,659
Amounts due from customers on construction contracts	9,813	(9,813)	-
Trade and other receivables	141,938	10,106	152,044
Tax recoverable	2,189	-	2,189
<b>EQUITY</b>			
Retained earnings	(187,429)	516	(186,913)
Non-controlling interests	(70,024)	(129)	(70,153)
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Deferred tax liabilities	(561)	(418)	(979)

**Statement of financial position as at 30/06/2018**

	As previously reported (FRS) RM'000	Effects on adoption of MFRSs RM'000	As restated (MFRS) RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Land held for property development	170,159	(170,159)	-
Inventories-Land held for property development	-	170,159	170,159
Deferred tax assets	8,929	910	9,839
<b>Current Assets</b>			
Property development costs	169,620	(169,620)	-
Inventories-Property development costs	-	162,132	162,132
Amounts due from customers on construction contracts	8,978	(8,978)	-
Trade and other receivables	263,338	12,662	276,000
Tax recoverable	2,816	256	3,072
<b>EQUITY</b>			
Retained earnings	(215,832)	2,639	(213,193)
Non-controlling interests	(77,088)	314	(76,774)
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Deferred tax liabilities	(260)	(315)	(575)

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**Notes to the quarterly report - 30 September 2018**

**A.1. Basis of Preparation (Cont'd)**

The Group has yet to adopt the following MFRSs, amendments to MFRSs and IC Interpretations relevant to the current operations of the Group, which were issued but not yet effective for the financial year ending 30 June 2019:

	<b>Effective for financial periods beginning on or after</b>
- Annual Improvement to MFRSs 2015-2017 Cycle	1 January 2019
- MFRS 16 Leases	1 January 2019
- IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
- Amendments to MFRS 9 Prepayment Features with Negative Compensation	1 January 2019
- Amendments to MFRS 119 Employee Benefits (Plan Amendment, Curtailment or Settlement)	1 January 2019
- Amendments to MFRS 128 Long-term Interests in Associates and Joint Ventures	1 January 2019
- Amendments to MFRS 3 Business Combination	1 January 2019
- Amendments to MFRS 101 Presentation of Financial Statements	1 January 2019
- Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

These new, amended MFRSs and IC Interpretation are not expected to have material impact on the financial statements of the Group upon their initial application.

**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 period under review.

**A.4. Changes in Estimates**

There were no changes in estimates that have had a material effect in the current quarter results.

**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 under review.

**A.6. Dividend Paid**

An interim single-tier dividend of 7 sen per ordinary share in respect of the financial year ended 30 June 2018 was declared on 17 August 2018. The dividend, which amounted to RM10.84 million, was paid on 5 October 2018.

**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 financial period under review.

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**Notes to the quarterly report - 30 September 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
<b>Current period ended</b>						
30 September 2018						
<b>Revenue</b>						
Total revenue	68,506	42,639	646	3,426	965	116,182
Inter-segment revenue	-	(41,118)	-	(3,426)	-	(44,544)
Revenue from external customers	<u>68,506</u>	<u>1,521</u>	<u>646</u>	<u>-</u>	<u>965</u>	<u>71,638</u>
<b>Profit/(Loss)</b>						
Reportable segment profit/(loss)	18,759	(82)	315	186	(64)	19,114
Share of results of an associate	-	-	-	7	-	7
Profit before tax						<u>19,121</u>
<b>Corresponding period ended</b>						
30 September 2017						
<b>(Restated)</b>						
<b>Revenue</b>						
Total revenue	46,422	17,956	685	1,909	958	67,930
Inter-segment revenue	-	(17,956)	-	(1,909)	-	(19,865)
Revenue from external customers	<u>46,422</u>	<u>-</u>	<u>685</u>	<u>-</u>	<u>958</u>	<u>48,065</u>
<b>Profit/(Loss)</b>						
Reportable segment profit/(loss)	16,549	-	337	(1,076)	(57)	15,753
Share of results of an associate	-	-	-	7	-	7
Profit before tax						<u>15,760</u>



**Notes to the quarterly report - 30 September 2018**

**A.10. Commitments**

There were no changes in commitments since the last annual reporting date as at 30 June 2018, except for the following:

	01/07/2018 RM'000	Changes RM'000	30/09/2018 RM'000
<b>Unsecured</b>			
Bankers' guarantee issued to third parties in favour of subsidiaries	<u>7,681</u>	<u>147</u>	<u>7,828</u>
<b>Landowners' entitlement</b>			
Contracted but not provided for	<u>37,689</u>	<u>(3,651)</u>	<u>34,038</u>
<b>Development land</b>			
Contracted but not provided for	<u>700</u>	<u>32,805</u>	<u>33,505</u>

**A.11. Related Party Transactions**

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

	30/09/2018 RM'000
<b>Sale/(Purchase) of goods and services to/ (from):</b>	
- Entities in which substantial interests are owned directly by persons connected with Directors of a subsidiary of the Company	(19)
- Entity in which substantial interests are owned directly by persons connected with Directors of a subsidiary of the Company	6
- Entities in which substantial interests are owned indirectly by Directors/major shareholders of the Company	(8,548)
- Entities in which substantial interests are owned indirectly by Directors/major shareholders of the Company	1,696
<b>Rental income/(expenses) from/(to):</b>	
- Entity in which substantial interests are owned indirectly by Directors/major shareholders of the Company	27
- Entities in which substantial interests are owned indirectly by Directors/major shareholders of the Company	<u>(51)</u>

**Notes to the quarterly report - 30 September 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 Quarter 30/09/2018 RM'000	Preceding Year Corresponding Quarter 30/09/2017 RM'000 (Restated)	Changes %	Current Year To Date 30/09/2018 RM'000	Preceding Year Corresponding Year To Date 30/09/2017 RM'000 (Restated)	Changes %
<b>Revenue</b>						
Property Development	68,506	46,422	48	68,506	46,422	48
General Construction	1,521	-	100	1,521	-	100
Oil Palm Cultivation	646	685	(6)	646	685	(6)
Others	965	958	1	965	958	1
<b>Total</b>	<b>71,638</b>	<b>48,065</b>	<b>49</b>	<b>71,638</b>	<b>48,065</b>	<b>49</b>
<b>Profit/(Loss) before tax</b>						
Property Development	18,759	16,549	13	18,759	16,549	13
General Construction	(82)	-	(100)	(82)	-	(100)
Oil Palm Cultivation	315	337	(7)	315	337	(7)
Investment Holding	193	(1,069)	118	193	(1,069)	118
Others	(64)	(57)	(12)	(64)	(57)	(12)
<b>Total</b>	<b>19,121</b>	<b>15,760</b>	<b>21</b>	<b>19,121</b>	<b>15,760</b>	<b>21</b>

The Group registered revenue of RM71.64 million and profit before tax ("PBT") of RM19.12 million for the reporting quarter, representing a huge 49% and 21% jump from the preceding year corresponding quarter with the growth buoyed by continued strong performance from Property Development segment. The segmental revenue and PBT rose by 48% and 13% respectively following successful launch of several new projects and new phases of existing projects.

Meanwhile, although revenue from General Construction segment increased by 100% over the same comparable period, higher administrative costs resulted in loss being recorded for the reporting quarter.

Revenue and PBT from Oil Palm Cultivation dropped marginally by 6% and 7% respectively over the same comparable period with the drop largely attributable to contraction in Crude Palm Oil ("CPO") prices despite higher oil palm harvest.

**Notes to the quarterly report - 30 September 2018**

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

	<b>Current Year Quarter 30/09/2018 RM'000</b>	<b>Immediate Preceding Quarter 30/06/2018 RM'000 (Restated)</b>	<b>Changes %</b>
<b>Revenue</b>			
Property Development	68,506	84,954	(19)
General Construction	1,521	4,478	(66)
Oil Palm Cultivation	646	582	11
Others	965	854	13
Total	<u>71,638</u>	<u>90,868</u>	(21)
<b>Profit/(Loss) before tax</b>			
Property Development	18,759	19,596	(4)
General Construction	(82)	283	(129)
Oil Palm Cultivation	315	28	1,025
Investment Holding	193	(358)	154
Others	(64)	(268)	76
Total	<u>19,121</u>	<u>19,281</u>	(1)

Revenue and PBT for the current quarter dipped by 21% and 1% respectively when compared with the immediate preceding quarter owing to stronger performance in the latter. Revenue from Property Development segment dropped by 19% principally due to completion of some projects during the preceding quarter. As for General Construction segment, the 66% drop in billings to external customers over the comparative period owing to general slowdown in the industry resulted in a loss position. Meanwhile, revenue and PBT from Oil Palm Cultivation increased by 11% and 1,025% respectively as better harvesting mitigated the sliding prices of CPO.

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

The Group delivers a strong start in the new financial year ending 30 June 2019 ("FY2019") with a huge 49% growth in revenue for the First Quarter of FY2019 ("Q1 FY2019") when compared against preceding year corresponding quarter, lifted largely by strong surge in property sales from Property Development segment.

During the quarter under review, the Group has launched 3 new launches in the Central region with estimated GDV (gross development value) of RM180 million. All the projects launched are located in the vicinity of Putrajaya with 85% of the units priced between RM350,000 to RM700,000.

The Group has plans to capitalise on the perks from Budget 2019 for the first time home buyers and is set to roll out a marketing campaign to further motivate buyers by easing their home ownership journey.

In the Northern region, most of the ongoing projects, save and except for SP Saujana, are under the PPAM (Skim Perumahan Penjawat Awam) scheme. Preparation is underway for the upcoming handover of PPAM project at Taman Sinar Intan 3. Even though all the PPAM projects have shown resilience to market challenges, the Group remains cautious and is set to launch more open market projects instead going forward. The first will be a brand new landed residential project in Baling, Kedah.

The Group also believes that improving market sentiments and growing demand for affordable housing will augur well in its favour and therefore is on track to achieve its targets for the financial year. Bearing that in mind, the Group is actively on the look-out for land acquisition or joint venture opportunities in both regions. As of now, the Group's total land banks, including land banks under land owner and developer agreements, amounts to 1,679 acres. These land banks are expected to contribute positively to the Group's future.

The Group's unbilled property sales is at RM160.35 million as at close of Q1 FY2019. 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 September 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 Quarter 30/09/2018 RM'000	Current Year To Date 30/09/2018 RM'000
Profit before taxation is arrived at after (charging)/crediting:-		
Depreciation and amortisation	(708)	(708)
Interest expense	(1,523)	(1,523)
Rental income	34	34
Interest income	674	674
Other income	672	672
	<u>672</u>	<u>672</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 Quarter 30/09/2018 RM'000	Current Year To Date 30/09/2018 RM'000
Malaysian income tax based on the profit for the financial year	4,413	4,413
Deferred taxation	650	650
	<u>5,063</u>	<u>5,063</u>

The effective tax rate of the Group for the financial periods are higher than the statutory income tax rate mainly due to recognition of deferred tax asset overprovided in previous quarter.

**B.7. Status of Corporate Proposals**

There were no corporate proposals that have been announced but not completed as at 15 November 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 September 2018**

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

	Long Term RM'000	Short Term RM'000	Total RM'000
<b>Current period ended</b>			
30 September 2018			
<b>Secured</b>			
Term loans	58,024	6,413	64,437
Revolving credit	-	91,150	91,150
<b>Unsecured</b>			
Revolving credit	-	50,000	50,000
Non-convertible redeemable preference shares	47,800	-	47,800
	<u>105,824</u>	<u>147,563</u>	<u>253,387</u>
<b>Corresponding period ended</b>			
30 September 2017			
<b>Secured</b>			
Term loans	22,320	6,459	28,779
Revolving credit	-	-	-
<b>Unsecured</b>			
Revolving credit	-	50,000	50,000
Non-convertible redeemable preference shares	-	-	-
	<u>22,320</u>	<u>56,459</u>	<u>78,779</u>

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

	As at 30/09/2018	As at 30/09/2017
<b>Floating interest rate</b>		
Term loans	5.19%	4.88%
Revolving credit	4.97%	4.30%
<b>Fixed interest rate</b>		
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.

**ORIENTAL INTEREST BERHAD**

[Company No. 272144-M]

**Notes to the quarterly report - 30 September 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 period under review.

**B.11. Material Litigation**

There were no pending material litigations as at 15 November 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 2019.

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

	Current Year To Date 30/09/2018	Preceding Year Corresponding Year To Date 30/09/2017
(a) <b>Basic</b>		
Profit attributable to owners of the Company (RM'000)	<u>11,676</u>	<u>8,973</u>
Number of ordinary shares in issue ('000)	<u>154,858</u>	<u>144,872</u>
Basic EPS (sen)	<u>7.54</u>	<u>6.19</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]

22 November 2018