



ORIENTAL INTEREST BERHAD

[Company No. 272144-M]

QUARTERLY REPORT

Page 1 of 10

The Board of Directors is pleased to announce the interim financial statements on consolidated results for the second quarter of financial year ending 30 June 2009.

Condensed consolidated income statements for the financial period ended 31 December 2008

[The figures have not been audited.]

	Individual Quarter		Cumulative Quarter	
	Current Year 2nd Quarter 31/12/2008 RM'000	Preceding Year Corresponding 2nd Quarter 31/12/2007 RM'000	Current Year To Date 31/12/2008 RM'000	Preceding Year Corresponding Period 31/12/2007 RM'000
Revenue	28,339	23,377	51,197	47,133
Cost of sales	(22,813)	(18,573)	(40,838)	(37,507)
Gross profit	5,526	4,804	10,359	9,626
Other income	975	733	1,815	3,350
Selling and marketing expenses	(743)	(1,051)	(1,603)	(2,311)
Administrative expenses	(1,925)	(2,662)	(4,014)	(5,230)
Other expenses	(562)	(450)	(1,198)	(1,193)
Operating profit	3,271	1,374	5,359	4,242
Finance costs	-	(1)	(1)	(2)
Share of results of an associate	272	489	445	1,400
Profit before taxation	3,543	1,862	5,803	5,640
Taxation	(266)	(517)	(917)	(1,103)
Profit for the period	3,277	1,345	4,886	4,537
Attributable to:				
Equity holders of the Company	2,901	908	4,114	3,663
Minority interests	376	437	772	874
	3,277	1,345	4,886	4,537
Earnings per share attributable to equity holders of the Company:				
- Basic (sen)	3.20	1.00	4.54	4.05
- Diluted (sen)	N/A	1.00	N/A	4.02

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



ORIENTAL INTEREST BERHAD

[Company No. 272144-M]

Page 2 of 10

Condensed consolidated balance sheet as at 31 December 2008

[The figures have not been audited.]

	31/12/2008 RM'000	30/06/2008 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	27,164	27,722
Land held for property development	9,135	9,228
Investment properties	3,299	3,342
Biological assets	414	424
Prepaid lease payments	14,080	14,196
Investment in associate	15,814	15,369
Deferred tax assets	3,438	3,258
	73,344	73,539
Current assets		
Property development cost	82,849	81,337
Inventories	9,656	10,244
Developed Properties	5,266	5,521
Trade receivables	38,162	46,807
Other receivables	23,447	31,068
Current tax recoverable	3,863	3,808
Fixed deposits held as security for trade facilities	18	18
Fixed deposits with licensed banks	42,034	40,002
Cash and bank balances	21,837	20,792
	227,132	239,597
TOTAL ASSETS	300,476	313,136
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	90,545	90,545
Reserves	179,233	181,910
	269,778	272,455
Minority interests	20,417	19,875
Total equity	290,195	292,330
Non-current liabilities		
Deferred tax liabilities	938	995
Current liabilities		
Trade payables	5,996	15,134
Other payables	2,801	4,420
Current tax payable	546	257
	9,343	19,811
Total liabilities	10,281	20,806
TOTAL EQUITY AND LIABILITIES	300,476	313,136
Net assets per share attributable to ordinary equity holders of the Company (RM)	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 2008.



ORIENTAL INTEREST BERHAD

[Company No. 272144-M]

Page 3 of 10

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

[The figures have not been audited.]

	--Attributable to Equity Holders of the Company--			Minority interests	Total equity
	Share capital	Non-distributable Share premium	Distributable Retained earnings		
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2007	90,539	184	181,791	21,165	293,679
Profit for the period	-	-	3,663	874	4,537
Total recognised income and expense for the period	-	-	3,663	874	4,537
Dividend paid					
- first and final in respect of preceding financial year	-	-	(6,610)	-	(6,610)
Issuance of ordinary shares:					
- exercise of share options	6	3	-	-	9
	6	3	(6,610)	-	(6,601)
At 31 December 2007	90,545	187	178,844	22,039	291,615
At 1 July 2008	90,545	186	181,724	19,875	292,330
Profit for the period	-	-	4,114	772	4,886
Total recognised income and expense for the period	-	-	4,114	772	4,886
Dividend paid					
- first and final in respect of preceding financial year	-	-	(6,791)	-	(6,791)
- interim in respect of current financial year	-	-	-	(230)	(230)
	-	-	(6,791)	(230)	(7,021)
At 31 December 2008	90,545	186	179,047	20,417	290,195

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.

**ORIENTAL INTEREST BERHAD**

[Company No. 272144-M]

Page 4 of 10

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

[The figures have not been audited.]

	Period Ended	
	31/12/2008 RM'000	31/12/2007 RM'000
Cash flows from operating activities		
Cash generated from operations	10,867	15,554
Income tax paid	(986)	(2,376)
Income tax refunded	71	660
Net cash generated from operating activities	9,952	13,838
Cash flows from investing activities		
Interest received	937	931
Dividends received	-	3,500
Proceeds from sale of property, plant and equipment	6	234
Additions to property, plant and equipment	(796)	(286)
Additions to land held for property development	-	(136)
Proceeds from sale of biological assets	-	28
Additions to biological assets	-	(17)
Net cash generated from investing activities	147	4,254
Cash flows from financing activities		
Proceeds from issuance of ordinary shares:		
- exercise of share options	-	9
Interest paid	(1)	(2)
Dividend paid to minority interests	(230)	-
Dividend paid to Company's shareholders	(6,791)	(6,610)
Net cash used in financing activities	(7,022)	(6,603)
Net change in cash and cash equivalents during the financial period	3,077	11,489
Cash and cash equivalents		
- at the beginning of the period	60,794	50,861
- at the end of the period	63,871	62,350

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 - 31 December 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

The first and final ordinary dividend of 10% (10 sen) gross per ordinary share, less 25% income tax (7.50 sen per share net), amounting to RM6.791 million in respect of preceding financial year ended 30 June 2008, approved by the members at the Annual General Meeting of the Company held on 30 October 2008, had been paid on 28 November 2008.

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 - 31 December 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					
31 December 2008					
Revenue	56,655	17,631	793	(23,882)	51,197
Intra-segment revenue	(21,049)	(2,833)	-	23,882	-
Inter-segment revenue	-	-	-	-	-
External revenue	<u>35,606</u>	<u>14,798</u>	<u>793</u>	<u>-</u>	<u>51,197</u>
Segment result	4,666	24	648	-	5,338
Unallocated income					186
Unallocated expenses					(165)
Operating profit					<u>5,359</u>
Finance costs					(1)
Share of results of an associate			445		445
Profit before taxation					<u>5,803</u>
Corresponding period ended					
31 December 2007					
Revenue	36,392	22,868	4,301	(16,428)	47,133
Intra-segment revenue	(9,518)	(3,410)	(3,500)	16,428	-
Inter-segment revenue	-	-	-	-	-
External revenue	<u>26,874</u>	<u>19,458</u>	<u>801</u>	<u>-</u>	<u>47,133</u>
Segment result	3,628	(350)	915	-	4,193
Unallocated income					170
Unallocated expenses					(120)
Operating profit					<u>4,242</u>
Finance costs					(2)
Share of results of an associate			1,400		1,400
Profit before taxation					<u>5,640</u>

A.12. Contingent Liabilities

There were no contingent liabilities required for the Group as at 20 February 2009, 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 December 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 RM28.339million and RM3.543million in revenue and profit before taxation respectively for the reporting financial quarter, resulting in 21% and 90% increase in both revenue and profit before taxation respectively compared with the corresponding quarter, principally due to higher progress billings from the Property Division during the reporting quarter, especially from housing projects in the vicinity of Putrajaya and Bangi. Profit before taxation increased proportionately higher mainly attributable to better margin of returns contributed by the current projects than those in the corresponding period. Although sales for Manufacturing Division decreased by 19%, it had reported RM0.196million profit before taxation from a loss of RM0.353million in the corresponding quarter, mainly deriving from gain on foreign exchange at the back of stronger US dollars.

The Group registered RM51.197million and RM5.803million in revenue and profit before taxation respectively for the first half of the current financial year, representing 9% and 3% increase in revenue and profit before taxation respectively compared with the corresponding period. Better results were mainly due to improved performance achieved from both the Property Division and Manufacturing Division during the reporting quarter. Profit before taxation increased by a lower percentage, but should adjustment be made in respect of a one time gain on disposal of a piece of land amounting to RM1.953million in the first quarter of the preceding financial year as previously reported; in fact, the Group would have recorded a 57% increase in profit before taxation.

Share of profit from associated company, Brilliant Delta, decreased by 44% and 68% compared with the corresponding quarter and 6-month period respectively, mainly because of its current housing project, which was proportionately smaller scale compared with its last housing scheme that was completed towards the end of previous financial year, was only launched in the reporting quarter coupled with significant reduction in price of crude palm oil.

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

The Group reported 24% and 57% increase in revenue and profit before taxation respectively compared with the immediate preceding financial quarter. Billings generated by Property Division were increased by 40%, which had consequently improved its profit before taxation by 49%. In spite of sales for the Manufacturing Division reduced by 4%, gain on foreign exchange due to appreciation of the US dollar had reversed its operating loss of RM0.171million to a profit before taxation of RM0.196million.

Share of profit from associated company, Brilliant Delta, increased by 57% mainly due to results recognized from its latest housing project launched in the reporting quarter.

B.3. Prospects for the Current Financial Year

Despite the fact that petrol price had fallen significantly to the stable level as before, materials costs in general remained comparatively high and were expected to continue so in near future, which would unable most industries to revive their margin of returns. Although interest rate cut was meant to be a measure to boost economy activities with affordable financing, fear of default had the lenders adopting conservative approach in processing loan application. The view on general business climate at present and foreseeable future, globally as well as in Malaysia, is mostly that of challenging and with reservation. Nevertheless, the Group is confident to withstand the current economic downturn and produce overall profitable results for the financial year ending 30 June 2009.



Notes to the quarterly report - 31 December 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 2nd Quarter 31/12/2008 RM'000	Preceding Year Corresponding 2nd Quarter 31/12/2007 RM'000	Current Year To Date 31/12/2008 RM'000	Preceding Year Corresponding Period 31/12/2007 RM'000
Malaysian income tax based on the profit for the financial period	541	684	1,220	1,550
Transfer to/(from) deferred taxation	(275)	(167)	(232)	(447)
Taxation (over)/underprovided in respect of prior financial periods	-	-	(71)	-
	<u>266</u>	<u>517</u>	<u>917</u>	<u>1,103</u>

The Group's effective tax rate for the reporting quarter is lower than the statutory tax rate mainly due to the utilisation of prior years' business losses.

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 20 February 2009, 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 did not have any borrowings nor debt securities as at the end of the reporting period.

B.10. Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at 20 February 2009, 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 20 February 2009, the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial statements.



Notes to the quarterly report - 31 December 2008

B.12. Dividend

- (a) (i) The members had approved the payment of a first and final ordinary dividend of 10% per share, less 25% income 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 was paid on 28 November 2008; 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 13 November 2008.
- (b) The Board of Directors does not recommend any payment of interim dividend in respect of the current financial year ending 30 June 2009.

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

	Individual Quarter		Cumulative Quarter	
	Current Year 2nd Quarter 31/12/2008 RM'000	Preceding Year Corresponding 2nd Quarter 31/12/2007 RM'000	Current Year To Date 31/12/2008 RM'000	Preceding Year Corresponding Period 31/12/2007 RM'000
(a) Basic				
Profit attributable to ordinary equity holders of the Company	<u>2,901</u>	<u>908</u>	<u>4,114</u>	<u>3,663</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)	-	5	-	3
Weighted average number of ordinary shares outstanding ('000)	<u>90,545</u>	<u>90,544</u>	<u>90,545</u>	<u>90,542</u>
Basic EPS (sen)	<u>3.20</u>	<u>1.00</u>	<u>4.54</u>	<u>4.05</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 - 31 December 2008

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

	Individual Quarter		Cumulative Quarter	
	Current Year 2nd Quarter 31/12/2008 RM'000	Preceding Year Corresponding 2nd Quarter 31/12/2007 RM'000	Current Year To Date 31/12/2008 RM'000	Preceding Year Corresponding Period 31/12/2007 RM'000
(b) Diluted				
Profit attributable to ordinary equity holders of the Company	<u>2,901</u>	<u>908</u>	<u>4,114</u>	<u>3,663</u>
Weighted average number of ordinary shares outstanding ('000)	90,545	90,544	90,545	90,542
Adjustment per share options ('000)	(831)	561	(651)	597
Weighted average number of ordinary shares outstanding after adjustment for the effect of all dilutive potential ordinary shares ('000)	<u>89,714</u>	<u>91,105</u>	<u>89,894</u>	<u>91,139</u>
Diluted EPS (sen)	<u>N/A</u> *	<u>1.00</u>	<u>N/A</u> *	<u>4.02</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]

23 February 2009