



# ORIENTAL INTEREST BERHAD

[Company No. 272144-M]

## QUARTERLY REPORT

Page 1 of 1

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

### Condensed consolidated income statements for the financial period ended 31 March 2008

[The figures have not been audited.]

	Individual Quarter		Cumulative Quarter	
	Current Year 3rd Quarter 31/03/2008 RM'000	Preceding Year Corresponding 3rd Quarter 31/03/2007 RM'000	Current Year To Date 31/03/2008 RM'000	Preceding Year Corresponding Period 31/03/2007 RM'000
<b>Revenue</b>	18,837	29,460	65,970	98,582
<b>Cost of sales</b>	(14,954)	(23,172)	(52,461)	(71,441)
<b>Gross profit</b>	3,883	6,288	13,509	27,141
Other income	739	549	4,088	1,579
Selling and marketing expenses	(794)	(1,117)	(3,105)	(3,649)
Administrative expenses	(3,177)	(2,866)	(8,407)	(8,058)
Other expenses	(322)	(1,100)	(1,514)	(2,869)
<b>Operating profit</b>	329	1,754	4,571	14,144
Finance costs	(2)	(4)	(4)	(14)
Share of profit of associate	679	1,433	2,079	2,696
<b>Profit before income tax</b>	1,006	3,183	6,646	16,826
Income tax expense	(72)	(1,040)	(1,175)	(3,609)
<b>Profit for the period</b>	934	2,143	5,471	13,217
<b>Attributable to:</b>				
Equity holders of the parent	665	1,278	4,328	10,258
Minority interest	269	865	1,143	2,959
	934	2,143	5,471	13,217
<b>Earnings per share attributable to equity holders of the parent:</b>				
- Basic (sen)	0.73	1.41	4.78	11.34
- Diluted (sen)	0.73	1.40	4.75	11.30

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

**ORIENTAL INTEREST BERHAD**

[Company No. 272144-M]

Page 1 of 1

**Condensed consolidated balance sheet as at**

[The figures have not been audited.]

	<b>end of current interim period 31/03/2008 RM'000</b>	<b>financial year ended 30/06/2007 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	28,123	30,056
Land held for property development	9,183	12,552
Investment properties	3,363	3,427
Biological assets	409	419
Prepaid lease payments	14,254	14,428
Investment in associate	14,644	15,155
Deferred tax assets	3,939	3,284
	73,915	79,321
<b>Current assets</b>		
Property development cost	77,541	71,149
Inventories	10,803	10,417
Developed Properties	4,860	7,750
Trade receivables	40,364	58,141
Other receivables	34,292	35,591
Current tax recoverable	3,895	4,449
Fixed deposits held as security for trade facilities	18	18
Fixed deposits with licensed banks	46,902	37,442
Cash and bank balances	17,022	13,512
	235,697	238,469
<b>TOTAL ASSETS</b>	309,612	317,790
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	90,545	90,539
Reserves	179,696	181,975
	270,241	272,514
<b>Minority interest</b>	22,308	21,165
<b>Total equity</b>	292,549	293,679
<b>Non-current liabilities</b>		
Deferred tax liabilities	1,171	1,500
<b>Current liabilities</b>		
Trade payables	10,896	16,889
Other payables	3,063	5,396
Current tax payable	945	234
Bank overdrafts	988	93
	15,892	22,611
<b>Total liabilities</b>	17,063	24,111
<b>TOTAL EQUITY AND LIABILITIES</b>	309,612	317,790
<b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b>	2.98	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.

**ORIENTAL INTEREST BERHAD**

[Company No. 272144-M]

Page 1 of 1

**Condensed consolidated statement of changes in equity  
for the financial period ended 31 March 2008**

[The figures have not been audited.]

	-----Attributable to Equity Holders of the Parent-----			Minority interest	Total equity	
	Share capital	Non- distributable Share premium	Distributable Retained earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>At 1 July 2006</b>	90,424	147	177,147	267,718	18,030	285,748
Profit for the period	-	-	10,258	10,258	2,959	13,217
Total recognised income and expense for the period	-	-	10,258	10,258	2,959	13,217
Dividend paid						
- first and final in respect of preceding financial year	-	-	(6,517)	(6,517)	-	(6,517)
Issuance of ordinary shares:						
- exercise of share options	86	28	-	114	-	114
	86	28	(6,517)	(6,403)	-	(6,403)
<b>At 31 March 2007</b>	90,510	175	180,888	271,573	20,989	292,562
<b>At 1 July 2007</b>	90,539	184	181,791	272,514	21,165	293,679
Profit for the period	-	-	4,328	4,328	1,143	5,471
Total recognised income and expense for the period	-	-	4,328	4,328	1,143	5,471
Dividend paid						
- first and final in respect of preceding financial year	-	-	(6,610)	(6,610)	-	(6,610)
Issuance of ordinary shares:						
- exercise of share options	6	3	-	9	-	9
	6	3	(6,610)	(6,601)	-	(6,601)
<b>At 31 March 2008</b>	90,545	187	179,509	270,241	22,308	292,549

**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.**

**ORIENTAL INTEREST BERHAD**

[Company No. 272144-M]

Page 1 of 1

**Condensed consolidated cash flow statement  
for the financial period ended 31 March 2008**

[The figures have not been audited.]

	Period Ended	
	31/03/2008 RM'000	31/03/2007 RM'000
<b>Cash flows from operating activities</b>		
Cash generated from operations	15,678	17,318
Income tax paid	(3,061)	(5,144)
Income tax refunded	1,258	43
	13,875	12,217
<b>Cash flows from investing activities</b>		
Interest received	1,421	893
Dividend received	3,500	4,000
Proceeds from sale of property, plant and equipment	501	433
Additions to property, plant and equipment	(384)	(7,504)
Additions to land held for property development	(228)	(1,060)
Proceeds from sale of biological assets	28	-
Additions to biological assets	(33)	(24)
Additions to prepaid lease payments	-	(72)
	4,805	(3,334)
<b>Cash flows from financing activities</b>		
Proceeds from issuance of ordinary shares:		
- exercise of share options	9	114
Interest paid	(4)	(14)
Proceeds from withdrawal of fixed deposits held under lien as security for trade facilities	-	5,000
Placements of fixed deposits held under lien as security for trade facilities	-	(18)
Dividend paid to Company's shareholders	(6,610)	(6,517)
	(6,605)	(1,435)
<b>Net change in cash and cash equivalents during the financial period</b>	12,075	7,448
<b>Cash and cash equivalents</b>		
- at the beginning of the period	50,861	29,207
	62,936	36,655
	62,936	36,655

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 - 31 March 2008**

**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**

Except for a total of 6,000 ordinary shares issued upon exercising of options, granted pursuant to the Employee Share Option Scheme ("ESOS") of the Company, there were no other 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 - 31 March 2008**

**A.7. Dividend Paid**

The first and final ordinary dividend of 10% (10 sen) gross per ordinary share, less 27% income tax (7.30 sen per share net), amounting to RM6.610million in respect of preceding financial year ended 30 June 2007, approved by the members at the Annual General Meeting of the Company held on 1 November 2007, had been paid on 29 November 2007.

**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**

	Property Development RM'000	Manufacturing RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<b>Current period ended</b>					
31 March 2008					
Revenue	54,600	30,266	4,660	(23,556)	65,970
Intra-segment revenue	(15,532)	(4,524)	(3,500)	23,556	-
Inter-segment revenue	-	-	(0)	0	-
External revenue	<u>39,068</u>	<u>25,742</u>	<u>1,160</u>	<u>-</u>	<u>65,970</u>
Segment result	4,285	(1,117)	1,283		4,451
Unallocated corporate income					276
Unallocated corporate expenses					(156)
Operating profit					<u>4,571</u>
Finance costs					(4)
Share of profit of associate			2,079		2,079
Profit before income tax					<u><u>6,646</u></u>

**Notes to the quarterly report - 31 March 2008**

**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
<b>Corresponding period ended</b>					
31 March 2007					
Revenue	81,089	37,040	4,756	(24,303)	98,582
Intra-segment revenue	(14,552)	(5,633)	(4,106)	24,291	-
Inter-segment revenue	-	-	(13)	13	-
External revenue	<u>66,538</u>	<u>31,407</u>	<u>637</u>	<u>-</u>	<u>98,582</u>
Segment result	11,922	1,549	608		14,079
Unallocated corporate income					131
Unallocated corporate expenses					(66)
Operating profit					<u>14,144</u>
Finance costs					(14)
Share of profit of associate			2,696		2,696
Profit before income tax					<u>16,826</u>

**A.12. Contingent Liabilities**

There were no contingent liabilities required for the Group as at 16 May 2008, 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 - 31 March 2008****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 reported 36% and 33% reduction in revenue compared with the corresponding financial quarter and 9-months reporting period respectively. As a result, profit before income tax decreased by 68% and 61% for the individual quarter and year-to-date under review respectively. Overall drop in revenue and reduction in profit margin were the main reasons for the lower profit reported.

Compared with the corresponding quarter, Property Division reported 40% and 75% decrease in progress billings and profit before taxation respectively; rendering a 41% and 64% fall in revenue and pre-tax profit respectively compared with the 9-months results of the previous financial year. The main reason for the lower profit recorded by the Division was due to reduced profit margin as a result of higher cost of construction

Manufacturing Division experienced an operating loss of RM0.767million, from a turnover of RM6.284million for the reporting quarter, resulting in an operating loss of RM1.117million for the year-to-date results. Significant decrease in overseas and also local sales, coupled with the higher raw materials cost as a result of the surging oil prices and foreign exchange translation loss, because of unfavourable movement in exchange rates had contributed significantly to the operating loss.

Contribution from the associated company, Brilliant Delta, reduced by 53% compared with the corresponding quarter. The price of crude palm oil had almost double and with the tonnage harvested remains about the same compared to the corresponding quarter; the share of profit from the plantation operation has doubled as well. However, a drastic drop in progress billings from its current housing project (Serai Wangi II) that is pending full completion of the development has resulted in reduction in the share of profit from the property operation. Consequently, the poor result from the property operation has dragged down the overall share of profit by 53% and 23% compared with the corresponding quarter and that of the previous 9-months results respectively.

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

Compared with the immediate preceding financial quarter, the Group reported a reduction of 19% and 46% for revenue and profit before taxation respectively. Meanwhile, Property Division recorded 13% and 46% decrease in billings and pre-tax profit respectively. Higher percentage drop in pre-tax profit compared to the revenue was due to a one off payment of gratuity amounting to RM1million to the former Managing Director who retired recently. Should adjustment be made for the non-recurrent gratuity, profit before income tax was in fact higher by 8% and 36% for the Group and Property Division respectively. Higher profit margin via tighter budgetary control and conservative costing estimates has contributed to the higher profit by the Property Division. Share of profit from associated company, Brilliant Delta, was also 39% higher than that of the immediate preceding quarter. Whereas, Manufacturing Division registered 30% drop in revenue resulting in a loss of RM0.767million.

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

The outcome of the recent 12th Malaysian General Election has brought about a new political landscape in the country. These new era of political changes has churned up a lot of uncertainty in the Malaysian economy. As for the global economy, the overall feeling of the US economy is that of recession, even though it has yet to register negative growth, and in Europe credit troubles are surfacing.

With such uncertain environment, in both the domestic and global economy, there is a sense of increasing caution and cash conservation. This mind-set will deter potential house-buyers from making commitment in the property market as they will prefer to remain on the sideline till the whole economic situation clears up. Inflationary effect on cost of raw materials is another major concern for the Group as a whole, as this has a direct impact on operational costs. While the Group is meticulously implementing tighter cost control and preserving its financial strength to weather through this patchy economic storm, the management is also actively on the look out for opportunity to expand and diversify its present business. Hence, the Board and the management are confident that OIB Group will be able to produce profitable results for the financial year ending 30 June 2008.



**Notes to the quarterly report - 31 March 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.

**B.5. Taxation**

	Individual Quarter		Cumulative Quarter	
	Current Year 3rd Quarter 31/03/2008 RM'000	Preceding Year Corresponding 3rd Quarter 31/03/2007 RM'000	Current Year To Date 31/03/2008 RM'000	Preceding Year Corresponding Period 31/03/2007 RM'000
Malaysian income tax based on the profit for the financial period	647	1,028	2,197	3,731
Transfer to/(from) deferred taxation	(537)	(100)	(984)	(234)
Taxation (over)/underprovided in respect of prior financial periods	(38)	112	(38)	112
Real property gains tax on disposal of landed property	-	-	-	-
	<u>72</u>	<u>1,040</u>	<u>1,175</u>	<u>3,609</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. Approximately RM0.013million of RA and DDR available and utilized together with RM0.095million of statutory income deemed exempted from Income Tax for the purpose of taxation estimate computation in previous quarters, were reversed in the reporting quarter 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 May 2008, 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	-	988	988
	<u>-</u>	<u>988</u>	<u>988</u>

**Notes to the quarterly report - 31 March 2008**

**B.10. Off Balance Sheet Financial Instruments**

There were no financial instruments with off balance sheet risk as at 16 May 2008, 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 May 2008, 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 was paid on 29 November 2007; and
- (v) In respect of deposited securities, entitlement to the aforesaid approved dividend was 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 3rd Quarter 31/03/2008 RM'000	Preceding Year Corresponding 3rd Quarter 31/03/2007 RM'000	Current Year To Date 31/03/2008 RM'000	Preceding Year Corresponding Period 31/03/2007 RM'000
(a) <b>Basic</b>				
Profit attributable to ordinary equity holders of the parent	<u>665</u>	<u>1,278</u>	<u>4,328</u>	<u>10,258</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>-</u>	<u>4</u>	<u>55</u>
Weighted average number of ordinary shares outstanding ('000)	<u>90,539</u>	<u>90,424</u>	<u>90,543</u>	<u>90,479</u>
Basic EPS (sen)	<u>0.73</u>	<u>1.41</u>	<u>4.78</u>	<u>11.34</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.

**ORIENTAL INTEREST BERHAD**

[Company No. 272144-M]

Page 4 of 4

**Notes to the quarterly report - 31 March 2008****B.13. Earnings Per Share ("EPS") [continued]**

	Individual Quarter		Cumulative Quarter	
	Current Year 3rd Quarter 31/03/2008 RM'000	Preceding Year Corresponding 3rd Quarter 31/03/2007 RM'000	Current Year To Date 31/03/2008 RM'000	Preceding Year Corresponding Period 31/03/2007 RM'000
<b>(b) Diluted</b>				
Profit attributable to ordinary equity holders of the parent	<u>665</u>	<u>1,278</u>	<u>4,328</u>	<u>10,258</u>
Weighted average number of ordinary shares outstanding ('000)	90,539	90,424	90,543	90,479
Adjustment per share options ('000)	364	527	489	288
Weighted average number of ordinary shares outstanding after adjustment for the effect of all dilutive potential ordinary shares ('000)	<u>90,903</u>	<u>90,951</u>	<u>91,032</u>	<u>90,768</u>
Diluted EPS (sen)	<u>0.73</u>	<u>1.40</u>	<u>4.75</u>	<u>11.30</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]

22 May 2008