

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 first quarter of financial year ending 31 August 2022.

Condensed consolidated statement of profit or loss and other comprehensive income for the financial period ended 30 November 2021

[The figures have not been audited.]

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/11/2021 RM'000	Preceding Year Quarter 30/11/2020 RM'000	Current Year To Date 30/11/2021 RM'000	Preceding Year To Date 30/11/2020 RM'000
Revenue	76,916	87,471	76,916	87,471
Cost of sales	(53,015)	(59,746)	(53,015)	(59,746)
Gross profit	23,901	27,725	23,901	27,725
Other income	2,255	3,789	2,255	3,789
Selling and distribution expenses	(1,229)	(1,975)	(1,229)	(1,975)
Administrative expenses	(7,019)	(5,826)	(7,019)	(5,826)
Other expenses	(584)	(441)	(584)	(441)
Results from operating activities	17,324	23,272	17,324	23,272
Finance costs	(17)	(5)	(17)	(5)
Share of results of an associate	6	6	6	6
Profit before tax	17,313	23,273	17,313	23,273
Taxation	(4,286)	(5,899)	(4,286)	(5,899)
Profit for the financial period/ Total comprehensive income	13,027	17,374	13,027	17,374
Total comprehensive income attributable to:				
Owners of the Company	11,701	15,091	11,701	15,091
Non-controlling interests	1,326	2,283	1,326	2,283
	13,027	17,374	13,027	17,374
Basic and diluted earnings per ordinary share (sen)	2.52	*4.03	2.52	*4.03

* The comparative figures for earnings per share has been adjusted to reflect the bonus issue and rights issue in financial year ended 31 August 2021.

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 31 August 2021 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 30 November 2021

[The figures have not been audited.]

	30/11/2021 RM'000	31/08/2021 RM'000
ASSETS		
Property, plant and equipment	50,449	50,369
Right-of-use assets	9,075	9,037
Investment properties	46,787	44,002
Investment in an associate	5,351	5,345
Deferred tax assets	49,231	47,932
Inventories-Land held for property development	574,798	509,605
Total non-current assets	735,691	666,290
Inventories-Developed properties	25,485	14,712
Inventories-Property development costs	245,748	280,828
Inventories-Plantation supplies	35	21
Contract costs	71,874	50,180
Contract assets	121,562	84,059
Trade and other receivables	133,676	172,425
Tax recoverable	11,765	6,374
Short term investments	103,640	123,421
Cash and bank balances	19,621	17,824
Total current assets	733,406	749,844
Total assets	<u>1,469,097</u>	<u>1,416,134</u>
EQUITY		
Share capital	250,364	250,364
Reserves	376,939	365,238
Equity attributable to owners of the Company	627,303	615,602
Non-controlling interests	84,284	82,958
Total equity	<u>711,587</u>	<u>698,560</u>
LIABILITIES		
Loans and borrowings	51,930	64,480
Lease liabilities	767	739
Trade payables	119,697	119,697
Deferred tax liabilities	983	1,099
Total non-current liabilities	173,377	186,015
Loans and borrowings	323,974	268,994
Lease liabilities	500	461
Trade and other payables	236,448	236,874
Contract liabilities	20,712	22,224
Deferred income	831	1,292
Tax payable	1,668	1,714
Total current liabilities	584,133	531,559
Total liabilities	<u>757,510</u>	<u>717,574</u>
TOTAL EQUITY AND LIABILITIES	<u>1,469,097</u>	<u>1,416,134</u>
Net assets per share attributable to owners of the Company (RM)	1.35	1.33

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 August 2021 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 30 November 2021**

[The figures have not been audited.]

	-----Attributable to owners of the Company-----						Non-controlling interests RM'000	Total equity RM'000
	-----Non-distributable-----			Distributable		Total RM'000		
	Share capital RM'000	Warrants reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000				
At 01 September 2020	169,838	-	8,258	290,476	468,572	93,542	562,114	
Profit for the financial period	-	-	-	15,091	15,091	2,283	17,374	
Transaction with owners:								
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	(18,968)	(18,968)	
Total transaction with owners of the Company	-	-	-	-	-	(18,968)	(18,968)	
Realisation of revaluation reserve	-	-	(37)	37	-	-	-	
At 30 November 2020	169,838	-	8,221	305,604	483,663	76,857	560,520	
At 01 September 2021	250,364	24,778	8,076	332,384	615,602	82,958	698,560	
Profit for the financial period	-	-	-	11,701	11,701	1,326	13,027	
Realisation of revaluation reserve	-	-	(38)	38	-	-	-	
At 30 November 2021	250,364	24,778	8,038	344,123	627,303	84,284	711,587	

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 August 2021 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 30 November 2021**

[The figures have not been audited.]

	Period Ended	
	30/11/2021 RM'000	30/11/2020 RM'000
Cash flows from operating activities		
Profit before tax	17,313	23,273
<i>Adjustments for:-</i>		
Depreciation	736	768
Interest income	(917)	(672)
Interest expense	17	5
Share of profit of an associate	(6)	(6)
Other non-cash items	(5)	11
Operating profit before changes in working capital	17,138	23,379
Net change in current assets	(59,894)	(14,084)
Net change in current liabilities	(2,399)	(17,831)
Cash used in operations	(45,155)	(8,536)
Interest received	191	532
Tax paid	(11,138)	(4,178)
Net cash used in operating activities	(56,102)	(12,182)
Cash flows from investing activities		
Interest received	726	140
Proceeds from disposal of property, plant and equipment	5	2
Additions to property, plant and equipment	(600)	(115)
Additions to investment properties	(2,847)	(2,025)
Net cash used in investing activities	(2,716)	(1,998)
Cash flows from financing activities		
Interest paid	(1,471)	(2,476)
Dividends paid to non-controlling interests	-	(18,968)
Repayment of loans and borrowings	(5,570)	(3,340)
Drawdown of loans and borrowings	48,000	48,000
Payment of lease liabilities	(125)	(7)
Net cash from financing activities	40,834	23,209
Net change in cash and cash equivalents	(17,984)	9,029
Cash and cash equivalents		
- at the beginning of the period	141,245	21,477
- at the end of the period	123,261	30,506
Cash and cash equivalents included in the cash flows comprise the following:-		
Short term investments	103,640	22,478
Cash and bank balances	19,621	8,028
	123,261	30,506

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 August 2021 and the accompanying explanatory notes attached to the interim financial report.

ORIENTAL INTEREST BERHAD

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Notes to the quarterly report - 30 November 2021**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 31 August 2021. 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 31 August 2021.

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 31 August 2021 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 September 2021 as follows:-

- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases – Interest Rate Benchmark Reform - Phase 2*
- Amendment to MFRS 16, *Leases - Covid-19-Related Rent Concessions beyond 30 June 2021*

The adoption of the above accounting standards, amendments and improvements to published standards does not have any material impact on the financial statements 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.

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 3.5 sen per ordinary share in respect of the financial year ended 31 August 2021 was declared on 25 October 2021. The dividend, which amounted to RM16.26 million, was paid on 31 December 2021.

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:-

On 20 December 2021, Myra Land Sdn. Bhd., a subsidiary of the Company has entered into a Sale and Purchase Agreement for the acquisition of a piece of leasehold land measuring approximately 20,465 square metres at District of Petaling, State of Selangor, for a purchase consideration of RM36.35 million.

A.8. Changes in the Composition of the Group

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

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Notes to the quarterly report - 30 November 2021
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						
30 November 2021						
Revenue						
Total revenue	79,573	43,967	1,591	7,058	1,383	133,572
Inter-segment revenue	(8,180)	(41,596)	-	(6,880)	-	(56,656)
Revenue from external customers	<u>71,393</u>	<u>2,371</u>	<u>1,591</u>	<u>178</u>	<u>1,383</u>	<u>76,916</u>
Segment profit/(loss)						
Reportable segment profit/(loss)	16,100	58	1,075	(199)	273	17,307
Share of results of an associate	-	-	-	6	-	6
Profit before tax	<u>16,100</u>	<u>58</u>	<u>1,075</u>	<u>(193)</u>	<u>273</u>	<u>17,313</u>
Corresponding period ended						
30 November 2020						
Revenue						
Total revenue	92,924	55,998	648	72,273	693	222,536
Inter-segment revenue	(10,330)	(52,473)	-	(72,262)	-	(135,065)
Revenue from external customers	<u>82,594</u>	<u>3,525</u>	<u>648</u>	<u>11</u>	<u>693</u>	<u>87,471</u>
Segment profit/(loss)						
Reportable segment profit/(loss)	23,116	268	235	(95)	(257)	23,267
Share of results of an associate	-	-	-	6	-	6
Profit before tax	<u>23,116</u>	<u>268</u>	<u>235</u>	<u>(89)</u>	<u>(257)</u>	<u>23,273</u>

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Notes to the quarterly report - 30 November 2021
A.10. Commitments

There were no changes in commitments since the last annual reporting date as at 31 August 2021, except for the following:-

	01/09/2021 RM'000	Changes RM'000	30/11/2021 RM'000
Unsecured			
Bankers' guarantee issued to third parties in favour of subsidiaries	<u>22,140</u>	<u>(2,247)</u>	<u>19,893</u>
Development land			
Contracted but not provided for	<u>58,278</u>	<u>(57,878)</u>	<u>400</u>
Investment properties			
Contracted but not provided for	<u>11,428</u>	<u>(2,825)</u>	<u>8,603</u>

A.11. Related Party Transactions

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

	30/11/2021 RM'000
Sale/(Purchase) of goods and services to/(from):	
- Entities in which substantial interests are owned directly by persons connected with Directors of a subsidiary of the Company	(90)
- Entity in which substantial interests are owned directly by persons connected with Directors of a subsidiary of the Company	7
- Entities in which substantial interests are owned indirectly by Directors/person connected to Directors of the Company	(13,530)
- Entities in which substantial interests are owned indirectly by Directors/person connected to Directors of the Company	2,583
Rental income/(expenses) from/(to):	
- Entity in which substantial interests are owned indirectly by Directors/person connected to Directors of the Company	14
- Entities in which substantial interests are owned indirectly by Directors/person connected to Directors of the Company	(265)

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Notes to the quarterly report - 30 November 2021
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 30/11/2021 RM'000	Preceding Year Quarter 30/11/2020 RM'000	Changes %	Current Year To Date 30/11/2021 RM'000	Preceding Year To Date 30/11/2020 RM'000	Changes %
Revenue						
Property Development	71,393	82,594	(14)	71,393	82,594	(14)
General Construction	2,371	3,525	(33)	2,371	3,525	(33)
Oil Palm Cultivation	1,591	648	146	1,591	648	146
Investment Holding	178	11	1,518	178	11	1,518
Others	1,383	693	100	1,383	693	100
Total	76,916	87,471	(12)	76,916	87,471	(12)
Profit/(Loss) before tax						
Property Development	16,100	23,116	(30)	16,100	23,116	(30)
General Construction	58	268	(78)	58	268	(78)
Oil Palm Cultivation	1,075	235	357	1,075	235	357
Investment Holding	(193)	(89)	(117)	(193)	(89)	(117)
Others	273	(257)	206	273	(257)	206
Total	17,313	23,273	(26)	17,313	23,273	(26)

The Group registered revenue of RM76.92 million and profit before tax ("PBT") of RM17.31 million a quarter-on-quarter drop of 12% and 26% from RM87.47 million and RM23.27 million respectively reported for the preceding year corresponding quarter.

Revenue from Property Development segment dropped by 14% resulting in a 30% decrease in PBT principally due to completion of some projects during the reporting quarter. As for General Construction segment, general slowdown in the industry affected its performance causing a 33% drop in billings to external customers and a 78% drop in PBT. Meanwhile, revenue and PBT from Oil Palm Cultivation segment increased by 146% and 357% respectively powered by both stronger crude palm oil prices and better harvesting during the reporting financial quarter.

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Notes to the quarterly report - 30 November 2021
B.2. Financial Review for Current Quarter Compared with Immediate Preceding Quarter

	Current Year Quarter 30/11/2021 RM'000	Immediate Preceding Quarter 31/08/2021 RM'000	Changes %
Revenue			
Property Development	71,393	52,487	36
General Construction	2,371	6,124	(61)
Oil Palm Cultivation	1,591	1,245	28
Investment Holding	178	466	(62)
Others	1,383	420	229
Total	<u><u>76,916</u></u>	<u><u>60,742</u></u>	27
Profit/(Loss) before tax			
Property Development	16,100	8,558	88
General Construction	58	356	(84)
Oil Palm Cultivation	1,075	714	51
Investment Holding	(193)	(147)	31
Others	273	(342)	180
Total	<u><u>17,313</u></u>	<u><u>9,139</u></u>	89

The Group reported 27% and 89% higher revenue and PBT respectively when compared with immediate preceding financial quarter. The lower revenue and PBT recognised in preceding quarter arose from temporary shutdown then of the Group's business activities and operations in compliance with the full lockdown (MCO 3.0) nationwide from 1 June 2021 with extension to 28 June 2021 to curb the spread of the COVID-19 pandemic. On the same comparative basis, revenue and PBT from General Construction segment dropped by 61% and 84% respectively as the Group reduced external works to pursue growth in internal works in line with Group direction. Meanwhile, revenue and PBT of Oil Palm Cultivation segment increased by 28% and 51% respectively, due to higher crude palm oil prices and better harvesting during the reporting financial quarter.

B.3. Prospects for the Current Financial Year

The Group started the new financial year strong with revenue surging to RM76.92 million from RM60.74 million in the last financial quarter of FY2021 as we build on the growth momentum going forward. As of 30 November 2021, the Group has total unbilled sales stood at RM303.65 million which provide strong visibility of revenue and cashflow for the year under review.

During the quarter under review, the Group launched a few projects: a new phase comprising 72 bungalows in Taman Serai Wangi with gross development value ("GDV") of RM39.50 million and 17 single-storey terrace homes in Taman Bemban with GDV of RM2.80 million, both in northern region. In the central region, the Group launched its first condominium project in Cyberjaya; Myra Cove which consists of 700 units of lakefront condominium to be built in 2 phases. The GDV of phase 1 at RM125.60 million.

Strategic marketing initiatives leveraging on the Home Ownership Campaign ("HOC") resulted in 100% take-up rate for a few of our on-going projects such as Myra Gardens (Phase 1C) in Kundang as well as Myra Vista and Taman Seri Bestari 2 in Bandar Baru Salak Tinggi, Selangor. The Group also delivered vacant possession for 2 projects in the northern region, namely, 123 double-storey terrace homes in Taman Permaipura in Bedong, 66 double-storey terrace homes and 17 single-storey terrace homes in Taman Bemban in Baling, Kedah.

The Group continues to look out for land acquisition and joint venture opportunities to add to its current land banks of 1,848 acres. Given the strong numbers for unbilled sales in the near future, the Group is confident of delivering a strong performance in FY2022 and will continue its prudent business strategy to ensure sustainable growth.

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Notes to the quarterly report - 30 November 2021

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 30/11/2021 RM'000	Current Year To Date 30/11/2021 RM'000
Profit before taxation is arrived at after (charging)/crediting:-		
Depreciation	(736)	(736)
Interest expense	(17)	(17)
Government grant income	1,588	1,588
Lease income	263	263
Interest income	917	917
Other income	135	135
	<u>135</u>	<u>135</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 30/11/2021 RM'000	Current Year To Date 30/11/2021 RM'000
Malaysian income tax based on the profit for the financial period	5,813	5,813
Deferred taxation	(1,527)	(1,527)
	<u>4,286</u>	<u>4,286</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 17 January 2022, the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial statements.

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Notes to the quarterly report - 30 November 2021
B.8. Utilisation of Proceeds

Refer to the previous announcements and the Abridged Prospectus dated 4 May 2021 in relation to the Rights Issue with Warrants. The proceeds of RM105.30 million raised from the Rights Issue with Warrants will be utilised in the following manner:-

Details of utilisation	Timeframe for utilisation upon completion of the Rights Issue with Warrants	Proposed usage RM'000	Actual utilisation RM'000	Balance as at 30 November 2021 RM'000
(i) Funding for existing and/or future property development projects	Within 12 months	62,704	48,085	14,619
(ii) Acquisition of new landbank for property development	Within 12 months	42,000	-	42,000
(iii) Estimated expenses for the Bonus Issue and Rights Issue with Warrants	Within 1 month	600	533	^67
Total		<u>105,304</u>	<u>48,618</u>	<u>56,686</u>

Note:

^ The over-estimated expenses for the Bonus Issue and Rights Issue with Warrants of RM67,000 will be reallocated for use as funding for existing and/or future property development projects.

B.9. Group Borrowings and Debt Securities

	Long Term RM'000	Short Term RM'000	Total RM'000
Current period ended 30 November 2021			
Secured			
Term loans	4,130	16,680	20,810
Revolving credit	-	257,294	257,294
Unsecured			
Revolving credit	-	50,000	50,000
Non-convertible redeemable preference shares	47,800	-	47,800
	<u>51,930</u>	<u>323,974</u>	<u>375,904</u>
Preceding period to date 30 November 2020			
Secured			
Term loans	26,851	18,152	45,003
Revolving credit	-	175,224	175,224
Unsecured			
Revolving credit	-	50,000	50,000
Non-convertible redeemable preference shares	47,800	-	47,800
	<u>74,651</u>	<u>243,376</u>	<u>318,027</u>

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

	As at 30/11/2021	As at 30/11/2020
Floating interest rate		
Term loans	3.66%	3.59%
Revolving credit	2.91%	3.08%
Fixed interest rate		
Non-convertible redeemable preference shares	<u>4.00%</u>	<u>4.00%</u>

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Notes to the quarterly report - 30 November 2021

B.9. Group Borrowings and Debt Securities (Cont'd)

- (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.10. Derivative Financial Instrument

The Group did not have any derivative financial instruments as at the end of the reporting period.

B.11. 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.12. Material Litigation

There were no pending material litigations as at 17 January 2022, the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial statements.

B.13. Dividend

Other than the dividend paid as disclosed in Note A6 herein, the Board of Directors does not recommend any payment of dividend in respect of the current financial year ending 31 August 2022.

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

	Current Year Quarter 30/11/2021	Preceding Year To Date 30/11/2020
(a) Basic		
Profit attributable to owners of the Company (RM'000)	<u>11,701</u>	<u>15,091</u>
Weighted average number of ordinary shares ('000)	<u>464,575</u>	<u>374,746</u>
Basic EPS (sen)	<u>2.52</u>	<u>4.03</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.15. 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 | SSM PC No. 202008001023]

Ong Tze-En [MAICSA 7026537 | SSM PC No. 202008003397]

Company Secretaries

24 January 2022