



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 2009.

Condensed consolidated income statements for the financial period ended 30 September 2008

[The figures have not been audited.]

	Individual Quarter		Cumulative Quarter	
	Current Year 1st Quarter 30/09/2008 RM'000	Preceding Year Corresponding 1st Quarter 30/09/2007 RM'000	Current Year To Date 30/09/2008 RM'000	Preceding Year Corresponding Period 30/09/2007 RM'000
Revenue	22,858	23,756	22,858	23,756
Cost of sales	(18,025)	(18,934)	(18,025)	(18,934)
Gross profit	4,833	4,822	4,833	4,822
Other income	840	2,617	840	2,617
Selling and marketing expenses	(860)	(1,260)	(860)	(1,260)
Administrative expenses	(2,089)	(2,568)	(2,089)	(2,568)
Other expenses	(636)	(743)	(636)	(743)
Operating profit	2,088	2,868	2,088	2,868
Finance cost	(1)	(1)	(1)	(1)
Share of results of an associate	173	911	173	911
Profit before taxation	2,260	3,778	2,260	3,778
Income tax expense	(651)	(585)	(651)	(585)
Profit for the period	1,609	3,193	1,609	3,193
Attributable to:				
Equity holders of the parent	1,213	2,756	1,213	2,756
Minority interest	396	437	396	437
	1,609	3,193	1,609	3,193
Earnings per share attributable to equity holders of the parent:				
- Basic (sen)	1.34	3.04	1.34	3.04
- Diluted (sen)	N/A	3.02	N/A	3.02

The condensed consolidated income statements should be read in conjunction with the annual financial report for the financial year ended 30 June 2008.



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Condensed consolidated balance sheet as at 30 September 2008

[The figures have not been audited.]

	30/09/2008 RM'000	30/06/2008 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	27,108	27,722
Land held for property development	9,132	9,228
Investment properties	3,321	3,342
Biological assets	419	424
Prepaid lease payments	14,138	14,196
Investment in associate	15,542	15,369
Deferred tax assets	3,242	3,258
	72,902	73,539
Current assets		
Property development cost	83,543	81,337
Inventories	11,016	10,244
Developed Properties	5,916	5,521
Trade receivables	36,888	46,807
Other receivables	24,555	31,068
Current tax recoverable	3,750	3,808
Fixed deposits held as security for trade facilities	18	18
Fixed deposits with licensed banks	44,502	40,002
Cash and bank balances	21,111	20,792
	231,299	239,597
TOTAL ASSETS	304,201	313,136
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	90,545	90,545
Reserves	183,123	181,910
	273,668	272,455
Minority interest	20,271	19,875
Total equity	293,939	292,330
Non-current liabilities		
Deferred tax liabilities	1,019	995
Current liabilities		
Trade payables	4,540	15,134
Other payables	4,486	4,420
Current tax payable	212	257
Bank overdrafts	5	-
	9,243	19,811
Total liabilities	10,262	20,806
TOTAL EQUITY AND LIABILITIES	304,201	313,136
Net assets per share attributable to ordinary equity holders of the parent (RM)	3.02	3.01

The condensed consolidated balance sheet should be read in conjunction with the annual financial report for the financial year ended 30 June 2008.



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**Condensed consolidated statement of changes in equity
for the financial period ended 30 September 2008**

[The figures have not been audited.]

	-----Attributable to Equity Holders of the Parent-----				Minority interest	Total equity
	Share capital RM'000	Non-	Distributable Retained earnings RM'000	Total RM'000		
		distributable Share premium RM'000				
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
At 1 July 2008	90,545	186	181,724	272,455	19,875	292,330
Profit for the period	-	-	1,213	1,213	396	1,609
Total recognised income and expense for the period	-	-	1,213	1,213	396	1,609
At 30 September 2008	90,545	186	182,937	273,668	20,271	293,939

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 2008.



**Condensed consolidated cash flow statement
for the financial period ended 30 September 2008**
[The figures have not been audited.]

	Period Ended	
	30/09/2008 RM'000	30/09/2007 RM'000
Cash flows from operating activities		
Cash generated from operations	4,963	10,710
Income tax paid	(605)	(871)
Income tax refunded	11	657
	<hr/>	<hr/>
Net cash generated from operating activities	4,369	10,495
Cash flows from investing activities		
Interest received	474	413
Proceeds from sale of property, plant and equipment	-	234
Additions to property, plant and equipment	(28)	(234)
Additions to land held for property development	-	(103)
Proceeds from sale of land held for property development	-	28
Additions to biological assets	-	(17)
	<hr/>	<hr/>
Net cash generated from investing activities	446	322
Cash flows from financing activities		
Interest paid	(1)	(1)
	<hr/>	<hr/>
Net cash used in financing activities	(1)	(1)
	<hr/>	<hr/>
Net change in cash and cash equivalents during the financial period	4,814	10,816
Cash and cash equivalents		
- at the beginning of the period	60,794	50,861
	<hr/>	<hr/>
- at the end of the period	65,608	61,677
	<hr/> <hr/>	<hr/> <hr/>

The condensed consolidated cash flow statement should be read in conjunction with the annual financial report for the financial year ended 30 June 2008.



Notes to the quarterly report - 30 September 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 2008.

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.

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.



Notes to the quarterly report - 30 September 2008

A.11. Segmental Reporting - Financial Year to Date

	Property Development RM'000	Manufacturing RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Current period ended					
30 September 2008					
Revenue	22,385	8,484	490	(8,501)	22,858
Intra-segment revenue	(7,556)	(946)	-	8,501	-
External revenue	<u>14,829</u>	<u>7,539</u>	<u>490</u>	<u>-</u>	<u>22,858</u>
Segment result	1,876	(171)	307		2,012
Unallocated income					94
Unallocated expenses					(18)
Operating profit					<u>2,088</u>
Finance cost					(1)
Share of results of an associate			173		173
Profit before taxation					<u>2,260</u>
Corresponding period ended					
30 September 2007					
Revenue	17,977	12,281	358	(6,860)	23,756
Intra-segment revenue	(5,058)	(1,802)	-	6,860	-
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 income					77
Unallocated 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>

A.12. Contingent Liabilities

There were no contingent liabilities required for the Group as at 14 November 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 - 30 September 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 registered RM22.858million and RM2.261million in revenue and profit before taxation respectively for the reporting financial quarter, resulting in a 4% and 40% fall in both revenue and profit before taxation respectively compared with the corresponding quarter. Nevertheless, should adjustment be made in respect of a one time gain on disposal of a piece of land, classified under Property, Plant and Equipment, amounting to RM1.953million in the corresponding quarter; the Group would have recorded a 24% increase in profit before taxation.

Similarly, Property Division would have reported a 4 times surge in profit before taxation, instead of 22% drop, at the back of 15% rise in progress billings. Meanwhile, Manufacturing Division registered 28% reduction in revenue as a result of drop in sales volume and this was the main attribute for incurring a loss of RM0.171million for the reporting financial quarter.

Share of profit from associated company, Brilliant Delta, dropped by 81% compared with the corresponding quarter as its housing project (Serai Wangi II) was completed towards the end of previous financial year. Prior to the launching of new phases of housing project, the income of Brilliant Delta would comprise mainly of its oil palm operation. With the prices of CPO being suppressed in recent time, contribution from Brilliant Delta would not be substantial in near future.

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

The Group reported 25% and 28% reduction in revenue and profit before taxation respectively compared with the immediate preceding financial quarter. Billings and profit before taxation decreased by 36% and 49% respectively for Property Division as potential housebuyers remained at sideline amidst the global economic uncertainty. Sales for Manufacturing Division were higher by 4% for the same comparable period, which had reduced its operating loss by 30%; mainly due to appreciation of US dollar.

B.3. Prospects for the Current Financial Year

While the government had made every endeavour to reduce petrol price of late, costs of materials for both construction and manufacturing still remain high. Generally, there is always a time lag before we could benefit from the effect of cut in petrol price. Meanwhile, there is a general anticipation that there might be a possible interest rate cut in Malaysia in view of the recent actions taken by various nations globally and if realised, housing loans would be more affordable to housebuyers. Although confidence in the property market is still unsettled and people are still very cautious with their expenditure and commitment, optimism in stable material costs and affordable loan allows the board to have the confidence that the Group could overcome major challenge and produce a profitable results for the financial year ending 30 June 2009.

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 2008
B.5. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year 1st Quarter 30/09/2008 RM'000	Preceding Year Corresponding 1st Quarter 30/09/2007 RM'000	Current Year To Date 30/09/2008 RM'000	Preceding Year Corresponding Period 30/09/2007 RM'000
Malaysian income tax based on the profit for the financial period	679	-	679	-
Transfer to/(from) deferred taxation	43	-	43	-
Taxation (over)/underprovided in respect of prior financial periods	(71)	-	(71)	-
Real property gains tax on disposal of landed property	-	-	-	-
	651	-	651	-

Due to the operating loss incurred by Manufacturing Division, the Group's effective tax rate for the reporting quarter is higher than the statutory tax rate. Business loss carried forward, excluding the business loss incurred by a subsidiary which is under pioneer status, was increased by approximately RM200,000.

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 14 November 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	-	5	5
	-	5	5

B.10. Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at 14 November 2008, 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 - 30 September 2008

B.11. Changes in Material Litigation

There were no pending material litigation as at 14 November 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 25% tax, in respect of financial year ended 30 June 2008 at the Annual General Meeting of the Company held on 30 October 2008;
- (ii) The gross amount per share is 10 sen, less 25% income tax (7.50 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 27% income tax (7.30 sen per share net);
- (iv) The aforesaid approved dividend is payable on 28 November 2008; 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 13 November 2008.
- (b) The Board of Directors does not recommend any payment of interim dividend in respect of current financial year ending 30 June 2009.

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

	Individual Quarter		Cumulative Quarter	
	Current Year 1st Quarter 30/09/2008 RM'000	Preceding Year Corresponding 1st Quarter 30/09/2007 RM'000	Current Year To Date 30/09/2008 RM'000	Preceding Year Corresponding Period 30/09/2007 RM'000
(a) Basic				
Profit attributable to ordinary equity holders of the parent	<u>1,213</u>	<u>2,756</u>	<u>1,213</u>	<u>2,756</u>
Number of ordinary shares in issue at beginning of the period ('000)	90,545	90,539	90,545	90,539
Effect of shares issued pursuant to Company's ESOS ('000)	-	-	-	-
Weighted average number of ordinary shares outstanding ('000)	<u>90,545</u>	<u>90,539</u>	<u>90,545</u>	<u>90,539</u>
Basic EPS (sen)	<u>1.34</u>	<u>3.04</u>	<u>1.34</u>	<u>3.04</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 2008
B.13. Earnings Per Share ("EPS") [continued]

	Individual Quarter		Cumulative Quarter	
	Current Year 1st Quarter 30/09/2008 RM'000	Preceding Year Corresponding 1st Quarter 30/09/2007 RM'000	Current Year To Date 30/09/2008 RM'000	Preceding Year Corresponding Period 30/09/2007 RM'000
(b) Diluted				
Profit attributable to ordinary equity holders of the parent	<u>1,213</u>	<u>2,756</u>	<u>1,213</u>	<u>2,756</u>
Weighted average number of ordinary shares outstanding ('000)	90,545	90,539	90,545	90,539
Adjustment per share options ('000)	(187)	679	(187)	679
Weighted average number of ordinary shares outstanding after adjustment for the effect of all dilutive potential ordinary shares ('000)	<u>90,358</u>	<u>91,218</u>	<u>90,358</u>	<u>91,218</u>
Diluted EPS (sen)	<u>N/A</u> *	<u>3.02</u>	<u>N/A</u> *	<u>3.02</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.

* No computation of diluted earnings per share in respect of the above-mentioned financial periods were made as the potential ordinary shares were anti-dilutive.

By order of the Board

Lam Voon Kean (MIA 4793)

[Company Secretary]

19 November 2008