

# 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 fourth quarter of financial year ended 31 August 2023.

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

[The figures have not been audited.]

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/08/2023 RM'000	Preceding Year Quarter 31/08/2022 RM'000	Current Year To Date 31/08/2023 RM'000	Preceding Year To Date 31/08/2022 RM'000
<b>Revenue</b>	200,911	154,664	534,328	475,699
<b>Cost of sales</b>	(138,474)	(108,160)	(386,462)	(331,313)
<b>Gross profit</b>	62,437	46,504	147,866	144,386
Other income	270	7,386	7,358	14,068
Selling and distribution expenses	(1,902)	(2,098)	(6,526)	(5,951)
Administrative expenses	(9,879)	(8,492)	(41,922)	(35,317)
Other expenses	(1,397)	(803)	(3,634)	(2,924)
<b>Results from operating activities</b>	49,529	42,497	103,142	114,262
Finance costs	(152)	(6)	(175)	(38)
Share of results of an associate	5	5	24	21
<b>Profit before tax</b>	49,382	42,496	102,991	114,245
Taxation	3,231	(10,342)	(9,846)	(27,372)
<b>Profit for the financial year/ Total comprehensive income</b>	52,613	32,154	93,145	86,873
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	42,474	27,640	76,591	78,267
Non-controlling interests	10,139	4,514	16,554	8,606
	52,613	32,154	93,145	86,873
<b>Basic and diluted earnings per ordinary share (sen)</b>	9.14	5.95	16.49	16.85

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 August 2023**

[The figures have not been audited.]

	31/08/2023 RM'000	31/08/2022 RM'000
<b>ASSETS</b>		
Property, plant and equipment	55,226	50,507
Right-of-use assets	8,262	8,769
Investment properties	53,581	53,640
Investment in an associate	5,390	5,366
Deferred tax assets	51,998	50,223
Inventories-Land held for property development	537,502	525,276
Other receivables	27,236	21,936
<b>Total non-current assets</b>	739,195	715,717
Inventories-Developed properties	13,418	14,244
Inventories-Property development costs	263,672	245,930
Inventories-Plantation supplies	6	147
Contract costs	72,457	83,182
Contract assets	217,705	203,706
Trade and other receivables	130,948	132,278
Tax recoverable	19,416	4,661
Short term investments	52,523	82,894
Cash and bank balances	24,130	21,622
<b>Total current assets</b>	794,275	788,664
<b>Total assets</b>	<u>1,533,470</u>	<u>1,504,381</u>
<b>EQUITY</b>		
Share capital	250,364	250,364
Reserves	480,607	427,245
<b>Equity attributable to owners of the Company</b>	730,971	677,609
<b>Non-controlling interests</b>	95,795	85,934
<b>Total equity</b>	<u>826,766</u>	<u>763,543</u>
<b>LIABILITIES</b>		
Loans and borrowings	47,800	47,800
Lease liabilities	288	524
Trade payables	112,783	113,183
Deferred tax liabilities	1,546	976
<b>Total non-current liabilities</b>	162,417	162,483
Loans and borrowings	274,504	306,459
Lease liabilities	396	534
Trade and other payables	264,564	262,181
Contract liabilities	1,477	1,767
Deferred income	-	318
Tax payable	3,346	7,096
<b>Total current liabilities</b>	544,287	578,355
<b>Total liabilities</b>	<u>706,704</u>	<u>740,838</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,533,470</u>	<u>1,504,381</u>
<b>Net assets per share attributable to owners of the Company (RM)</b>	1.57	1.46

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 year ended 31 August 2023**

[The figures have not been audited.]

	----- Attributable to owners of the Company -----						
	----- Non-distributable -----			----- Distributable -----			
	Share capital RM'000	Warrants reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity 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 year	-	-	-	78,267	78,267	8,606	86,873
<b>Transactions 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 transactions with owners of the Company</b>	-	-	-	(16,260)	(16,260)	(5,630)	(21,890)
Realisation of revaluation reserve	-	-	(326)	326	-	-	-
<b>At 31 August 2022</b>	<u>250,364</u>	<u>24,778</u>	<u>7,750</u>	<u>394,717</u>	<u>677,609</u>	<u>85,934</u>	<u>763,543</u>
<b>At 1 September 2022</b>	250,364	24,778	7,750	394,717	677,609	85,934	763,543
Profit for the financial year	-	-	-	76,591	76,591	16,554	93,145
<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	-	-	(328)	328	-	-	-
<b>At 31 August 2023</b>	<u>250,364</u>	<u>24,778</u>	<u>7,422</u>	<u>448,407</u>	<u>730,971</u>	<u>95,795</u>	<u>826,766</u>

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**

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**Condensed consolidated statement of cash flows  
for the financial year ended 31 August 2023**

[The figures have not been audited.]

	Year Ended	
	31/08/2023 RM'000	31/08/2022 RM'000
<b>Cash flows from operating activities</b>		
<b>Profit before tax</b>	102,991	114,245
<i>Adjustments for:-</i>		
Depreciation	4,664	3,211
Interest income	(3,356)	(3,875)
Interest expense	175	38
Reversal of provision for liquidated ascertained damages no longer required	(1,807)	-
Share of profit of an associate	(24)	(21)
Other non-cash items	222	235
Operating profit before changes in working capital	102,865	113,833
Net change in current assets	(22,912)	(99,680)
Net change in current liabilities	3,182	(2,637)
Cash generated from operations	83,135	11,516
Interest received	628	2,407
Tax paid	(29,556)	(22,691)
<b>Net cash from/(used in) operating activities</b>	54,207	(8,768)
<b>Cash flows from investing activities</b>		
Interest received	2,728	1,468
Proceeds from disposal of plant and equipment	13	211
Additions to property, plant and equipment	(8,020)	(6,611)
Additions to investment properties	(868)	(9,906)
<b>Net cash used in investing activities</b>	(6,147)	(14,838)
<b>Cash flows from financing activities</b>		
Interest paid	(13,508)	(11,469)
Dividends paid to:		
- shareholders of the Company	(23,229)	(16,260)
- non-controlling interests	(6,693)	(5,630)
Repayment of loans and borrowings	(71,855)	(27,215)
Drawdown of loans and borrowings	39,900	48,000
Payment of lease liabilities	(538)	(549)
<b>Net cash used in financing activities</b>	(75,923)	(13,123)
<b>Net change in cash and cash equivalents</b>	(27,863)	(36,729)
Cash and cash equivalents		
- at beginning of the year	104,516	141,245
- at end of the year	76,653	104,516
<b>Cash and cash equivalents included in the cash flows comprise the following:-</b>		
Short term investments	52,523	82,894
Cash and bank balances	24,130	21,622
	76,653	104,516

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**

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**Notes to the quarterly report - 31 August 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 year 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 year 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 August 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 year ended 31 August 2023</b>						
<b>Revenue</b>						
Total revenue	461,886	366,231	4,014	39,293	7,845	879,269
Inter-segment revenue	(13,533)	(293,031)	-	(38,347)	(30)	(344,941)
Revenue from external customers	<u>448,353</u>	<u>73,200</u>	<u>4,014</u>	<u>946</u>	<u>7,815</u>	<u>534,328</u>
<b>Segment profit</b>						
Reportable segment profit	97,368	2,445	2,292	143	719	102,967
Share of results of an associate	-	-	-	24	-	24
Profit before tax	<u>97,368</u>	<u>2,445</u>	<u>2,292</u>	<u>167</u>	<u>719</u>	<u>102,991</u>
<b>Corresponding year ended 31 August 2022</b>						
<b>Revenue</b>						
Total revenue	429,709	264,107	6,341	79,146	6,419	785,722
Inter-segment revenue	(5,438)	(225,847)	-	(78,709)	(29)	(310,023)
Revenue from external customers	<u>424,271</u>	<u>38,260</u>	<u>6,341</u>	<u>437</u>	<u>6,390</u>	<u>475,699</u>
<b>Segment profit/(loss)</b>						
Reportable segment profit/(loss)	108,712	1,429	3,876	(620)	827	114,224
Share of results of an associate	-	-	-	21	-	21
Profit/(Loss) before tax	<u>108,712</u>	<u>1,429</u>	<u>3,876</u>	<u>(599)</u>	<u>827</u>	<u>114,245</u>

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

	Property Development	General Construction	Oil Palm Cultivation	Investment Holding	Hotel Operation	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>As at 31 August 2023</b>						
<b>Segment assets</b>						
Total segment assets	1,401,482	72,525	25,937	5,076	23,060	1,528,080
Associate	-	-	-	5,390	-	5,390
Total assets	<u>1,401,482</u>	<u>72,525</u>	<u>25,937</u>	<u>10,466</u>	<u>23,060</u>	<u>1,533,470</u>
<b>Segment liabilities</b>						
Total segment liabilities	<u>413,015</u>	<u>81,881</u>	<u>15</u>	<u>211,258</u>	<u>535</u>	<u>706,704</u>
<b>As at 31 August 2022</b>						
<b>Segment assets</b>						
Total segment assets	1,363,027	60,740	28,322	22,406	24,520	1,499,015
Associate	-	-	-	5,366	-	5,366
Total assets	<u>1,363,027</u>	<u>60,740</u>	<u>28,322</u>	<u>27,772</u>	<u>24,520</u>	<u>1,504,381</u>
<b>Segment liabilities</b>						
Total segment liabilities	<u>419,006</u>	<u>101,791</u>	<u>21</u>	<u>217,347</u>	<u>2,673</u>	<u>740,838</u>

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**Notes to the quarterly report - 31 August 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	31/08/2023 RM'000
<b>Unsecured</b>			
Bankers' guarantee issued to third parties in favour of subsidiaries	<u>24,198</u>	<u>9,463</u>	<u>33,661</u>
<b>Development land</b>			
Contracted but not provided for	<u>33,112</u>	<u>12,647</u>	<u>45,759</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:-

	31/08/2023 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	(283)
- Entity in which substantial interests are owned directly by persons connected with Directors of a subsidiary of the Company	26
- Entities in which substantial interests are owned indirectly by Directors/person connected to Director of a subsidiary of the Company	(89,725)
- Entities in which substantial interests are owned indirectly by Directors/person connected to Director of a subsidiary of the Company	105,900
<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	741
- Entities in which substantial interests are owned indirectly by Directors/person connected to Director of a subsidiary of the Company	<u>(1,867)</u>



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**Notes to the quarterly report - 31 August 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 31/08/2023 RM'000	Preceding Year Quarter 31/08/2022 RM'000	Changes %	Current Year To Date 31/08/2023 RM'000	Preceding Year To Date 31/08/2022 RM'000	Changes %
<b>Revenue</b>						
Property Development	164,953	137,877	20	448,353	424,271	6
General Construction	32,846	13,440	144	73,200	38,260	91
Oil Palm Cultivation	800	1,526	(48)	4,014	6,341	(37)
Investment Holding	226	97	133	946	437	116
Hotel Operation	2,086	1,724	21	7,815	6,390	22
<b>Total</b>	<b>200,911</b>	<b>154,664</b>	<b>30</b>	<b>534,328</b>	<b>475,699</b>	<b>12</b>
<b>Profit/(Loss) before tax</b>						
Property Development	47,541	41,219	15	97,368	108,712	(10)
General Construction	1,524	636	140	2,445	1,429	71
Oil Palm Cultivation	420	969	(57)	2,292	3,876	(41)
Investment Holding	(333)	(409)	19	167	(599)	128
Hotel Operation	230	81	184	719	827	(13)
<b>Total</b>	<b>49,382</b>	<b>42,496</b>	<b>16</b>	<b>102,991</b>	<b>114,245</b>	<b>(10)</b>

Revenue grew 30% quarter-on-quarter ("QoQ") and 12% year-on-year ("YoY") compared to preceding year corresponding quarter and year with growth driven by contribution from the Property Development and General Construction segments. These key segments rose 20% and 144% QoQ to RM164.95 million and RM32.85 million from RM137.88 million and RM13.44 million previously. On YoY basis, Property Development and General Construction segments posted revenue of RM448.35 million and RM73.20 million, up from RM424.27 million and RM38.26 million respectively in FY2022.

However, profit before tax ("PBT") grew by 16% QoQ and shrank by 10% YoY, with the drop attributed 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 increased by 20% and 15% respectively contributed mainly by SP Saujana (Phase 6B), Taman Cengal Jaya (Phase 2) and Pulau Indah Industrial Plot projects. On the flip side, lower government grants received and higher administrative expenses led to lower PBT on the overall and for Property Development segment in particular in respect of the quarter and year under review.

On the same quarterly comparative basis, the General Construction segment, which is the Group's in-house construction arm, posted 144% and 140% jump in revenue and PBT boosted by external projects secured. The strong performance contributed to a 91% and 71% hike in revenue and PBT respectively YoY compared with the preceding financial year.

For Oil Palm Cultivation, lower harvesting and weaker crude palm oil ("CPO") price had adversely affected revenue and PBT. On QoQ basis, revenue and PBT dropped 48% and 57% compared to preceding year financial quarter. For the reporting financial year, revenue and PBT shrank by 37% and 41% YoY compared with preceding financial year.

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**Notes to the quarterly report - 31 August 2023**
**B.1. Financial Review for Current Quarter and Financial Year to Date (Cont'd)**

The Hotel Operation segment reported an encouraging growth in revenue; with 21% and 22% increase compared to the reporting quarter and the year under review respectively with growth driven by the opening of additional premium rooms at Urban Inn Alor Setar, as well as the additional of rooms at Urban Inn SP Saujana, Sungai Petani, both in Kedah. On the other hand, PBT for the quarter under review grew by 184%, boosted by higher room sales, rental of badminton courts and swimming pool. 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 decline by 13% for the year under review.

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

	<b>Current Year Quarter 31/08/2023 RM'000</b>	<b>Immediate Preceding Quarter 31/05/2023 RM'000</b>	<b>Changes %</b>
<b>Revenue</b>			
Property Development	164,953	98,981	67
General Construction	32,846	20,705	59
Oil Palm Cultivation	800	764	5
Investment Holding	226	267	(15)
Hotel Operation	2,086	1,954	7
<b>Total</b>	<u><u>200,911</u></u>	<u><u>122,671</u></u>	64
<b>Profit before tax</b>			
Property Development	47,541	17,434	173
General Construction	1,524	832	83
Oil Palm Cultivation	420	390	8
Investment Holding	(333)	173	(292)
Hotel Operation	230	80	188
<b>Total</b>	<u><u>49,382</u></u>	<u><u>18,909</u></u>	161

In reviewing performance against the immediate preceding financial quarter, revenue and PBT rose by 64% and 161% respectively, principally due to improvement in overall margin in the Property Development segment. PBT rose by 83% on the back of a 59% jump in revenue from General Construction segment supported by progressive billings on turnkey projects. Meanwhile, Oil Palm Cultivation segment reported a modest 5% increase in revenue and a 8% increase in PBT as better harvesting mitigated the sliding prices of CPO. Hotel Operation segment revenue grew by 7% with a 188% jump in PBT contributed by higher room sales, rental of badminton courts and swimming pool.

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

The Group's residential projects, particularly in the Central Region, are strategically located with well-developed road networks and connectivity. Their functional yet aesthetical design with attractive value proposition made these projects the choice of many end purchasers. This steadfast support underlined the Group's continued growth momentum despite a challenging business and operating environment. Arising therefrom, the Group reported revenue to-date of RM534.33 million, a 12% jump compared to RM475.70 million recorded for year to-date FY2022.

During the quarter under review, the Group delivered vacant possession for 20 semi-detached and 46 super-link homes in Myra Saujana (Phase 3) in the central region.

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

The Group currently has 2,890 acres of strategic development lands (including land banks under landowners and developer agreements) that will augur well for the future growth of its property development activities. The Group continues to actively look for and acquire new land bank 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 RM502.31 million as at close of the reporting financial year. Given the on-hand bookings and sales momentum, the Group is optimistic in delivering another set of positive results for FY2024.

**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 31/08/2023 RM'000	Current Year To Date 31/08/2023 RM'000
Profit before taxation is arrived at after (charging)/crediting:-		
Depreciation	(1,215)	(4,664)
Interest expense	(152)	(175)
Government grant income	-	2,537
Lease income	1,405	4,254
Interest income	678	3,356
Reversal of provision for liquidated ascertained damages no longer required	-	1,807
	<u>          </u>	<u>          </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 31/08/2023 RM'000	Current Year To Date 31/08/2023 RM'000
Malaysian income tax based on the profit for the financial year	11,034	25,399
Deferred taxation	410	(1,204)
Taxation overprovided in respect of prior financial years	# (14,675)	(14,349)
	<u>          </u>	<u>          </u>
	<u>(3,231)</u>	<u>9,846</u>

The effective tax rate of the Group for the financial year is approximate to the statutory income tax rate.

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**Notes to the quarterly report - 31 August 2023**
**B.6. Taxation (Cont'd)**
**Note:**

# In the previous financial years, the Group treated government grants received under the PPAM (Perumahan Penjawat Awam Malaysia) scheme as taxable income. Subsequently, certain subsidiaries of OIB appealed to the Lembaga Hasil Dalam Negeri Malaysia ("LHDN") for the PPAM grants to be treated as non-taxable income.

On 4 October 2023, the LHDN issued a Notice of Reduced Assessment ("Form JR") for a tax discharge amounting to RM4.28 million for year of assessment ("YA") 2020 to a subsidiary of OIB which recognised the PPAM grants as non-taxable income. Following receipt of the Form JR, a consistent tax treatment is adopted on similar PPAM grants received and an over-provision of income tax of RM14.67 million for similar PPAM grants received were recorded.

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

There were no corporate proposals that have been announced but not completed as at 19 October 2023, the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial statements.

**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 August 2023 is as follows:-

Details of utilisation	Proposed usage RM'000	Re-allocation of usage RM'000	Actual utilisation RM'000	Balance	Timeframe for utilisation of Rights Issue with Warrants Proceeds
				as at 31 August 2023 RM'000	
(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	-	(17,927)	24,073	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>(81,231)</u>	<u>24,073</u>	

**Note:**

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

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**Notes to the quarterly report - 31 August 2023**
**B.9. Group Borrowings and Debt Securities**

	Long Term RM'000	Short Term RM'000	Total RM'000
<b>As at 31 August 2023</b>			
<b>Secured</b>			
Revolving credit	-	224,504	224,504
<b>Unsecured</b>			
Revolving credit	-	50,000	50,000
Non-convertible redeemable preference shares	47,800	-	47,800
	<u>47,800</u>	<u>274,504</u>	<u>322,304</u>
<b>As at 31 August 2022</b>			
<b>Secured</b>			
Term loans	-	6,640	6,640
Revolving credit	-	249,819	249,819
<b>Unsecured</b>			
Revolving credit	-	50,000	50,000
Non-convertible redeemable preference shares	47,800	-	47,800
	<u>47,800</u>	<u>306,459</u>	<u>354,259</u>

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

	As at 31/08/2023	As at 31/08/2022
<b>Floating interest rate</b>		
Term loans	-	3.66%
Revolving credit	4.22%	3.25%
<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 year under review.

**B.12. Material Litigation**

There were no pending material litigations as at 19 October 2023, 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 - 31 August 2023**

**B.13. Dividend**

The Board of Directors has declared an interim single-tier dividend of 5 sen per ordinary share in respect of the financial year ended 31 August 2023. The entitlement date is fixed on 15 December 2023 and payment will be made on 29 December 2023.

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

	Current Year Quarter 31/08/2023	Preceding Year Quarter 31/08/2022	Current Year To Date 31/08/2023	Preceding Year To Date 31/08/2022
(a) <b>Basic</b>				
Profit attributable to owners of the Company (RM'000)	<u>42,474</u>	<u>27,640</u>	<u>76,591</u>	<u>78,267</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>9.14</u>	<u>5.95</u>	<u>16.49</u>	<u>16.85</u>

(b) **Diluted**

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.

**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

26 October 2023