

# 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 third quarter of financial year ending 31 August 2023.

### Condensed consolidated statement of profit or loss and other comprehensive income for the financial period ended 31 May 2023

[The figures have not been audited.]

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/05/2023 RM'000	Preceding Year Quarter 31/05/2022 RM'000	Current Year To Date 31/05/2023 RM'000	Preceding Year To Date 31/05/2022 RM'000
<b>Revenue</b>	122,671	118,267	333,417	321,035
<b>Cost of sales</b>	(93,374)	(80,845)	(247,988)	(223,153)
<b>Gross profit</b>	29,297	37,422	85,429	97,882
Other income	1,043	1,759	7,088	6,682
Selling and distribution expenses	(1,378)	(1,816)	(4,624)	(3,853)
Administrative expenses	(8,964)	(7,511)	(32,043)	(26,825)
Other expenses	(1,086)	(508)	(2,237)	(2,121)
<b>Results from operating activities</b>	18,912	29,346	53,613	71,765
Finance costs	(8)	(2)	(23)	(32)
Share of results of an associate	5	6	19	16
<b>Profit before tax</b>	18,909	29,350	53,609	71,749
Taxation	(4,502)	(6,301)	(13,077)	(17,030)
<b>Profit for the financial period/ Total comprehensive income</b>	14,407	23,049	40,532	54,719
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	12,395	21,462	34,117	50,627
Non-controlling interests	2,012	1,587	6,415	4,092
	14,407	23,049	40,532	54,719
<b>Basic and diluted earnings per ordinary share (sen)</b>	2.67	4.62	7.34	10.90

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 2022 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 May 2023**

[The figures have not been audited.]

	31/05/2023 RM'000	31/08/2022 RM'000
<b>ASSETS</b>		
Property, plant and equipment	55,413	50,507
Right-of-use assets	8,423	8,769
Investment properties	53,746	53,640
Investment in an associate	5,385	5,366
Deferred tax assets	51,603	50,223
Inventories-Land held for property development	499,656	525,276
Other receivables	27,236	21,936
<b>Total non-current assets</b>	<b>701,462</b>	<b>715,717</b>
Inventories-Developed properties	8,333	14,244
Inventories-Property development costs	298,484	245,930
Inventories-Plantation supplies	8	147
Contract costs	71,867	83,182
Contract assets	152,153	203,706
Trade and other receivables	97,115	132,278
Tax recoverable	5,240	4,661
Short term investments	89,035	82,894
Cash and bank balances	31,233	21,622
<b>Total current assets</b>	<b>753,468</b>	<b>788,664</b>
<b>Total assets</b>	<b><u>1,454,930</u></b>	<b><u>1,504,381</u></b>
<b>EQUITY</b>		
Share capital	250,364	250,364
Reserves	438,133	427,245
<b>Equity attributable to owners of the Company</b>	<b>688,497</b>	<b>677,609</b>
<b>Non-controlling interests</b>	<b>85,656</b>	<b>85,934</b>
<b>Total equity</b>	<b><u>774,153</u></b>	<b><u>763,543</u></b>
<b>LIABILITIES</b>		
Loans and borrowings	47,800	47,800
Lease liabilities	388	524
Trade payables	94,522	113,183
Deferred tax liabilities	741	976
<b>Total non-current liabilities</b>	<b>143,451</b>	<b>162,483</b>
Loans and borrowings	275,908	306,459
Lease liabilities	424	534
Trade and other payables	254,158	262,181
Contract liabilities	2,371	1,767
Deferred income	-	318
Tax payable	4,465	7,096
<b>Total current liabilities</b>	<b>537,326</b>	<b>578,355</b>
<b>Total liabilities</b>	<b><u>680,777</u></b>	<b><u>740,838</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>1,454,930</u></b>	<b><u>1,504,381</u></b>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<b>1.48</b>	<b>1.46</b>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 August 2022 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 May 2023**

[The figures have not been audited.]

	----- Attributable to owners of the Company -----						
	----- Non-distributable -----			Distributable		Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Warrants reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Total RM'000		
<b>At 1 September 2021</b>	250,364	24,778	8,076	332,384	615,602	82,958	698,560
Profit for the financial period	-	-	-	50,627	50,627	4,092	54,719
<b>Transaction with owners:</b>							
Dividends paid to:							
- shareholders of the Company	-	-	-	(16,260)	(16,260)	-	(16,260)
- non-controlling interests of subsidiaries	-	-	-	-	-	(5,630)	(5,630)
<b>Total transaction with owners of the Company</b>	-	-	-	(16,260)	(16,260)	(5,630)	(21,890)
Realisation of revaluation reserve	-	-	(371)	371	-	-	-
<b>At 31 May 2022</b>	250,364	24,778	7,705	367,122	649,969	81,420	731,389
<b>At 1 September 2022</b>	250,364	24,778	7,750	394,717	677,609	85,934	763,543
Profit for the financial period	-	-	-	34,117	34,117	6,415	40,532
<b>Transactions with owners:</b>							
Dividends paid to:							
- shareholders of the Company	-	-	-	(23,229)	(23,229)	-	(23,229)
- non-controlling interests of subsidiaries	-	-	-	-	-	(6,693)	(6,693)
<b>Total transactions with owners of the Company</b>	-	-	-	(23,229)	(23,229)	(6,693)	(29,922)
Realisation of revaluation reserve	-	-	(219)	219	-	-	-
<b>At 31 May 2023</b>	250,364	24,778	7,531	405,824	688,497	85,656	774,153

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 2022 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 May 2023**

[The figures have not been audited.]

	Period Ended	
	31/05/2023 RM'000	31/05/2022 RM'000
<b>Cash flows from operating activities</b>		
<b>Profit before tax</b>	53,609	71,749
<i>Adjustments for:-</i>		
Depreciation	3,449	2,451
Interest income	(2,678)	(1,941)
Interest expense	23	32
Reversal of provision for liquidated ascertained damages	(1,807)	-
Share of profit of an associate	(19)	(16)
Other non-cash items	19	175
	52,596	72,450
Operating profit before changes in working capital	52,596	72,450
Net change in current assets	81,239	(90,953)
Net change in current liabilities	(24,591)	(32,697)
	109,244	(51,200)
Cash generated from/(used in) operations	109,244	(51,200)
Interest received	628	894
Tax paid	(17,902)	(15,048)
	91,970	(65,354)
<b>Net cash from/(used in) operating activities</b>	91,970	(65,354)
<b>Cash flows from investing activities</b>		
Interest received	2,050	1,047
Proceeds from disposal of property, plant and equipment	13	210
Additions to property, plant and equipment	(7,113)	(4,479)
Additions to investment properties	(870)	(7,556)
	(5,920)	(10,778)
<b>Net cash used in investing activities</b>	(5,920)	(10,778)
<b>Cash flows from financing activities</b>		
Interest paid	(9,415)	(4,872)
Dividends paid to:		
- shareholders of the Company	(23,229)	(16,260)
- non-controlling interests	(6,693)	(5,630)
Repayment of loans and borrowings	(70,451)	(20,242)
Drawdown of loans and borrowings	39,900	48,000
Payment of lease liabilities	(410)	(399)
	(70,298)	597
<b>Net cash (used in)/from financing activities</b>	(70,298)	597
<b>Net change in cash and cash equivalents</b>	15,752	(75,535)
Cash and cash equivalents		
- at beginning of the period	104,516	141,245
- at end of the period	120,268	65,710
<b>Cash and cash equivalents included in the cash flows comprise the following:-</b>		
Short term investments	89,035	55,609
Cash and bank balances	31,233	10,101
	120,268	65,710

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 August 2022 and the accompanying explanatory notes attached to the interim financial report.

**ORIENTAL INTEREST BERHAD**

[Registration No. 199301017406 (272144-M)]

**Notes to the quarterly report - 31 May 2023****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 2022. 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 2022.

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 2022 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 2022 as follows:-

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to MFRS 3, *Business Combinations - Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018-2020)*

The adoption of the above accounting standards, amendments and improvements to published standards does not have any material financial 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 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 5 sen per ordinary share in respect of the financial year ended 31 August 2022 was declared on 25 October 2022. The dividend, which amounted to RM23.23 million, was paid on 30 December 2022.

**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.

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**Notes to the quarterly report - 31 May 2023**
**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	Hotel Operation RM'000	Consolidated RM'000
<b>Current period ended 31 May 2023</b>						
<b>Revenue</b>						
Total revenue	292,119	228,168	3,215	33,239	5,743	562,484
Inter-segment revenue	(8,719)	(187,814)	-	(32,519)	(15)	(229,067)
Revenue from external customers	<u>283,400</u>	<u>40,354</u>	<u>3,215</u>	<u>720</u>	<u>5,728</u>	<u>333,417</u>
<b>Segment profit</b>						
Reportable segment profit	49,827	921	1,872	481	489	53,590
Share of results of an associate	-	-	-	19	-	19
Profit before tax	<u>49,827</u>	<u>921</u>	<u>1,872</u>	<u>500</u>	<u>489</u>	<u>53,609</u>
<b>Corresponding period ended 31 May 2022</b>						
<b>Revenue</b>						
Total revenue	312,333	176,460	4,815	72,860	4,666	571,134
Inter-segment revenue	(25,939)	(151,640)	-	(72,520)	-	(250,099)
Revenue from external customers	<u>286,394</u>	<u>24,820</u>	<u>4,815</u>	<u>340</u>	<u>4,666</u>	<u>321,035</u>
<b>Segment profit/(loss)</b>						
Reportable segment profit/(loss)	67,551	806	2,907	(206)	675	71,733
Share of results of an associate	-	-	-	16	-	16
Profit/(Loss) before tax	<u>67,551</u>	<u>806</u>	<u>2,907</u>	<u>(190)</u>	<u>675</u>	<u>71,749</u>

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**Notes to the quarterly report - 31 May 2023**
**A.9. Operating Segments (Cont'd)**

	Property Development RM'000	General Construction RM'000	Oil Palm Cultivation RM'000	Investment Holding RM'000	Hotel Operation RM'000	Consolidated RM'000
<b>As at 31 May 2023</b>						
<b>Segment assets</b>						
Total segment assets	1,289,069	68,930	25,957	42,796	22,793	1,449,545
Associate	-	-	-	5,385	-	5,385
Total assets	<u>1,289,069</u>	<u>68,930</u>	<u>25,957</u>	<u>48,181</u>	<u>22,793</u>	<u>1,454,930</u>
<b>Segment liabilities</b>						
Total segment liabilities	<u>400,012</u>	<u>68,189</u>	<u>16</u>	<u>212,121</u>	<u>439</u>	<u>680,777</u>
<b>As at 31 May 2022</b>						
<b>Segment assets</b>						
Total segment assets	1,332,949	45,079	26,765	17,154	22,278	1,444,225
Associate	-	-	-	5,360	-	5,360
Total assets	<u>1,332,949</u>	<u>45,079</u>	<u>26,765</u>	<u>22,514</u>	<u>22,278</u>	<u>1,449,585</u>
<b>Segment liabilities</b>						
Total segment liabilities	<u>415,839</u>	<u>82,814</u>	<u>18</u>	<u>218,945</u>	<u>580</u>	<u>718,196</u>

**ORIENTAL INTEREST BERHAD**

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**Notes to the quarterly report - 31 May 2023**
**A.10. Commitments**

There were no changes in commitments since the last annual reporting date as at 31 August 2022, except for the following:-

	01/09/2022 RM'000	Changes RM'000	31/05/2023 RM'000
<b>Unsecured</b>			
Bankers' guarantee issued to third parties in favour of subsidiaries	<u>24,198</u>	<u>7,272</u>	<u>31,470</u>
<b>Development land</b>			
Contracted but not provided for	<u>33,112</u>	<u>-</u>	<u>33,112</u>
<b>Investment properties</b>			
Contracted but not provided for	<u>1,821</u>	<u>(1,821)</u>	<u>-</u>

**A.11. Related Party Transactions**

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

	31/05/2023 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	(181)
- Entity in which substantial interests are owned directly by persons connected with Directors of a subsidiary of the Company	20
- Entities in which substantial interests are owned indirectly by Directors/person connected to Director of a subsidiary of the Company	(62,375)
- Entities in which substantial interests are owned indirectly by Directors/person connected to Director of a subsidiary of the Company	53,817
<b>Rental income/(expenses) from/(to):</b>	
- Entities in which substantial interests are owned indirectly by Directors/person connected to Director of a subsidiary of the Company	545
- Entities in which substantial interests are owned indirectly by Directors/person connected to Director of a subsidiary of the Company	<u>(1,301)</u>



**Notes to the quarterly report - 31 May 2023**

**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 31/05/2023 RM'000	Preceding Year Quarter 31/05/2022 RM'000	Changes %	Current Year To Date 31/05/2023 RM'000	Preceding Year To Date 31/05/2022 RM'000	Changes %
<b>Revenue</b>						
Property Development	98,981	104,968	(6)	283,400	286,394	(1)
General Construction	20,705	9,885	109	40,354	24,820	63
Oil Palm Cultivation	764	1,740	(56)	3,215	4,815	(33)
Investment Holding	267	83	222	720	340	112
Hotel Operation	1,954	1,591	23	5,728	4,666	23
<b>Total</b>	<b>122,671</b>	<b>118,267</b>	<b>4</b>	<b>333,417</b>	<b>321,035</b>	<b>4</b>
<b>Profit/(Loss) before tax</b>						
Property Development	17,434	27,726	(37)	49,827	67,551	(26)
General Construction	832	350	138	921	806	14
Oil Palm Cultivation	390	1,056	(63)	1,872	2,907	(36)
Investment Holding	173	36	381	500	(190)	363
Hotel Operation	80	182	(56)	489	675	(28)
<b>Total</b>	<b>18,909</b>	<b>29,350</b>	<b>(36)</b>	<b>53,609</b>	<b>71,749</b>	<b>(25)</b>

Revenue for the reporting quarter and period-to-date rose by 4% compared to the preceding year corresponding quarter and period-to-date. Over the same comparative quarters and periods-to-date, profit before tax ("PBT") reduced by 36% and 25% respectively. The drop in PBT correlated to an increase in staff costs in line with strategic direction for further expansion; recruitment of senior management personnel and employees with relevant expertise and professional experiences.

For the current quarter under review, revenue and PBT from Property Development segment shrank by 6% and 37% respectively, principally due to lower average contribution margin from selected housing projects as the Group continued to maintain selling prices despite escalating construction costs. Consequently, revenue and PBT were affected marginally by 1% and 26% on cumulative period basis.

On the same quarterly comparative basis, the General Construction segment, which is the Group's in-house construction arm, posted 109% and 138% jump in revenue and PBT aided largely by external projects. The strong performance contributed to a 63% and 14% hike in revenue and PBT respectively for the period under review compared with the preceding year period-to-date.

As for Oil Palm Cultivation, revenue and PBT shrank 56% and 63% respectively compared with the preceding year corresponding financial quarter mainly due to lower harvesting and weaker crude palm oil prices. This resulted in a drop of 33% and 36% in revenue and PBT over the same comparative periods.

The Hotel Operation segment reported an encouraging growth in revenue, with a 23% increase for both reporting quarter and period under review with growth was primarily driven by the opening of additional premium rooms at Urban Inn hotel in Alor Setar and higher occupancy rates at Urban Inn SP Saujana, Sungai Petani, both in Kedah. However, revenue growth was insufficient to mitigate higher rental and labour costs as well as upkeep and maintenance for the hotels. As a result, the segment's PBT witnessed a significant decline; 56% and 28% drop for the reporting quarter and period under review.

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**Notes to the quarterly report - 31 May 2023**
**B.2. Financial Review for Current Quarter Compared with Immediate Preceding Quarter**

	<b>Current Year Quarter 31/05/2023 RM'000</b>	<b>Immediate Preceding Quarter 28/02/2023 RM'000</b>	<b>Changes %</b>
<b>Revenue</b>			
Property Development	98,981	106,000	(7)
General Construction	20,705	11,889	74
Oil Palm Cultivation	764	1,183	(35)
Investment Holding	267	206	30
Hotel Operation	1,954	1,890	3
Total	<u>122,671</u>	<u>121,168</u>	1
<b>Profit before tax</b>			
Property Development	17,434	16,767	4
General Construction	832	59	1,310
Oil Palm Cultivation	390	640	(39)
Investment Holding	173	99	75
Hotel Operation	80	124	(35)
Total	<u>18,909</u>	<u>17,689</u>	7

The Group reported a 7% growth in PBT on the back of 1% increase in revenue when compared to immediate preceding financial quarter. On the same comparative basis, the Property Development segment reported a 4% growth in PBT notwithstanding a 7% drop in revenue as payment of discretionary bonuses were made in the preceding quarter. As for General Constructions, the segment reported 1,310% jump in PBT on the back of 74% upside in revenue supported by progressive billings on turnkey projects. Meanwhile, revenue and PBT of Oil Palm Cultivation segment contracted by 35% and 39% respectively, mainly as a result of lower harvesting. Hotel Operation segment reported 3% increase in revenue and 35% drop in PBT as a result of higher operating costs such as labour costs, rental costs and upkeep and maintenance costs.

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

Strong support from end purchasers for the Group's properties has been instrumental to the Group maintaining its growth momentum with revenue to-date of RM333.42 million, a 4% increase compared to RM321.04 million recorded for period to-date FY2022.

During the quarter under review, the Group launched new phase of SP Saujana Permai (ZBP4) comprising of 127 units of 2-storey cluster and 2-storey bungalow with gross development value ("GDV") of RM74.40 million, new SP Saujana Phase 7 with 64 units of 2-storey semi-detached with GDV of RM47.40 million as well as 151 units of 1-storey terrace in Serai Residensi (affordable housing under the Rumah Makmur Kedah) located at the border of Penang with GDV of RM31.80 million, all in the northern region. In the central region, the Group launched 310 units of apartment at Myra Putri with GDV of RM105.00 million in Selangor.

At the same time, the Group delivered vacant possession for 80 units of 1-storey terrace homes at Taman Serai Wangi (6B) under the Perumahan Penjawat Awam Malaysia scheme and 111 units of 1-storey cluster houses in SP Saujana Permai (Zone A Phase 2), both in northern region as well as Myra Vista with 89 units of 2-storey terrace, 18 units of 2-storey shop-office under Myra Meranti project, 12 units of 2-storey semi-detached and 12 units of 2-storey shop-office in Taman Seri Bestari 2 in central region.

**Notes to the quarterly report - 31 May 2023**
**B.3. Prospects for the Current Financial Year (Cont'd)**

The Group currently has 2,847 acres of strategic development lands, including land banks under landowners and developer agreements, that auger well for the future growth of its property development activities. The Group continues to actively look for and acquire new land banks given positive outlook in the property development industry and the demand from the first-time home buyers and own stay market for residential properties remained sustainable.

The Group's unbilled property sales totalled about RM498.57 million as at close of the reporting financial quarter and given the on-hand bookings and sales, the Group is optimistic in delivering another set of positive results for FY2023.

**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 31/05/2023 RM'000	Current Year To Date 31/05/2023 RM'000
Profit before taxation is arrived at after (charging)/crediting:-		
Depreciation	(1,249)	(3,449)
Interest expense	(8)	(23)
Government grant income	364	2,537
Lease income	1,302	2,849
Interest income	1,806	2,678
Reversal of provision for liquidated ascertained damages	-	1,807
	-	1,807

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 31/05/2023 RM'000	Current Year To Date 31/05/2023 RM'000
Malaysian income tax based on the profit for the financial period	5,166	14,364
Deferred taxation	(991)	(1,614)
Taxation underprovided in respect of prior financial year	327	327
	4,502	13,077

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 20 July 2023, the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial statements.

**Notes to the quarterly report - 31 May 2023**

**B.8. Utilisation of Proceeds**

**Renounceable Rights Issue of New Ordinary Shares with Free Detachable Warrants**

The Company has undertaken a Rights Issue with Free Detachable Warrants, which was completed on 2 June 2021 following the listing and quotation of 154,858,394 Rights Shares and 154,858,394 Warrants on the Main Market of Bursa Malaysia Securities Berhad. The Rights Issue with Warrants has raised total proceeds of RM105.30 million (“Rights Issue with Warrants Proceeds”).

The status of utilisation of proceeds raised from the Rights Issue with Warrants as at 31 May 2023 is as follows:-

<b>Details of utilisation</b>	<b>Proposed usage RM'000</b>	<b>Re-allocation of usage RM'000</b>	<b>Actual utilisation RM'000</b>	<b>Balance as at 31 May 2023 RM'000</b>	<b>Timeframe for utilisation of Rights Issue with Warrants Proceeds</b>
(i) Funding for existing and/or future property development projects	62,704	^67	(62,771)	-	Within 12 months
(ii) Acquisition of new landbank for property development	42,000	-	(16,427)	25,573	Within 36 months until 1 June 2024
(iii) Estimated expenses for the Bonus Issue and Rights Issue with Warrants	600	^(67)	(533)	-	Within 1 month
<b>Total</b>	<u>105,304</u>	<u>-</u>	<u>(79,731)</u>	<u>25,573</u>	

**Note:**

^ The amount of RM67,000 was reallocated and fully utilised as working capital for existing and/or future property development projects.

**B.9. Group Borrowings and Debt Securities**

	<b>Long Term RM'000</b>	<b>Short Term RM'000</b>	<b>Total RM'000</b>
<b>As at 31 May 2023</b>			
<b>Secured</b>			
Revolving credit	-	225,908	225,908
<b>Unsecured</b>			
Revolving credit	-	50,000	50,000
Non-convertible redeemable preference shares	47,800	-	47,800
	<u>47,800</u>	<u>275,908</u>	<u>323,708</u>
<b>As at 31 May 2022</b>			
<b>Secured</b>			
Term loans	-	10,810	10,810
Revolving credit	-	252,622	252,622
<b>Unsecured</b>			
Revolving credit	-	50,000	50,000
Non-convertible redeemable preference shares	47,800	-	47,800
	<u>47,800</u>	<u>313,432</u>	<u>361,232</u>

**Notes to the quarterly report - 31 May 2023**

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

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

	As at 31/05/2023	As at 31/05/2022
<b>Floating interest rate</b>		
Term loans	-	3.91%
Revolving credit	4.21%	3.17%
<b>Fixed interest rate</b>		
Non-convertible redeemable preference shares	<u>4.00%</u>	<u>4.00%</u>

(a) The decrease of borrowings due to repayment of term loans and revolving credit facilities.

(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 20 July 2023, 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 2023.

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

	Current Year Quarter 31/05/2023	Preceding Year Quarter 31/05/2022	Current Year To Date 31/05/2023	Preceding Year To Date 31/05/2022
<b>(a) Basic</b>				
Profit attributable to owners of the Company (RM'000)	<u>12,395</u>	<u>21,462</u>	<u>34,117</u>	<u>50,627</u>
Weighted average number of ordinary shares ('000)	<u>464,574</u>	<u>464,574</u>	<u>464,574</u>	<u>464,574</u>
Basic EPS (sen)	<u>2.67</u>	<u>4.62</u>	<u>7.34</u>	<u>10.90</u>
<b>(b) Diluted</b>				

The diluted earnings per ordinary share is the same as the basic earnings per ordinary share as the unexercised convertible warrants are anti-dilutive in nature. This is due to the average market share price of the Company is below the exercise price of warrants.

**ORIENTAL INTEREST BERHAD**

[Registration No. 199301017406 (272144-M)]

**Notes to the quarterly report - 31 May 2023****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

27 July 2023