

# ORIENTAL INTEREST BERHAD [Registration No. 199301017406 (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 period ending 31 August 2020.

### Condensed consolidated statement of profit or loss and other comprehensive income for the financial period ended 31 December 2019

[The figures have not been audited.]

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/12/2019 RM'000	Preceding Year Corresponding Quarter 31/12/2018 RM'000	Current Year To Date 31/12/2019 RM'000	Preceding Year Corresponding Year To Date 31/12/2018 RM'000
Revenue	76,188	63,593	119,947	135,231
Cost of sales	(49,756)	(41,646)	(60,196)	(86,854)
<b>Gross profit</b>	26,432	21,947	59,751	48,377
Other income	2,202	1,404	3,048	2,784
Selling and distribution expenses	(1,495)	(1,154)	(3,217)	(2,038)
Administrative expenses	(6,870)	(5,026)	(13,009)	(9,760)
Other expenses	(164)	(750)	(1,032)	(2,305)
<b>Results from operating activities</b>	20,105	16,421	45,541	37,058
Finance costs	(1,738)	(2,160)	(3,338)	(3,683)
Share of results of an associate	7	8	14	15
<b>Profit before tax</b>	18,374	14,269	42,217	33,390
Taxation	(4,616)	17,652	(10,178)	12,589
<b>Profit for the financial period/ Total comprehensive income</b>	13,758	31,921	32,039	45,979
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	11,708	23,775	22,836	35,451
Non-controlling interests	2,050	8,146	9,203	10,528
	13,758	31,921	32,039	45,979
<b>Basic and diluted earnings per ordinary share (sen)</b>	7.56	15.35	14.75	22.89

The condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial report.

**ORIENTAL INTEREST BERHAD**

[Registration No. 199301017406 (272144-M)]

**Condensed consolidated statement of financial position as at 31 December 2019**

[The figures have not been audited.]

	31/12/2019 RM'000	30/06/2019 RM'000
<b>ASSETS</b>		
Property, plant and equipment	61,647	61,246
Right-of-use assets	461	-
Investment properties	29,002	29,237
Investment in an associate	5,308	5,295
Deferred tax assets	41,426	39,098
Inventories-Land held for property development	496,673	490,854
<b>Total non-current assets</b>	<b>634,517</b>	<b>625,730</b>
Inventories-Developed properties	37,875	24,768
Inventories-Property development costs	160,254	158,523
Inventories-Plantation supplies	13	15
Contract costs	26,299	20,569
Contract assets	78,244	132,823
Trade and other receivables	138,963	96,616
Tax recoverable	5,149	4,401
Short term investments	10,602	10,204
Cash and bank balances	39,333	20,738
<b>Total current assets</b>	<b>496,732</b>	<b>468,657</b>
<b>Total assets</b>	<b>1,131,249</b>	<b>1,094,387</b>
<b>EQUITY</b>		
Share capital	169,838	169,838
Reserves	279,150	268,703
<b>Equity attributable to owners of the Company</b>	<b>448,988</b>	<b>438,541</b>
<b>Non-controlling interests</b>	<b>91,451</b>	<b>87,093</b>
<b>Total equity</b>	<b>540,439</b>	<b>525,634</b>
<b>LIABILITIES</b>		
Loans and borrowings	93,226	97,714
Lease liabilities	146	-
Trade payables	206,467	215,623
Deferred tax liabilities	282	453
<b>Total non-current liabilities</b>	<b>300,121</b>	<b>313,790</b>
Loans and borrowings	163,810	149,620
Lease liabilities	319	-
Trade and other payables	110,369	96,519
Contract liabilities	11,655	6,147
Tax payable	4,536	2,677
<b>Total current liabilities</b>	<b>290,689</b>	<b>254,963</b>
<b>Total liabilities</b>	<b>590,810</b>	<b>568,753</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,131,249</b>	<b>1,094,387</b>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<b>2.90</b>	<b>2.83</b>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial report.

**ORIENTAL INTEREST BERHAD**

[Registration No. 199301017406 (272144-M)]

**Condensed consolidated statement of changes in equity  
for the financial period ended 31 December 2019**

[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 2018</b>	169,838	8,557	214,128	392,523	76,905	469,428
Profit for the financial period	-	-	35,451	35,451	10,528	45,979
<b><i>Transactions with owners:</i></b>						
Dividends	-	-	(10,840)	(10,840)	-	(10,840)
Dividend paid to non-controlling interests of subsidiaries	-	-	-	-	(3,287)	(3,287)
<b>Total transactions with owners of the Company</b>	-	-	(10,840)	(10,840)	(3,287)	(14,127)
Realisation of revaluation reserve	-	(127)	127	-	-	-
<b>At 31 December 2018</b>	<b>169,838</b>	<b>8,430</b>	<b>238,866</b>	<b>417,134</b>	<b>84,146</b>	<b>501,280</b>
<b>At 01 July 2019</b>	169,838	8,297	260,406	438,541	87,093	525,634
Profit for the financial period	-	-	22,836	22,836	9,203	32,039
<b><i>Transactions with owners:</i></b>						
Dividends	-	-	(12,389)	(12,389)	-	(12,389)
Dividend paid to non-controlling interests of subsidiaries	-	-	-	-	(4,845)	(4,845)
<b>Total transactions with owners of the Company</b>	-	-	(12,389)	(12,389)	(4,845)	(17,234)
Realisation of revaluation reserve	-	(39)	39	-	-	-
<b>At 31 December 2019</b>	<b>169,838</b>	<b>8,258</b>	<b>270,892</b>	<b>448,988</b>	<b>91,451</b>	<b>540,439</b>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial report.

**ORIENTAL INTEREST BERHAD**

[Registration No. 199301017406 (272144-M)]

**Condensed consolidated statement of cash flows  
for the financial period ended 31 December 2019**

[The figures have not been audited.]

	Period Ended	
	31/12/2019 RM'000	31/12/2018 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	42,217	33,390
<i>Adjustments for:-</i>		
Depreciation	1,551	1,420
Interest income	(1,236)	(2,643)
Interest expense	3,338	3,683
Reversal of impairment loss on property, plant and equipment	(1,433)	-
Other non-cash items	(15)	(13)
Operating profit before changes in working capital	44,422	35,837
Net change in current assets	(16,097)	25,264
Net change in current liabilities	19,358	22,531
Cash generated from operations	47,683	83,632
Interest received	732	1,675
Tax paid	(12,655)	(14,234)
Tax refunded	1,044	279
<b>Net cash from operating activities</b>	36,804	71,352
<b>Cash flows from investing activities</b>		
Interest received	504	968
Proceeds from disposal of property, plant and equipment	15	-
Additions to property, plant and equipment	(524)	(1,129)
Additions to inventories-land held for property development	(6,690)	(42,488)
Additions to investment properties	(100)	(9)
<b>Net cash used in investing activities</b>	(6,795)	(42,658)
<b>Cash flows from financing activities</b>		
Interest paid	(3,338)	(3,683)
Dividend paid to non-controlling interests	(4,845)	(3,287)
Dividend paid to Company's shareholders	(12,389)	(10,840)
Repayment of lease liabilities	(146)	-
Repayment of loans and borrowings	(4,998)	(40,977)
Drawdown of loans and borrowings	14,700	31,440
<b>Net cash used in financing activities</b>	(11,016)	(27,347)
<b>Net change in cash and cash equivalents during the financial period</b>	18,993	1,347
Cash and cash equivalents		
- at the beginning of the period	30,942	31,034
- at the end of the period	49,935	32,381
<b>Cash and cash equivalents included in the cash flows comprise the following:-</b>		
Short term investments	10,602	5,684
Cash and bank balances	39,333	26,697
	49,935	32,381

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial report.

**Notes to the quarterly report - 31 December 2019****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 2019. 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 2019.

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 2019 except for the changes in accounting policies and presentation resulting from the adoption of relevant MFRSs and amendments to MFRSs that are applicable and effective for the Group's financial year beginning on or after 1 July 2019 as follows:-

- MFRS 16, *Leases*
- IC Interpretation 23, *Uncertainty over Income Tax Treatments*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 9, *Financial Instruments – Prepayment Features with Negative Compensation*
- Amendments to MFRS 11, *Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 112, *Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 119, *Employee Benefits – Plan Amendment, Curtailment or Settlement*
- Amendments to MFRS 123, *Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures*

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 except as mentioned below:

**MFRS 16, *Leases***

MFRS 16 replaces the guidance in MFRS 117, *Leases*, IC Interpretation 4, *Determining whether an Arrangement contains a Lease*, IC Interpretation 115, *Operating Leases – Incentives* and IC Interpretation 127, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value items. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate of the Group.

**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.

**Notes to the quarterly report - 31 December 2019**

**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 8 sen per ordinary share in respect of the financial year ended 30 June 2019 was declared on 22 August 2019. The dividend, which amounted to RM12.39 million, was paid on 10 October 2019.

**A.7. Material Events Subsequent to the Interim Reporting Period**

There were no material events that have arisen subsequent to the end of the interim reporting period, which have not been reflected in the interim financial statements.

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

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

**A.9. Operating Segments**

	Property Development RM'000	General Construction RM'000	Oil Palm Cultivation RM'000	Investment Holding RM'000	Others RM'000	Consolidated RM'000
<b>Current period ended</b>						
31 December 2019						
<b>Revenue</b>						
Total revenue	115,338	72,552	763	32,741	2,274	223,668
Inter-segment revenue	-	(70,980)	-	(32,741)	-	(103,721)
Revenue from external customers	<u>115,338</u>	<u>1,572</u>	<u>763</u>	<u>-</u>	<u>2,274</u>	<u>119,947</u>
<b>Segment profit/(loss)</b>						
Reportable segment profit/(loss)	43,176	51	126	(1,033)	(117)	42,203
Share of results of an associate	-	-	-	14	-	14
Profit before tax						<u>42,217</u>
<b>Corresponding period ended</b>						
31 December 2018						
<b>Revenue</b>						
Total revenue	126,885	81,580	1,358	10,795	2,087	222,705
Inter-segment revenue	-	(76,679)	-	(10,795)	-	(87,474)
Revenue from external customers	<u>126,885</u>	<u>4,901</u>	<u>1,358</u>	<u>-</u>	<u>2,087</u>	<u>135,231</u>
<b>Segment profit/(loss)</b>						
Reportable segment profit/(loss)	32,544	153	725	(91)	44	33,375
Share of results of an associate	-	-	-	15	-	15
Profit before tax						<u>33,390</u>

**Notes to the quarterly report - 31 December 2019**

**A.10. Commitments**

There were no changes in commitments since the last annual reporting date as at 30 June 2019, except for the following:

	01/07/2019 RM'000	Changes RM'000	31/12/2019 RM'000
<b>Unsecured</b>			
Bankers' guarantee issued to third parties in favour of subsidiaries	<u>9,747</u>	<u>(590)</u>	<u>9,157</u>
<b>Development land</b>			
Contracted but not provided for	<u>700</u>	<u>62,151</u>	<u>62,851</u>

**A.11. Related Party Transactions**

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

	31/12/2019 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	(50)
- Entity in which substantial interests are owned directly by persons connected with Directors of a subsidiary of the Company	13
- Entities in which substantial interests are owned indirectly by Directors/major shareholders of the Company	(18,246)
- Entities in which substantial interests are owned indirectly by Directors/major shareholders of the Company	3,126
<b>Rental income/(expenses) from/(to):</b>	
- Entity in which substantial interests are owned indirectly by Directors/major shareholders of the Company	61
- Entities in which substantial interests are owned indirectly by Directors/major shareholders of the Company	<u>(281)</u>



Notes to the quarterly report - 31 December 2019

**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 31/12/2019 RM'000	Preceding Year Corresponding Quarter 31/12/2018 RM'000	Changes %	Current Year To Date 31/12/2019 RM'000	Preceding Year Corresponding Year To Date 31/12/2018 RM'000	Changes %
<b>Revenue</b>						
Property Development	73,399	58,379	26	115,338	126,885	(9)
General Construction	1,122	3,380	(67)	1,572	4,901	(68)
Oil Palm Cultivation	341	712	(52)	763	1,358	(44)
Others	1,326	1,122	18	2,274	2,087	9
<b>Total</b>	<b>76,188</b>	<b>63,593</b>	<b>20</b>	<b>119,947</b>	<b>135,231</b>	<b>(11)</b>
<b>Profit/(Loss) before tax</b>						
Property Development	19,084	13,785	38	43,176	32,544	33
General Construction	42	235	(82)	51	153	(67)
Oil Palm Cultivation	88	410	(79)	126	725	(83)
Investment Holding	(815)	(269)	(203)	(1,019)	(76)	(1,241)
Others	(25)	108	(123)	(117)	44	(366)
<b>Total</b>	<b>18,374</b>	<b>14,269</b>	<b>29</b>	<b>42,217</b>	<b>33,390</b>	<b>26</b>

Revenue and profit before taxation ("PBT") for the reporting quarter rose 20% and 29% respectively compared to the preceding year corresponding quarter ("QoQ"). On a 6-month year-on-year ("YoY") basis, PBT rose by 26% notwithstanding a 11% drop in revenue.

On a QoQ basis, revenue and PBT from Property Development segment increased by 26% and 38% respectively. The top line growth was still unable to mitigate the gap in revenue on 6-month to-date basis where the segment reported a 9% negative growth YoY. On the other hand, higher margin contribution projects has delivered 33% growth in earnings Y-oY for this segment.

As for General Construction segment, the 67% drop in billings to external customers QoQ was due largely to general slowdown in the industry. In turn, this resulted in a 82% decline in PBT for the same comparative quarters. On a YoY basis, PBT dropped 67% on the back of a revenue drop of 68% with overall decline in contribution from this segment in tandem with Management's decision to focus more towards the Group's own projects.

The Oil Palm Cultivation segment reported 52% and 79% drop in revenue and PBT respectively against preceding year corresponding quarter due to lower tonnage harvested. Consequently, YoY revenue and PBT were 44% and 83% lower respectively.



Notes to the quarterly report - 31 December 2019

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

	Current Year Quarter 31/12/2019 RM'000	Immediate Preceding Quarter 30/09/2019 RM'000	Changes %
<b>Revenue</b>			
Property Development	73,399	41,940	75
General Construction	1,122	450	149
Oil Palm Cultivation	341	421	(19)
Others	1,326	948	40
Total	<u>76,188</u>	<u>43,759</u>	74
<b>Profit/(Loss) before tax</b>			
Property Development	19,084	24,091	(21)
General Construction	42	9	367
Oil Palm Cultivation	88	39	126
Investment Holding	(815)	(204)	(300)
Others	(25)	(92)	73
Total	<u>18,374</u>	<u>23,843</u>	(23)

Notwithstanding an impressive 74% increase in revenue compared to the immediate preceding financial quarter, the Group reported a 23% drop in PBT. On the same comparative basis, the Property Development segment registered a 75% increase in revenue but a 21% drop in PBT mainly due to additional profits recognised in immediate quarter arising from higher margin contribution projects where availability of amortisation of grant income to reduce the cost of sales of these projects. A significant 149% increase in billings to external customers under General Construction segment resulted in 367% growth in PBT for the same comparative quarter. Meanwhile, revenue of Oil Palm Cultivation segment reduced by 19% due to significantly lower tonnage harvested. However, improved price of crude palm oil contributed to a 126% increase in PBT.

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

During the quarter under review, revenue grew 20% to RM76.19 million from RM63.59 million reported for the preceding year financial quarter. Unbilled sales for the same period soared to RM117.25 million. Top line growth has been aided largely by highly effective sales and marketing initiatives that capitalise, in part, on the Home Ownership Campaign ("HOC") to deliver the numbers and also clear additional RM4.91 million in inventory.

The Group also delivered vacant possession for 4 projects, namely, Taman Sinar Intan 3 double-storey terrace homes under PPAM scheme and SP Saujana Sapphire double-storey terrace homes, both in Sungai Petani, Kedah as well as Taman Serai Wangi double-storey terrace homes under PPAM scheme in Kulim, Kedah and Taman Seri Bestari double storey semi-detached homes in Sepang, Selangor.

The Group's total land bank grew to 2,097 acres following the recent completion of the acquisition of 104 acres of freehold land located in Kuala Langat, Selangor. On 20 November 2019, the Group inked an agreement, subject to completion, to acquire a piece of freehold land measuring approximately 12 acres in Mukim Dengkil, Daerah Sepang, Selangor, for RM46.78 million. The enlarged land bank will enable the Group to scale up its property development activities in strategic locations with strong growth potential.

During the quarter under review, the Group introduced a new phase of Taman Serai Wangi comprising 278 units of single-storey terrace homes with Gross Development Value ("GDV") of RM46 million and the very first industrial project in Pulau Indah with GDV of RM450 million. This brings total GDV of new launches to RM687.10 million with the Group on track to achieve GDV of RM1 billion for new launches in FY2020.

**Notes to the quarterly report - 31 December 2019**

**B.3. Prospects for the Current Financial Period (Cont'd)**

The Group is confident of delivering a strong performance in FY2020 underpinned by positive response for existing and ongoing developments as well as new launches. Going forward, the Group will continue its prudent business strategy to ensure sustainable growth amidst an uncertain operating environment more so as the HOC comes to an end.

**B.4. Variance of Actual Profit from Forecast Profit**

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 31/12/2019 RM'000	Current Year To Date 31/12/2019 RM'000
Profit before taxation is arrived at after (charging)/crediting:-		
Depreciation	(772)	(1,551)
Interest expense	(1,738)	(3,338)
Reversal of impairment loss on property, plant and equipment	1,433	1,433
Rental income	484	535
Interest income	669	1,236
Other income	64	292
	<u>64</u>	<u>292</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 31/12/2019 RM'000	Current Year To Date 31/12/2019 RM'000
Malaysian income tax based on the profit for the financial period	5,880	13,366
Deferred taxation	(1,264)	(3,188)
	<u>4,616</u>	<u>10,178</u>

The effective tax rate of the Group for the financial period is 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 18 February 2020, the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial statements.

**ORIENTAL INTEREST BERHAD**

[Registration No. 199301017406 (272144-M)]

**Notes to the quarterly report - 31 December 2019**
**B.8. Group Borrowings and Debt Securities**

	Long Term RM'000	Short Term RM'000	Total RM'000
<b>Current period ended</b>			
31 December 2019			
<b>Secured</b>			
Term loans	45,426	5,110	50,536
Revolving credit	-	108,700	108,700
<b>Unsecured</b>			
Revolving credit	-	50,000	50,000
Non-convertible redeemable preference shares	47,800	-	47,800
	<u>93,226</u>	<u>163,810</u>	<u>257,036</u>
<b>Corresponding period ended</b>			
31 December 2018			
<b>Secured</b>			
Term loans	56,007	5,740	61,747
Revolving credit	-	77,440	77,440
<b>Unsecured</b>			
Revolving credit	-	50,000	50,000
Non-convertible redeemable preference shares	47,800	-	47,800
	<u>103,807</u>	<u>133,180</u>	<u>236,987</u>

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

	As at 31/12/2019	As at 31/12/2018
<b>Floating interest rate</b>		
Term loans	4.92%	5.19%
Revolving credit	4.56%	4.95%
<b>Fixed interest rate</b>		
Non-convertible redeemable preference shares	<u>4.00%</u>	<u>4.00%</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 - 31 December 2019**

**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 18 February 2020, 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 period ending 31 August 2020.

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

	Current Year To Date 31/12/2019	Preceding Year Corresponding Year To Date 31/12/2018
(a) <b>Basic</b>		
Profit attributable to owners of the Company (RM'000)	<u>22,836</u>	<u>35,451</u>
Number of ordinary shares in issue ('000)	<u>154,858</u>	<u>154,858</u>
Basic EPS (sen)	<u>14.75</u>	<u>22.89</u>

(b) **Diluted**

The Group has no dilution in its earnings per ordinary share in the quarter under review / financial period 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.

**B.15. Change of Financial Year End**

On 19 November 2019, the Company announced an immediate change in financial year end from 30 June to 31 August. As such, the Group would be presenting a 14-month financial report from 01 July 2019 to 31 August 2020 and thereafter, the financial year end of the Company shall end on 31 August for each subsequent year.

**By order of the Board**

**Tai Yit Chan (MAICSA 7009143)**  
**Ong Tze-En (MAICSA 7026537)**  
[Joint Company Secretaries]

25 February 2020