



ORIENTAL INTEREST BERHAD

[Company No. 272144-M]

QUARTERLY REPORT

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The Board of Directors is pleased to announce the interim financial statements on consolidated results for the **first** quarter of financial year ending 30 June 2008.

Condensed consolidated income statements for the financial period ended 30 September 2007

[The figures have not been audited.]

	Individual Quarter		Cumulative Quarter	
	Current Year 1st Quarter 30/09/2007 RM'000	Preceding Year Corresponding 1st Quarter 30/09/2006 RM'000	Current Year To Date 30/09/2007 RM'000	Preceding Year Corresponding Period 30/09/2006 RM'000
Revenue	23,756	41,271	23,756	41,271
Cost of sales	(18,934)	(29,012)	(18,934)	(29,012)
Gross profit	4,822	12,259	4,822	12,259
Other operating income	2,617	625	2,617	625
Selling and distribution costs	(1,260)	(1,520)	(1,260)	(1,520)
Administrative expenses	(2,568)	(2,688)	(2,568)	(2,688)
Other operating expenses	(743)	(1,355)	(743)	(1,355)
Operating profit	2,868	7,320	2,868	7,320
Finance cost	(1)	(7)	(1)	(7)
Share of results of an associate	911	643	911	643
Profit before taxation	3,778	7,956	3,778	7,956
Taxation	(585)	(1,542)	(585)	(1,542)
Profit for the period	3,193	6,414	3,193	6,414
Attributable to:				
Equity holders of the parent	2,756	5,715	2,756	5,715
Minority interest	437	699	437	699
	3,193	6,414	3,193	6,414
Earnings per share attributable to equity holders of the parent:				
- Basic (sen)	3.04	6.32	3.04	6.32
- Diluted (sen)	3.02	6.30	3.02	6.30

The condensed consolidated income statements should be read in conjunction with the annual financial report for the financial year ended 30 June 2007.

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Condensed consolidated balance sheet as at

[The figures have not been audited.]

	end of current interim period 30/09/2007 RM'000	financial year ended 30/06/2007 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	29,249	30,056
Land held for property development	12,655	12,552
Investment properties	3,406	3,427
Biological assets	403	419
Prepaid lease payments	14,370	14,428
Investment in associate	16,066	15,155
Deferred tax assets	3,446	3,284
	79,595	79,321
Current assets		
Property development cost	69,668	71,149
Inventories	10,758	10,417
Developed Properties	7,040	7,750
Trade receivables	49,198	58,141
Other receivables	33,988	35,591
Current tax recoverable	4,304	4,449
Fixed deposits held as security for trade facilities	18	18
Fixed deposits with licensed banks	52,605	37,442
Cash and bank balances	9,165	13,512
	236,744	238,469
TOTAL ASSETS	316,339	317,790
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	90,539	90,539
Reserves	184,731	181,975
	275,270	272,514
Minority interest	21,602	21,165
Total equity	296,872	293,679
Non-current liabilities		
Deferred tax liabilities	1,381	1,500
Current liabilities		
Trade payables	11,967	16,889
Other payables	5,286	5,396
Current tax payable	740	234
Bank overdrafts	93	93
	18,086	22,611
Total liabilities	19,467	24,111
TOTAL EQUITY AND LIABILITIES	316,339	317,790
Net assets per share attributable to ordinary equity holders of the parent (RM)	3.04	3.01

The condensed consolidated balance sheet should be read in conjunction with the annual financial report for the financial year ended 30 June 2007.

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**Condensed consolidated statement of changes in equity
for the financial period ended 30 September 2007**

[The figures have not been audited.]

	-----Attributable to Equity Holders of the Parent-----			Minority interest	Total equity	
	Share capital RM'000	Non- distributable Share premium RM'000	Distributable Retained earnings RM'000			Total RM'000
At 1 July 2006	90,424	147	177,147	267,718	18,657	286,375
Profit for the period	-	-	5,715	5,715	72	5,787
Total recognised income and expense for the period	-	-	5,715	5,715	72	5,787
Issuance of ordinary shares: - exercise of share options	30	10	-	40	-	40
	30	10	-	40	-	40
At 30 September 2006	90,454	157	182,861	273,472	18,729	292,201
At 1 July 2007	90,539	184	181,791	272,514	21,165	293,679
Profit for the period	-	-	2,756	2,756	437	3,193
Total recognised income and expense for the period	-	-	2,756	2,756	437	3,193
At 30 September 2007	90,539	184	184,547	275,270	21,602	296,872

The condensed consolidated statement of changes in equity should be read in conjunction with the annual financial report for the financial year ended 30 June 2007.

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**Condensed consolidated cash flow statement
for the financial period ended 30 September 2007**

[The figures have not been audited.]

	Period Ended	
	30/09/2007 RM'000	30/09/2006 RM'000
Cash flows from operating activities		
Cash generated from operations	10,710	4,711
Income tax paid	(871)	(1,624)
Income tax refunded	657	-
	10,495	3,087
Net cash generated from operating activities		
Cash flows from investing activities		
Interest received	413	358
Proceeds from sale of property, plant and equipment	234	-
Additions to property, plant and equipment	(234)	(5,026)
Additions to land held for property development	(103)	(25)
Proceeds from sale of biological assets	28	-
Additions to biological assets	(17)	(13)
Additions to prepaid lease payments	-	(72)
	322	(4,778)
Net cash used in investing activities		
Cash flows from financing activities		
Proceeds from issuance of ordinary shares:		
- exercise of share options	-	40
Interest paid	(1)	(7)
Proceeds from withdrawal of fixed deposits held under lien as security for trade facilities	-	2,000
	(1)	2,033
Net cash generated from financing activities		
Net change in cash and cash equivalents during the financial period	10,816	342
Cash and cash equivalents		
- at the beginning of the period	50,861	29,207
- at the end of the period	61,677	29,549

The condensed consolidated cash flow statement should be read in conjunction with the annual financial report for the financial year ended 30 June 2007.

Notes to the quarterly report - 30 September 2007

A. Selected Explanatory Notes to the Interim Financial Statements as required under FRS 134

[The figures have not been audited.]

A.1. Basis of Preparation

The interim financial statements have been prepared in accordance with Financial Reporting Standards ("FRS") 134 "Interim Financial Reporting" and Paragraph 9.22 of Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2007.

Changes in Accounting Policies

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 2007.

The Malaysian Accounting Standards Board ("MASB") issued a total of 10 revised FRSs, which are applicable to financial statements commencing on or after 1 July 2007.

In the current financial period, the Group adopted the following revised FRSs, which are relevant to its operations.

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 119	Employee Benefits
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

The adoption of the above-mentioned revised FRSs did not cause substantial changes to the accounting policies or significant financial impact on the results of the Group. Consequently, the comparatives are not affected by the adoption of these revised FRSs.

A.2. Audit report of the Company 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.

A.3. Seasonal or Cyclical Factors

Seasonal or cyclical factors do not have any material impact on the Group's business operations.

A.4. Exceptional and Extraordinary Items

There were no exceptional and extraordinary items for the financial period under review.

A.5. Changes in Estimates

There were no material changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years.

A.6. 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 current financial year to date.

Notes to the quarterly report - 30 September 2007

A.7. Dividend Paid

No dividend was paid since the end of the Company's previous financial year.

A.8. Valuation Property, Plant and Equipment

The valuations of property, plant and equipment have been brought forward without any amendments from the previous annual financial statements.

A.9. 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.10. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial year to date.

A.11. Segmental Reporting - Financial Year to Date

459,303

	Property Development RM'000	Manufacturing RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Current period ended					
30 September 2007					
Revenue	17,977	12,281	358	(6,860)	23,756
Intra-segment revenue	(5,058)	(1,802)	-	6,860	-
Inter-segment revenue	-	-	-	-	-
External revenue	<u>12,919</u>	<u>10,479</u>	<u>358</u>	<u>-</u>	<u>23,756</u>
Segment result	2,406	3	410		2,819
Unallocated corporate income					77
Unallocated corporate expenses					(28)
Operating profit					<u>2,868</u>
Finance cost					(1)
Share of results of an associate			911		911
Profit before taxation					<u>3,778</u>

Notes to the quarterly report - 30 September 2007

A.11. Segmental Reporting - Financial Year to Date [continued]

	Property Development RM'000	Manufacturing RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Corresponding period ended					
30 September 2006					
Revenue	38,222	14,774	341	(12,067)	41,271
Intra-segment revenue	(9,843)	(2,145)	(67)	12,055	-
Inter-segment revenue	-	-	(11)	11	-
External revenue	<u>28,379</u>	<u>12,628</u>	<u>263</u>	<u>-</u>	<u>41,271</u>
Segment result	5,238	1,789	271		7,299
Unallocated corporate income					29
Unallocated corporate expenses					(7)
Operating profit					<u>7,321</u>
Finance cost					(7)
Share of results of an associate			643		643
Profit before taxation					<u>7,957</u>

A.12. Contingent Liabilities

There were no contingent liabilities required for the Group as at 16 November 2007, the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial statements and there were no changes in contingent liabilities since the last annual balance sheet date.

Notes to the quarterly report - 30 September 2007

B. Additional Information required by the Bursa Malaysia Securities Listing Requirements in relation to the issuance of the Interim Financial Statements
[The figures have not been audited.]

B.1. Review of Performance of the Company and its Principal Subsidiaries

The Group registered RM23.756million and RM3.778million in revenue and profit before taxation respectively for the reporting financial quarter, resulting in 42% and 53% fall in revenue and profit before taxation respectively compared with the corresponding quarter, coincidentally, which were the highest quarterly results ever recorded by the Group. Overall drop in sales volume and reduced contribution margin were the main attributes for the lower profit reported.

Property Division recorded 54% reduction in both billings and profit before taxation compared with the corresponding financial quarter. Manufacturing Division registered sales of RM10.479million, but only managed to breakeven for the reporting quarter. Sales for Manufacturing Division dropped by 17% compared with the corresponding quarter, mainly due to 19% decrease in sales volume. Drop in revenue was the main reason for the diminished results reported by both Divisions, coupled with foreign exchange translation loss and continuing inflationary impact on cost of raw materials, because of unfavourable movement in exchange rates experienced by Manufacturing Division..

Contribution from the associated company, Brilliant Delta, increased by 42% compared with the corresponding quarters, predominantly attributable to favourable results, through conservative costing estimate and tight budgetary control, from its current housing project (Serai Wangi II) that is approaching completion.

B.2. Material Changes in the Quarterly Results as compared with the Preceding Quarter

The Group reported 11% and 174% increase in revenue and profit before taxation respectively compared with the immediate preceding financial quarter. Billings and profit before taxation rose by 7% and 84% respectively for Property Division, whereby gain on disposal of a piece of land, classified under Property Plant and Equipment, amounting to RM1.953million were principally accounted for the improvement in results recorded in the reporting quarter. Meanwhile, sales for Manufacturing Division was higher by 15% for the same comparable period, and without having to shoulder the loss incurred as in the preceding quarter and 11% increase in sales volume contributed towards the improvement in results.

B.3. Prospects for the Current Financial Year

Of late, rising prices in numerous basic commodities had an inflationary repercussion on operational costs for the Group as a whole. Anticipation of further hike in prices after general election, to a certain extent, had created some uncertainties; causing hesitation in potential house-buyers from entering the property market at this juncture. The results of Manufacturing's operation were still adversely affected by continuing slump in property market in United States; and penetrating new markets is considered the highest priority. Facing array of challenging issues and circumstances, the Board and the management remain confident that OIB Group still has the ability to deliver profitable results for the financial year ending 30 June 2008.

B.4. Variance of Actual Profit from Forecast Profit

Not applicable. The Group has not given any profit forecast nor profit guarantee in respect of any corporate proposals.

Notes to the quarterly report - 30 September 2007

B.5. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year 1st Quarter 30/09/2007 RM'000	Preceding Year Corresponding 1st Quarter 30/09/2006 RM'000	Current Year To Date 30/09/2007 RM'000	Preceding Year Corresponding Period 30/09/2006 RM'000
Malaysian income tax based on the profit for the financial period	866	1,484	866	1,484
Transfer to/(from) deferred taxation	(281)	58	(281)	58
Taxation (over)/underprovided in respect of prior financial periods	-	-	-	-
Real property gains tax on disposal of landed property	-	-	-	-
	<u>585</u>	<u>1,542</u>	<u>585</u>	<u>1,542</u>

With the adoption of revised FRS 112 "Income Taxes" by the Group in the Financial Year 30 June 2008, prohibition of the recognition of additional deductible temporary differences, arising from unabsorbed reinvestment allowances ("RA") and other double deduction reliefs ("DDR"), as deferred tax assets was lifted. Meanwhile, a subsidiary company of the Group has been granted pioneer status under the Promotion on Investments Act, 1986 commencing from 1 January 2005, whereby 100% of its statutory income is tax exempt. Whereas, most of the subsidiary companies within the Group fell within small and medium scale companies that were subject to 20% tax rate for the first chargeable income of RM0.500million. Consequently, the effective tax rate of the Group would be lower than the statutory tax rate. For the reporting quarter, approximately, RM0.438million of RA and DDR were utilized; while, RM0.224million of statutory income was exempted from income Tax for manufacturing operations.

B.6. Profits on Sale of Investments and/or Properties

There were no disposals of investments or properties outside the ordinary course of business of the Group for the current financial year to date.

B.7. Quoted Securities

There were no purchases or disposals of quoted securities for the current financial year to date. The Group did not have any investment in quoted securities as at the end of the reporting period.

B.8. Status of Corporate Proposals

There are no corporate proposals that have been announced but not completed as at 16 November 2007, the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial statements.

B.9. Group Borrowings and Debt Securities

The Group's borrowings as at the end of the reporting period are as follows:

[All denominated in Ringgit Malaysia]	Secured RM'000	Unsecured RM'000	Total RM'000
Long Term: - Term loans	-	-	-
Short Term: - Current portion of term loans	-	-	-
Other borrowings	-	93	93
	<u>-</u>	<u>93</u>	<u>93</u>

Notes to the quarterly report - 30 September 2007

B.10. Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at 16 November 2007, the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial statements.

B.11. Changes in Material Litigation

There were no pending material litigation as at 16 November 2007, the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial statements.

B.12. Dividend

- (a) (i) The members had approved the payment of a first and final ordinary dividend of 10% per share, less 27% income tax, in respect of financial year ended 30 June 2007 at the Annual General Meeting of the Company held on 1 November 2007;
- (ii) The gross amount per share is 10 sen, less 27% income tax (7.30 sen per share net);
- (iii) For the previous corresponding period, the gross amount per share of the first and final ordinary dividend paid was 10 sen, less 28% income tax (7.20 sen per share net);
- (iv) The aforesaid approved dividend is payable on 29 November 2007; and
- (v) In respect of deposited securities, entitlement to the aforesaid approved dividend will be determined on the basis of the record of depositors as at 4.00 p.m. on 15 November 2007.
- (b) The Board of Directors does not recommend any payment of interim dividend in respect of current financial year ending 30 June 2008.

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

	Individual Quarter		Cumulative Quarter	
	Current Year 1st Quarter 30/09/2007 RM'000	Preceding Year Corresponding 1st Quarter 30/09/2006 RM'000	Current Year To Date 30/09/2007 RM'000	Preceding Year Corresponding Period 30/09/2006 RM'000
(a) Basic				
Profit attributable to ordinary equity holders of the parent	<u>2,756</u>	<u>5,715</u>	<u>2,756</u>	<u>5,715</u>
Number of ordinary shares in issue at beginning of the period ('000)	90,539	90,424	90,539	90,424
Effect of shares issued pursuant to Company's ESOS ('000)	<u>-</u>	<u>5</u>	<u>-</u>	<u>5</u>
Weighted average number of ordinary shares outstanding ('000)	<u>90,539</u>	<u>90,429</u>	<u>90,539</u>	<u>90,429</u>
Basic EPS (sen)	<u>3.04</u>	<u>6.32</u>	<u>3.04</u>	<u>6.32</u>

Basic earnings per share is calculated by dividing profit for the financial period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issued during the financial period.

Notes to the quarterly report - 30 September 2007

B.13. Earnings Per Share ("EPS") [continued]

	Individual Quarter		Cumulative Quarter	
	Current Year 1st Quarter 30/09/2007 RM'000	Preceding Year Corresponding 1st Quarter 30/09/2006 RM'000	Current Year To Date 30/09/2007 RM'000	Preceding Year Corresponding Period 30/09/2006 RM'000
(b) Diluted				
Profit attributable to ordinary equity holders of the parent	<u>2,756</u>	<u>5,715</u>	<u>2,756</u>	<u>5,715</u>
Weighted average number of ordinary shares outstanding ('000)	90,539	90,429	90,539	90,429
Adjustment per share options ('000)	679	294	679	294
Weighted average number of ordinary shares outstanding after adjustment for the effect of all dilutive potential ordinary shares ('000)	<u>91,218</u>	<u>90,723</u>	<u>91,218</u>	<u>90,723</u>
Diluted EPS (sen)	<u>3.02</u>	<u>6.30</u>	<u>3.02</u>	<u>6.30</u>

For the purpose of calculating diluted earnings per share, weighted average number of ordinary shares in issued during the financial period is adjusted for the dilutive effects of all potential ordinary shares. The Company has only one category of dilutive potential ordinary shares, which are share options granted to employees pursuant to ESOS.

By order of the Board

Lam Voon Kean (MIA 4793)
[Company Secretary]

20 November 2007