



ORIENTAL INTEREST BERHAD

[Company No. 272144-M]

QUARTERLY REPORT

Page 1 of 11

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 2010.

Condensed consolidated income statements for the financial period ended 30 September 2009

[The figures have not been audited.]

	Individual Quarter		Cumulative Quarter	
	Current Year 1st Quarter 30/09/2009 RM'000	Preceding Year Corresponding 1st Quarter 30/09/2008 RM'000	Current Year To Date 30/09/2009 RM'000	Preceding Year Corresponding Period 30/09/2008 RM'000
Revenue	26,954	22,858	26,954	22,858
Cost of sales	(21,562)	(18,025)	(21,562)	(18,025)
Gross profit	5,392	4,833	5,392	4,833
Other income	593	840	593	840
Selling and marketing expenses	(538)	(860)	(538)	(860)
Administrative expenses	(2,257)	(2,089)	(2,257)	(2,089)
Other expenses	(680)	(636)	(680)	(636)
Operating profit	2,510	2,088	2,510	2,088
Finance costs	(3)	(1)	(3)	(1)
Share of results of an associate	169	173	169	173
Profit before taxation	2,676	2,260	2,676	2,260
Taxation	(912)	(651)	(912)	(651)
Profit for the period	1,764	1,609	1,764	1,609
Attributable to:				
Equity holders of the Company	1,713	1,213	1,713	1,213
Minority interests	51	396	51	396
	1,764	1,609	1,764	1,609
Earnings per share attributable to equity holders of the Company:				
- Basic (sen)	1.89	1.34	1.89	1.34
- Diluted (sen)	N/A	N/A	N/A	N/A

The condensed consolidated income statements should be read in conjunction with the annual financial report for the financial year ended 30 June 2009.



ORIENTAL INTEREST BERHAD
[Company No. 272144-M]

Page 2 of 11

Condensed consolidated balance sheet as at 30 September 2009
[The figures have not been audited.]

	30/09/2009 RM'000	30/06/2009 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	25,241	25,760
Land held for property development	9,174	9,162
Investment properties	3,235	3,257
Biological assets	420	404
Prepaid lease rentals	13,907	13,964
Investment in associate	17,936	17,767
Deferred tax assets	4,101	3,954
	<u>74,014</u>	<u>74,268</u>
Current assets		
Property development costs	89,329	89,897
Inventories	8,257	8,320
Developed Properties	4,943	5,498
Trade receivables	39,922	43,113
Other receivables	23,924	24,068
Current tax recoverable	3,096	3,546
Fixed deposits held as security for trade facilities	219	218
Fixed deposits with licensed banks	38,864	39,516
Cash and bank balances	29,767	25,822
	<u>238,321</u>	<u>239,998</u>
TOTAL ASSETS	<u><u>312,335</u></u>	<u><u>314,266</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	90,545	90,545
Reserves	185,488	183,775
	<u>276,033</u>	<u>274,320</u>
Minority interests	20,203	20,152
Total equity	<u>296,236</u>	<u>294,472</u>
Non-current liabilities		
Deferred tax liabilities	893	892
Provision for property development	531	531
	<u>1,424</u>	<u>1,423</u>
Current liabilities		
Trade payables	9,170	11,195
Other payables	4,295	6,009
Provision for property development	557	557
Current tax payable	653	610
	<u>14,675</u>	<u>18,371</u>
Total liabilities	<u>16,099</u>	<u>19,794</u>
TOTAL EQUITY AND LIABILITIES	<u><u>312,335</u></u>	<u><u>314,266</u></u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	3.05	3.03

The condensed consolidated balance sheet should be read in conjunction with the annual financial report for the financial year ended 30 June 2009.



**Condensed consolidated statement of changes in equity
for the financial period ended 30 September 2009**
[The figures have not been audited.]

	---Attributable to Equity Holders of the Company---				Minority interests RM'000	Total equity RM'000
	Share capital RM'000	Non- distributable		Retained earnings RM'000		
		Share premium RM'000	Distributable Total RM'000			
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
At 1 July 2009	90,545	186	183,589	274,320	20,152	294,472
Profit for the period	-	-	1,713	1,713	51	1,764
Total recognised income and expense for the period	-	-	1,713	1,713	51	1,764
At 30 September 2009	90,545	186	185,302	276,033	20,203	296,236

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 2009.



ORIENTAL INTEREST BERHAD
[Company No. 272144-M]

Page 4 of 11

**Condensed consolidated cash flow statement
for the financial period ended 30 September 2009**
[The figures have not been audited.]

	Period Ended	
	30/09/2009 RM'000	30/09/2008 RM'000
Cash flows from operating activities		
Cash generated from operations	3,635	4,963
Income tax paid	(711)	(605)
Income tax refunded	202	11
	<hr/>	<hr/>
Net cash generated from operating activities	3,126	4,369
Cash flows from investing activities		
Interest received	318	474
Additions to property, plant and equipment	(114)	(28)
Additions to land held for property development	(12)	-
Additions to biological assets	(21)	-
	<hr/>	<hr/>
Net cash generated from investing activities	171	446
Cash flows from financing activities		
Interest paid	(3)	(1)
Placements of fixed deposits held under lien as security for trade facilities	(1)	-
	<hr/>	<hr/>
Net cash used in financing activities	(4)	(1)
	<hr/>	<hr/>
Net change in cash and cash equivalents during the financial period	3,293	4,814
Cash and cash equivalents		
- at the beginning of the period	65,338	60,794
	<hr/>	<hr/>
- at the end of the period	68,631	65,608
	<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 2009.



Notes to the quarterly report - 30 September 2009

**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 2009.

Changes in Accounting Policy

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 2009.

The Malaysian Accounting Standards Board ("MASB") issued FRS 8 "Operating Segments", which is applicable to financial statements commencing on or after 1 July 2009, superseded FRS 114 "Segment Reporting".

In the current financial period, the Group adopted the new FRS 8 Operating Segments, which is relevant to its operations. The adoption of the above-mentioned FRS 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 the newly adopted FRS.

On 15 September 2009, the MASB issued the following revised/amended FRSs and IC Interpretation, which are applicable to financial statements commencing on or after 1 January 2010.

- FRS 101 Presentation of Financial Statements
- Amendments to FRS 132 Financial Instruments: Presentation
- Amendments to FRS 139 Financial Instruments: Recognition and Measurement
- Amendments to FRS 7 Financial Instruments: Disclosures
- Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives
- Amendments to FRSs contained in the document titled "Improvements to FRSs (2009)"

The revised/amended FRSs and IC Interpretation above are not expected to have significant impact on the financial statements of the Group upon their initial application, except for the changes in disclosure arising from adoption of FRS 101 and FRS 7.

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 2009

A.7. Dividend Paid

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

A.8. Valuation of 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

	Property Development RM'000	Manufacturing RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Current period ended 30 September 2009					
Revenue	21,295	5,346	313	-	26,954
Inter-segment revenue	-	-	-	-	-
External revenue	<u>21,295</u>	<u>5,346</u>	<u>313</u>	<u>-</u>	<u>26,954</u>
Segment result	3,152	(886)	213	-	2,479
Unallocated income					167
Unallocated expenses					(136)
Operating profit					<u>2,510</u>
Finance costs					(3)
Share of results of an associate			169		169
Profit before taxation					<u><u>2,676</u></u>



Notes to the quarterly report - 30 September 2009

A.11. Segmental Reporting [continued]

	Property Development RM'000	Manufacturing RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Corresponding period ended					
30 September 2008					
Revenue	14,829	7,539	490	-	22,858
Inter-segment revenue	-	-	-	-	-
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 costs					(1)
Share of results of an associate			173		173
Profit before taxation					<u>2,260</u>

A.12. Contingent Liabilities

There were no contingent liabilities required for the Group as at 13 November 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 - 30 September 2009

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 RM26.954million and RM2.676million in revenue and profit before taxation respectively for the reporting financial quarter, resulting in 18% increase in both compared with the corresponding quarter. Better results were mainly attributable to progress billings and profit from Property Division were 44% and 68% higher respectively, through improvement in profit margin with its recent launched higher yield housing projects; despite of 29% drop in sales and absorbing bigger operating loss by Manufacturing Division.

Share of results from associated company, Brilliant Delta, remained almost unchanged at RM0.169million in the reporting quarter compared with RM0.173million in the corresponding quarter.

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

The Group reported 16% and 36% decrease in revenue and profit before taxation respectively compared with the immediate preceding financial quarter. Billings and profit before taxation for Property Division decreased by 15% and 22% respectively, mainly due to the non-recurring favourable revision in profit margins for housing projects that were completed or entering advanced stage of their development cycle in the immediate preceding quarter. Manufacturing Division reported 23% reduction in sales and higher loss mainly due to continuing drop in sales volume with depressing overseas market, which had resulted in escalating unit cost from low economies of scale with lower production level .

Share of profit from Brilliant Delta decreased by 78% mainly due to its latest housing project had entered advanced stage of the development cycle during the immediate preceding financial quarter, and its contribution during the current reporting quarter derived solely from its oil palm operations.

B.3. Prospects for the Current Financial Year

Although local economy appears to be in the process of recovery, other elements of uncertainties and concern, such as pace and degree of recovery of export markets, job security and general inflationary effect, still raise a note of caution in the mind of potential housebuyers before committing themselves to any capital spending. However, demand is still expected from housebuyers purchasing for personal needs, especially for those who are taking advantage of attractive mortgage package in the market. Meanwhile, Manufacturing Division of the Group is still experiencing challenges in operations, especially without clear indication of revival in its export markets. In view of the aforesaid, the Board is still optimistic that the Group's operations will remain profitable in the current financial year ending 30 June 2010.

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 2009

B.5. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year 1st Quarter 30/09/2009 RM'000	Preceding Year Corresponding 1st Quarter 30/09/2008 RM'000	Current Year To Date 30/09/2009 RM'000	Preceding Year Corresponding Period 30/09/2008 RM'000
Malaysian income tax based on the profit for the financial period	1,047	679	1,047	679
Transfer to/(from) deferred taxation	(135)	43	(135)	43
Taxation (over)/underprovided in respect of prior financial periods	-	(71)	-	(71)
	<u>912</u>	<u>651</u>	<u>912</u>	<u>651</u>

The Group's effective tax rate for the reporting quarter was higher than the statutory tax rate mainly due to operating loss incurred by Manufacturing Division carried forward, which had not been recognised as deferred tax assets.

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 13 November 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 13 November 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 13 November 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 - 30 September 2009

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 2009 at the Annual General Meeting of the Company held on 17 November 2009;
- (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 25% income tax (7.50 sen per share net);
- (iv) The aforesaid approved dividend is payable on 10 December 2009; 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 26 November 2009.
- (b) The Board of Directors does not recommend any payment of interim dividend in respect of current financial year ending 30 June 2010.

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

	Individual Quarter		Cumulative Quarter	
	Current Year 1st Quarter 30/09/2009 RM'000	Preceding Year Corresponding 1st Quarter 30/09/2008 RM'000	Current Year To Date 30/09/2009 RM'000	Preceding Year Corresponding Period 30/09/2008 RM'000
(a) Basic				
Profit attributable to ordinary equity holders of the Company	<u>1,713</u>	<u>1,213</u>	<u>1,713</u>	<u>1,213</u>
Number of ordinary shares in issue at beginning of the period ('000)	90,545	90,545	90,545	90,545
Effect of shares issued pursuant to Company's ESOS ('000)	-	-	-	-
Weighted average number of ordinary shares outstanding ('000)	<u>90,545</u>	<u>90,545</u>	<u>90,545</u>	<u>90,545</u>
Basic EPS (sen)	<u>1.89</u>	<u>1.34</u>	<u>1.89</u>	<u>1.34</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 issue during the financial period.



Notes to the quarterly report - 30 September 2009

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

	Individual Quarter		Cumulative Quarter	
	Current Year 1st Quarter 30/09/2009 RM'000	Preceding Year Corresponding 1st Quarter 30/09/2008 RM'000	Current Year To Date 30/09/2009 RM'000	Preceding Year Corresponding Period 30/09/2008 RM'000
(b) Diluted				
Profit attributable to ordinary equity holders of the Company	<u>1,713</u>	<u>1,213</u>	<u>1,713</u>	<u>1,213</u>
Weighted average number of ordinary shares outstanding ('000)	90,545	90,545	90,545	90,545
Adjustment per share options ('000)	(863)	(187)	(863)	(187)
Weighted average number of ordinary shares outstanding after adjustment for the effect of all dilutive potential ordinary shares ('000)	<u>89,682</u>	<u>90,358</u>	<u>89,682</u>	<u>90,358</u>
Diluted EPS (sen)	<u>N/A</u> *	<u>N/A</u> *	<u>N/A</u> *	<u>N/A</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]

17 November 2009