



Oriental Interest Berhad
(272144-M)

Annual Report 2001

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eighth Annual General Meeting of shareholders of the Company will be held at Serindit Room, Hotel Equatorial, No. 1, Jalan Bukit Jambul, 11900 Penang on Thursday, 25 October 2001 at 10:00 a.m. for the following purposes:-

1. To receive and adopt the Audited Financial Statements for the year ended 30 June 2001 and the Reports of the Directors and of the Auditors thereon. **Ordinary Resolution 1**
2. To re-elect Dato' Haji Thobrani Bin Haji Hanafi who retires pursuant to Article 80 of the Company's Articles of Association. **Ordinary Resolution 2**
3. To re-elect the following Directors who retire pursuant to Article 87 of the Company's Articles of Association: -
 - i) Encik Ahmad Bin Abdul Rashid **Ordinary Resolution 3**
 - ii) Mr Chin Kuet Sen **Ordinary Resolution 4**
4. To re-elect the following Directors who retire in compliance with Para 7.28(2) of Chapter 7 of the Listing Requirements of the Kuala Lumpur Stock Exchange: -
 - i) Mr Goh Cheng Hock **Ordinary Resolution 5**
 - ii) Mr Goh Aik Lai **Ordinary Resolution 6**
5. To declare a first and final dividend of 7% less Malaysian Income Tax for the year ended 30 June 2001. **Ordinary Resolution 7**
6. To approve Directors' fees for the year ended 30 June 2001. **Ordinary Resolution 8**
7. To re-appoint Messrs. PricewaterhouseCoopers and to authorise the Directors to fix their remuneration. **Ordinary Resolution 9**
8. As Special Business
To consider, and if thought fit, to pass the following Ordinary Resolution: -

Ordinary Resolution 10

"THAT pursuant to Section 132D of the Companies Act, 1965 and subject always to the approval of all the relevant regulatory authorities, the Board of Directors of the Company be and is hereby authorised to issue and allot from time to time such number of ordinary shares of the Company upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, PROVIDED ALWAYS THAT the aggregate number of ordinary shares to be issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."
9. As Special Business
To consider, and if thought fit, to pass the following Special Resolution: -

Special Resolution 1

Proposed Amendments to the Articles of Association of the Company

"That the alterations, modifications or additions to the Articles of Association of the Company contained in Appendix I be and are hereby approved."
10. To transact any other business of which due notice shall have been given.



NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN that a depositor shall qualify for entitlement to the dividend only in respect of:-

- a. Shares transferred into the depositor's securities account before 12:30 p.m. on 30 October 2001 in respect of ordinary transfers; and
- b. Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

The dividend, if approved, will be paid on 15 November 2001 to depositors registered in the Record of Depositors at the close of business on 30 October 2001.

BY ORDER OF THE BOARD

LAM VOON KEAN
(MIA 4793)
Company Secretary

Penang
3 October 2001

Notes :

1. A proxy shall be a member of the Company and if the proxy is not a member of the Company, the proxy shall be an advocate or an approved company auditor or a person approved by the Registrar of Companies.
2. Where a member appoints more than one (1) proxy (subject always to a maximum of two (2) proxies) the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. If the appointor is a corporation, the proxy form must be executed under its Common Seal or under the hand of its attorney.
4. To be valid, the proxy form duly completed must be deposited at the Company's Registered Office at 1st Floor (Room 102), Wisma Penang Garden, 42 Jalan Sultan Ahmad Shah, 10050 Penang, not less than forty eight (48) hours before the time appointed for holding the meeting.
5. The details of the Directors standing for re-election as in Agenda 2, 3 and 4 are more particularly disclosed in Statement Accompanying Notice of Annual General Meeting contained in this Annual Report.

Explanatory Notes on Special Business:

6. The Ordinary Resolution 10, if passed, will empower the Directors to issue and allot ordinary shares of the Company up to an aggregate amount of not exceeding 10% of the issued share capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied by the Company at a General Meeting, will expire at the next Annual General Meeting.
7. The Special Resolution 1, if passed, will amend the Articles of Association of the Company to be in compliance with the provisions as set out in Chapter 7 of the Listing Requirements of the Kuala Lumpur Stock Exchange.



“Appendix I”

SPECIAL RESOLUTION 1
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

THAT the Articles of Association of the Company be amended in the following manner: -

1. Existing Article 6

“Subject to the Act, any preference shares may with the sanction of an Ordinary Resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed but the total nominal value of the issued preference shares shall not exceed the total nominal value of the issued ordinary shares at any time and the Company shall not issue preference shares ranking in priority above preference shares already issued, but may issue preference shares ranking equally therewith. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving notices, reports and Balance Sheets, and attending general meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital, or winding up, or sanctioning a sale of the undertaking, or where any proposition to be submitted to the meeting directly affects their rights and privileges, or when the dividend on the preference shares is in arrears for more than six (6) months.”

That the Article 6 be amended to read as follows: -

“Subject to the Act, any preference shares may with the sanction of an Ordinary Resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed but the total nominal value of the issued preference shares shall not exceed the total nominal value of the issued ordinary shares at any time and the Company shall not issue preference shares ranking in priority above preference shares already issued, but may issue preference shares ranking equally therewith. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving notices, reports and audited accounts and attending general meetings of the Company. Preference shareholders must be entitled to a right to vote in each of the following circumstances: -

- (a) when the dividend or part of the dividend on the share is in arrears for more than 6 months;
- (b) on a proposal to reduce the Company’s share capital;
- (c) on a proposal for the disposal of the whole of the Company’s property, business and undertaking;
- (d) on a proposal that affects rights attached to the share;
- (e) on a proposal to wind up the Company; and
- (f) during the winding up of the Company.

Preference shareholders must be entitled to a return of capital in preference to holders of ordinary shares when the Company is wound up.”

2. Existing Article 15

“The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that

share, including all unpaid instalments and interest thereon and the Company shall also have a first and paramount lien on all shares (other than fully paid shares) registered in the name of a member (whether solely or jointly with others) for all money (whether presently payable or not) payable by him or his estate, either alone or jointly with any other person to the Company; but the Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien, if any, on a share shall extend to all dividends payable thereon and shall also be subject to such amount as the Company may be required by law to pay in respect of the member or deceased member."

That the existing Article 15 be amended to read as follows: -

"The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share, including all unpaid instalments and interest thereon and the Company shall also have a first and paramount lien on all shares (other than fully paid shares) registered in the name of a member for all money (whether presently payable or not) payable by him or his estate to the Company; but the Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien, if any, on a share shall extend to all dividends payable thereon and shall also be subject to such amount as the Company may be required by law to pay and has paid in respect of the member or deceased member."

3. Existing Article 27

"The transfer of any securities or class of securities of the Company, shall be by way of book entry by the Central Depository in accordance with the Rules of the Central Depository and, notwithstanding sections 103 and 104 of the Companies Act, 1965, but subject to subsection 107C(2) of the Companies Act, 1965 and any exemption that may be made from compliance with subsection 107C(1) of the Companies Act, 1965, the Company shall be precluded from registering and effecting any transfer of securities."

That the existing Article 27 be amended to read as follows: -

"The transfer of any listed securities or class of listed securities of the Company, shall be by way of book entry by the Central Depository in accordance with the Rules and, notwithstanding sections 103 and 104 of the Companies Act, 1965, but subject to subsection 107C(2) of the Companies Act, 1965 and any exemption that may be made from compliance with subsection 107C(1) of the Companies Act, 1965, the Company shall be precluded from registering and effecting any transfer of the listed securities."

4. Existing Article 33

"In the case of the death of a member, the survivor or survivors where the deceased was a joint holder, and the legal representatives of the deceased where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons."

The existing Article 33 be amended to read as follows: -

"In the case of the death of a member, the survivor and the legal representative of the deceased shall be the only person recognised by the Company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased shareholder from any liability in respect of any share which had been held by him."

5. Existing Article 36

“Where the registered holder of any share dies or becomes bankrupt his personal representative or the assignee of his estate, as the case may be, shall, upon the production of such evidence as may from time to time be properly required by the Directors in that behalf, be entitled to the same dividends and other advantages and to the same rights (whether in relation to meetings of the Company or to voting or otherwise) as the registered holder would have been entitled to if he had not died or become bankrupt; and where two or more persons are jointly entitled to any share in consequence of the death or bankruptcy of the registered holder they shall, for the purposes of these Articles, be deemed to be joint holders of the share.”

That the existing Article 36 be amended by deleting the words “(; and where two or more persons are jointly entitled to any share in consequence of the death or bankruptcy of the registered holder they shall, for the purposes of these Articles, be deemed to be joint holders of the share.” in line 6 to line 8 of the Article to read as follows: -

“Where the registered holder of any share dies or becomes bankrupt his personal representative or the assignee of his estate, as the case may be, shall, upon the production of such evidence as may from time to time be properly required by the Directors in that behalf, be entitled to the same dividends and other advantages and to the same rights (whether in relation to meetings of the Company or to voting or otherwise) as the registered holder would have been entitled to if he had not died or become bankrupt.”

6. Existing Article 50

“Subject to any direction to the contrary that may be given by the Company in general meeting any original shares for the time being unissued and not allotted and any new shares from time to time to be created shall before they are issued be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, shall be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article.”

That the existing Article 50 be amended to read as follows: -

“Subject to any direction to the contrary that may be given by the Company in general meeting any original shares for the time being unissued and not allotted and any new shares or other convertible securities from time to time to be created shall before they are issued be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, shall be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares or securities which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Article.”

7. Existing Article 57(a), 57(b) & 57(c)

- “57(a) Subject to the provisions of the Act relating to convening meetings to pass special resolutions, every notice convening meetings shall specify the place, the day and the hour of the meeting and shall be given to all members at least fourteen (14) days before the meeting. Any notice of a meeting called to consider special business shall specify the general nature of such business and shall also be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business and shall be given in the manner hereinafter mentioned to such persons as are under the provisions of these Articles entitled to receive notice of general meetings from the Company. At least fourteen (14) days’ notice of every such meeting shall be given by advertisement in the daily press and in writing to The Exchange and other stock exchange, if any, upon which the Company is listed such that notices of all meetings shall be given to The Exchange and other stock exchange, if any on which the shares of the Company is listed, and advertised in the press at the same time as shareholders are notified.
- 57(b) The Company shall by written request made in duplicate in the prescribed form, request the Central Depository at least three (3) Market Days prior to and not including the date of the notice of the general meeting, to prepare the Record of Depositors to whom notices of general meetings shall be given by the Company.
- 57(c) The Company shall inform the Central Depository of the dates of general meetings and shall in written request made in duplicate in the prescribed form, request the Central Depository at least three (3) Market Days prior to and not including the date of the general meeting, to prepare the Record of Depositors. The General Meeting Record of Depositors shall be the final record of all depositors who shall be deemed to be the registered holders of ordinary shares of the Company eligible to be present and vote at such meeting.”

The existing Article 57(a), 57(b) & 57(c) be deleted in its entirety and to substitute in lieu thereof with the following provision: -

- “57(a) The notices convening meetings shall specify the place, day and hour of the meeting, and shall be given to all shareholders at least fourteen (14) days before the meeting or at least twenty one (21) days before the meeting where any special resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least fourteen (14) days’ notice or twenty one (21) days’ notice in the case where any special resolution is proposed or where it is the annual general meeting, of every such meeting shall be given by advertisement in the daily press and in writing to each stock exchange upon which the Company is listed.
- 57(b) The Company shall request the Central Depository in accordance with the Rules, to issue a Record of Depositors to whom notices of general meetings shall be given by the Company.
- 57(c) The Company shall also request the Central Depository in accordance with the Rules to issue a Record of Depositors, as at a date not less than three (3) Market Days before the general meeting (hereinafter referred to as “the General Meeting Record of Depositors”).

8. That the following new Article 57(d) be inserted immediately after Article 57(c).

The new Article 57(d) will read as follows: -



“Subject to the Securities Industry (Central Depositories)(Foreign Ownership) Regulations 1996 (where applicable), a Depositor shall not be regarded as a member entitled to attend any general meeting and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors.”

9. That Article 70 be deleted in its entirety.

10. That the following new Article 74(A) be inserted immediately after Article 74.

The new Article 74(A) will read as follows: -

“Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.”

11. Existing Article 80

“At the first annual general meeting of the Company all the Directors shall retire from office, and at the annual general meeting in every subsequent year one-third of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third shall retire from office and be eligible for re-election. A retiring director shall retain office until the close of the meeting at which he retires. Notwithstanding any provisions to the contrary contained in this Articles of Association, an election of the Directors of the Company shall take place every year and all the Directors of the Company except the Managing Director shall retire from office once at least in each three (3) years but shall be eligible for re-election.”

That the existing Article 80 be amended by deleting the words “except the Managing Director” in line 7 of the Article to read as follows: -

“At the first annual general meeting of the Company all the Directors shall retire from office, and at the annual general meeting in every subsequent year one-third of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third shall retire from office and be eligible for re-election. A retiring director shall retain office until the close of the meeting at which he retires. Notwithstanding any provisions to the contrary contained in this Articles of Association, an election of the Directors of the Company shall take place every year and all the Directors of the Company shall retire from office once at least in each three (3) years but shall be eligible for re-election.”

12. Existing Article 91(a)

“has a Receiving Order in Bankruptcy made against him or makes any arrangement or composition with his creditors generally;”

The existing Article 91(a) be deleted in its entirety and to substitute in lieu thereof with the following provision to read as follows: -

“becomes bankrupt”;

13. That the following new Article 91(g) be inserted immediately after Article 91(f).

The new Article 91(g) will read as follows: -

“is absent from more than 50% of the total Board of Directors’ meeting held during a financial year.”

14. Existing Article 103

“The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. The Chairman (if any) of the Board of Directors or any three (3) of the Directors may at any time and the Secretary shall on his/their requisition summon a meeting of the Directors.”

The existing Article 103 be amended to read as follows: -

“The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. The Chairman (if any) of the Board of Directors or any three (3) of the Directors may at any time and the Secretary shall on his/their requisition summon a meeting of the Directors. Directors may participate in a meeting of the Directors by means of a conference telephone or similar electronic tele-communicating equipment by means of which all persons participating in the meeting can hear each other and participates throughout the duration of the communication between the Directors and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.”

15. Existing Article 110

“A Director shall not vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly a personal material interest (and if he shall do so his vote shall not be counted), nor shall he be counted for the purpose of any resolution regarding the same, in the quorum present at the meeting.”

That the existing Article 110 be amended by deleting the word “material” in line 2 of the Article to read as follows: -

“A Director shall not vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly a personal interest (and if he shall do so his vote shall not be counted), nor shall he be counted for the purpose of any resolution regarding the same, in the quorum present at the meeting.”

16. Existing Article 114

“The Directors may from time to time appoint any one or more of their body to be Managing Director or Managing Directors and if the appointment is for a fixed terms, that term shall not exceed five (5) years, and upon such conditions as they think fit, and may vest in such Managing Director or Managing Directors the powers hereby vested in the Directors generally as they may think fit, but subject thereto such Managing Director or Managing Directors shall be subject to the control of the Board.”

The existing Article 114 be amended to read as follows: -

“The Directors may from time to time appoint any one or more of their body to be Managing Director or Managing Directors upon such conditions as they think fit, and may vest in such Managing Director or Managing Directors the powers hereby vested in the Directors generally as they may think fit, but subject thereto such Managing Director or Managing Directors shall be subject to the control of the Board.”

17. Existing Article 116

“A Managing Director shall not, while he continue to hold that office, be subject to retirement by rotation, and he shall not be reckoned as a Director for the purpose of determining the rotation or retirement of Directors or in fixing the number of Directors to retire, but he shall, subject to provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company and if he ceases to hold the office of Director for any cause shall ipso facto and immediately cease to be a Managing Director.”

The existing Article 116 be amended to read as follows: -

“A Managing Director shall be subject to the same provisions as to resignation and removal as the other Directors of the Company and if he ceases to hold the office of Director for any cause shall ipso facto and immediately cease to be a Managing Director.”

18. Existing Article 131

“The Directors shall from time to time in accordance with Section 169 of the Act cause to be prepared and laid before the Company in general meeting such profit and loss accounts, balance sheets and report as are referred to in the section. The interval between the close of a financial year of the Company and the issue of accounts relating to it shall not exceed six (6) months. A copy of each such documents shall not less than fourteen (14) days before the date of the meeting be sent to every member of, and to every holder of debentures of the Company under the provisions of the Act or of these presents. The requisite number of copies of each such documents as may be required by the Exchange and/or other stock exchange(s), if any, upon which the Company’s shares may be listed shall at the same time be likewise sent to the Exchange and/or such other stock exchange(s): Provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware or to more than one of joint holders but any member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Company’s registered office.”

That the existing Article 131 be deleted in its entirety and to substitute in lieu thereof with the following provisions: -

“The Directors shall cause accounting records to be kept in accordance with the Act. The interval between the close of a financial year of the Company and the issue of the annual audited accounts, the Directors’ and auditors’ reports shall not exceed four (4) months.”

19. That the following new Article 131A be inserted immediately after Article 131.

The new Article 131A will read as follows: -

“A copy of the reports by the Directors and auditors of the Company, the profit and loss accounts, balance sheets and group accounts (if any)(including all documents required by law to be annexed or attached to all or any of them) shall be sent at least twenty one (21) days before the general meeting at which they are to be laid to all members, holders of debentures and all other persons entitled to receive notices of general meetings under the Act or these Articles. Provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware but any member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Company’s registered office. The required number of copies of each of these documents shall at the same time be sent to Exchange.”

20. Existing Article 142

“Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent, and the payment of any such cheque or warrant shall operate as a good discharge to the Company in respect of the dividend represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that the endorsement thereon has been forged.

Every such cheque or warrant shall be sent at the risk of the person entitled to the money thereby represented.”

The existing Article 142 be amended to read as follows: -

“Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or to such person and to such address as the holder may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent, and the payment of any such cheque or warrant shall operate as a good discharge to the Company in respect of the dividend represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that the endorsement thereon has been forged.

Every such cheque or warrant shall be sent at the risk of the person entitled to the money thereby represented.”

21. That Article 149 be deleted in its entirety.

22. That the following new Article 157(1) to 157(7) be inserted immediately after Article 156 under the heading of “**EFFECT OF THE LISTING REQUIREMENTS**”: -

The new Article 157(1) to 157(7) will read as follows: -

- “(1) Notwithstanding anything contained in these Articles, if the Listing Requirements prohibit an act being done, the act shall not be done.
- (2) Nothing contained in these Articles prevents an act being done that the Listing Requirements require to be done.
- (3) If the Listing Requirements require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).
- (4) If the Listing Requirements require these Articles to contain a provision and they do not contain such a provision, these Articles are deemed to contain that provision.
- (5) If the Listing Requirements require these Articles not to contain a provision and they contain such a provision, these Articles are deemed not to contain that provision.
- (6) If any provision of these Articles is or becomes inconsistent with the Listing Requirements, these Articles are deemed not to contain that provision to the extent of the inconsistency.
- (7) For the purpose of this Articles, unless the context otherwise requires, “Listing Requirements” means the Listing Requirements of Kuala Lumpur Stock Exchange including any amendments to the Listing Requirements that may be made from time to time.”

**Statement Accompanying Notice of Annual General Meeting And Other Information****1 Directors standing for re-election at the Eighth Annual General Meeting of the Company.**

| <u>Name of Directors</u> | Shareholdings as at Year End | | | |
|----------------------------------------------------|------------------------------|------------|------------------|----------|
| | The Company | | The Subsidiaries | |
| | Direct | Indirect | Direct | Indirect |
| Dato' Haji Thobrani Bin Haji Hanafi (Resolution 2) | 260,453 | 12,997,000 | # | - |
| Encik Ahmad Bin Abdul Rashid (Resolution 3) | - | 60,000 | - | - |
| Mr Chin Kuet Sen (Resolution 4) | 2,000 | - | - | - |
| Mr Goh Cheng Hock (Resolution 5) | 325,002 | 8,720,078 | # | - |
| Mr Goh Aik Lai (Resolution 6) | - | 7,300,078 | - | - |

– Dato' Haji Thobrani Bin Haji Hanafi and Mr Goh Cheng Hock are holding in trust, on behalf of the Group, 1 share each in Yiked Alliance Sdn Bhd and Yiked Brilliant Sdn Bhd respectively.

2 Details of Board Meetings held during the financial year and attendance of Directors.

There were four (4) Board of Directors' Meeting held during the financial year, all of which took place at the Corporate Head Office of the Company at Wisma OIB, 1 & 2, Jalan Bank, 08000 Sungai Petani, Kedah Darul Aman, at 11.00 a.m. on the following dates: -

17 August 2000
9 November 2000
15 February 2001
17 May 2001

| <u>Name of Directors</u> | <u>Date of Appointment</u> | No. of Board Meetings Attended |
|----------------------------------------------------|----------------------------|--------------------------------|
| | | |
| Dato' Haji Thobrani Bin Haji Hanafi | 19/08/1994 | 4 / 4 |
| Mr Goh Cheng Hock | 19/08/1994 | 4 / 4 |
| Mr Goh Aik Lai | 08/01/1996 | 1 / 4 |
| Mr Koay Leong Eng | 19/08/1994 | 4 / 4 |
| Mr Lim Hai Hong @ Lim Hai Hak | 19/08/1994 | 4 / 4 |
| Mr Chai Tin Kok @ Sua Ah Seng | 19/08/1994 | 4 / 4 |
| Mr Gee Kok Sang | 19/08/1994 | 3 / 4 |
| Encik Ahmad Bin Abdul Rashid | 16/08/2001 | - |
| Mr Chin Kuet Sen | 16/08/2001 | - |
| Encik Anuar Bin Bahari (resigned on 16/08/2001) | 14/02/2000 | 4 / 4 |

**3****Profile of Directors****Name of Directors****Qualification****Working Experience**

Dato' Haji Thobrani
Bin Haji Hanafi

Bachelor of Arts
(University of Malaya)
City Planning Studies
(Europe & Thailand)

Joining the Civil Service in 1969, he served with the Malaysian Government in various capacities for 13 years and was Chairman of Municipal Council Kota Setar, Kedah, prior to joining OIB Group in 1982.

Mr Goh Cheng Hock

N/A

As one of the founder members of OIB Group, he became an entrepreneur at the age of 18 when he ventured into fertilizer dealing and he embarked upon housing development in 1977. He is involved in a spectrum of businesses including building construction, property development, rubber/oil palm plantation and manufacturing.

Mr Goh Aik Lai

Bachelor of Economics
(University of Sydney)

He joined the Manufacturing Division of OIB Group in 1988 as Operation Manager and was promoted to General Manager in 1990.

Mr Koay Leong Eng

Bachelor of Economics
(Honours)
Diploma in Accounting
(University of Malaya)

He started his career with United Malayan Banking Corporation Bhd in 1975 as a Credit Officer and was holding position of a Branch Manager before joining OIB Group in 1990.

Mr Lim Hai Hong
@ Lim Hai Hak

N/A

He started his own business at the age of 18 as a retailer in vegetables and subsequently as a rice merchant. In 1977, he ventured into housing development and is one of the founder members of OIB Group. His business interests includes investment holdings, rubber /oil palm plantation.

Mr Chai Tin Kok
@ Sua Ah Seng

N/A

Also a founder member of OIB Group, he started his own sundry shop at the age of 18 and later became a padi merchant. In 1973, he ventured into rubber plantation and was into housing development in 1976. His business interests involve investment holdings, rubber /oil palm plantation.

Mr Gee Kok Sang

Member of MIA
Fellow Member of
ACCA & ICASA
Diploma in Commerce
(TAR College)

He started his career in 1978 with Kassim Chan & Co., then an affiliated firm of Deloitte, Haskins & Sells, and was attached to the firm for 6 years before setting up his own practice, Gee & Co. in 1984.

Encik Ahmad Bin
Abdul Rashid

Bachelor of Arts
Bachelor of Law
(University of Malaya)

He joined the Inland Revenue Department as Assessing Officer in 1974 before leaving for the position of Assistant Director of the Bumiputera Participation Unit in the Ministry of Trade and Industry in 1975. He was appointed as a Lay Magistrate between 1975 and 1977. Upon obtaining his law degree in 1980, he continued to serve as a Judicial and Legal Officer until starting his own practice, Ahmad A. Rashid & Co. in 1983.

Mr Chin Kuet Sen

Bachelor of Law
Bachelor of Economics
(Major in Accounting)
(Monash University)

He began his career with Chew Tan & Lim, Penang in 1990, specializing in conveyancing, civil litigations, banking and corporate work, and was admitted to the Malaysian Bar in the same year. He joined Ooi Gin Sun, Bakar & Co., in 1993 and became the managing partner for Sungai Petani office, in-charge of conveyancing financial institution documentation and corporate work.

Encik Anuar Bin Bahari
(resigned on 16/08/2001)

LL.B. (Hons.)
(National University
of Malaysia)

He was admitted to the Malaysian Bar in 1992. He was attached to a legal practice in Sungai Petani as a Legal Assistant and was invited into the partnership in the following year.

| <u>Name of Directors</u> | <u>Age</u> | <u>Status of Directorship</u> | <u>Membership in Board Committee</u> | <u>Occupation</u> |
|-------------------------------------------------|------------|----------------------------------------|--------------------------------------|----------------------|
| Dato' Haji Thobrani Bin Haji Hanafi | 55 | Executive Director | - | Company Director |
| Mr Goh Cheng Hock | 64 | Executive Director | - | Company Director |
| Mr Goh Aik Lai | 35 | Executive Director | - | Company Director |
| Mr Koay Leong Eng | 50 | Executive Director | Member of Audit Committee | Company Director |
| Mr Lim Hai Hong @ Lim Hai Hak | 64 | Non-Independent Non-Executive Director | - | Businessman |
| Mr Chai Tin Kok @ Sua Ah Seng | 66 | Non-Independent Non-Executive Director | - | Businessman |
| Mr Gee Kok Sang | 46 | Independent Non-Executive Director | Chairman of Audit Committee | Public Accountant |
| Encik Ahmad Bin Abdul Rashid | 50 | Independent Non-Executive Director | Member of Audit Committee | Advocate & Solicitor |
| Mr Chin Kuet Sen | 38 | Independent Non-Executive Director | Member of Audit Committee | Advocate & Solicitor |
| Encik Anuar Bin Bahari (resigned on 16/08/2001) | 34 | Independent Non-Executive Director | Member of Audit Committee | Advocate & Solicitor |

Nationality

All the Directors of the Company are Malaysian citizens.

Directorships in Other Public Listed Companies

None of the Directors held any directorships in other public listed companies as at the end of the financial year.

Family Relationship

Dato' Haji Thobrani Bin Haji Hanafi is the spouse of Datin Sharifah Mahiran Binti Syed Kechil, who is a major shareholder of the Company.

Mr Goh Aik Lai is the son of Mr Goh Cheng Hock and brother to Mr Goh Aik Keong and Mr Goh Aik Lean; all of them are major shareholders of the Company.

Apart from the above, none of the Directors has any family relationship with other Directors or major shareholders of the Company.

Conflict of Interest

None of the Directors has any conflict of interest with the Company except for Dato' Haji Thobrani Bin Haji Hanafi, Mr Goh Cheng Hock, Mr Goh Aik Lai, Mr Koay Leong Eng, Mr Lim Hai Hong @ Lim Hai Hak and Mr Chai Tin Kok @ Sua Ah Seng are deemed interested, by virtue of their directorships and/or shareholdings in certain private limited companies, in certain recurrent related party transactions of revenue or trading nature, which are necessary for day-to-day operations of the Company and its subsidiaries, and for which they are deemed to be interested.

Convictions for Offences

None of the Directors has been convicted for offences within the past ten (10) years.

4 Directors' Remuneration

Details of Directors' remuneration receivable from the Group during the financial year are as follows: -

Aggregate Remuneration (RM'000)

| <u>Category</u> | <u>Executive Directors</u> | <u>Non-Executive Directors</u> | <u>Total</u> |
|-------------------------------------|----------------------------|--------------------------------|--------------|
| Fees * | 80 | 80 | 160 |
| Allowance | 9 | 11 | 20 |
| Salaries and other Emoluments | 924 | - | 924 |
| Bonus | 154 | - | 154 |
| EPF | 129 | - | 129 |
| Estimated Value of Benefits-in kind | 69 | - | 69 |
| Total | 1,356 | 91 | 1,456 |

Band Category

| <u>Range of Remuneration</u> | <u>No. of Directors</u> | |
|------------------------------|-------------------------|----------------------|
| | <u>Executive</u> | <u>Non-Executive</u> |
| Up to RM50,000 * | - | 4 |
| RM200,001 – RM250,000 | 1 | - |
| RM250,001 – RM300,000 | 1 | - |
| RM350,001 – RM400,000 | 1 | - |
| RM500,001 – RM550,000 | 1 | - |

* – Fee paid to a past independent non-executive Director was included in the above amount.

5. Other Information

Share Buybacks

During the financial year, there were no share buybacks by the Company.

Options, Warrant or Convertible Securities

No options, warrants or convertible securities were exercised in respect of the financial year.

American Depositary Receipt (ADR) or Global Depositary Receipt (GDR) Programme

The Company did not sponsor any ADR or GDR programme during the financial year.

Imposition of Sanctions and/or Penalties

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies.

Non-audit Fees

The amount of non-audit fees paid by the Company and the Group to external auditors for the financial year amounted to RM2,500 and RM39,800 respectively.

Profit Estimate, Forecast or Projection

There was no material variance between the results for the financial year and the unaudited results previously announced. The Company did not make any release on the profit estimate, forecast or projections for the financial year.

Profit Guarantees

The Company did not give any profit guarantees in respect of the financial year.

Material Contracts and Contracts Relating to Loans

During the financial year, there were no material contracts nor contracts relating loans entered into by the Company or its subsidiaries involving interests of Directors and major shareholders of the Company.

Revaluation of Landed Properties

The Company does not have a revaluation policy on landed properties.

DIRECTORS' RESPONSIBILITY STATEMENT IN RESPECT OF THE ANNUAL AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 1965 to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of the result and cash flows of the Group and of the Company for the financial year then ended.

In preparing the financial statements, the Directors consider that the Group and the Company have adopted appropriate accounting policies and applied them consistently with the support of judgements and estimates that are both reasonable and prudent. The Directors also ensure that all applicable approved accounting standards in Malaysia have been complied with and confirm that the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Company and its subsidiaries keep proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Group and the Company enabling them to ensure that the financial statements comply with the provisions of the Companies Act, 1965.

The Directors also have general responsibility for taking such measures that are reasonably available to them to safeguard the assets of the Group and of the Company as well as to prevent and detect fraud and other irregularities.



CORPORATE INFORMATION

Board of Directors

Dato' Haji Thobrani Bin Haji Hanafi

- Executive Chairman

Goh Cheng Hock

- Managing Director

Goh Aik Lai

- Deputy Managing Director

Koay Leong Eng

- Executive Director

Lim Hai Hong @ Lim Hai Hak

- Non-Independent Non-Executive Director

Chai Tin Kok @ Sua Ah Seng

- Non-Independent Non-Executive Director

Gee Kok Sang

- Independent Non-Executive Director

Ahmad Bin Abdul Rashid (appointed 16/08/2001)

- Independent Non-Executive Director

Chin Kuet Sen (appointed 16/08/2001)

- Independent Non-Executive Director

Anuar Bin Bahari (resigned on 16/08/2001)

- Independent Non-Executive Director

Company Secretary

Lam Voon Kean (MIA 4793)

Corporate Head Office

2nd Floor, Wisma OIB

1 & 2, Jalan Bank

08000 Sungai Petani

Kedah Darul Aman

Tel: 04-421 3352

Fax: 04-423 3352

Registered Office

1st Floor (Room 102)

Wisma Penang Garden

42, Jalan Sultan Ahmad Shah

10050 Penang

Tel: 04-229 4390

Fax: 04-226 5860

Registrar

M & C Services Sdn Bhd

1st Floor (Room 102)

Wisma Penang Garden

42, Jalan Sultan Ahmad Shah

10050 Penang

Tel: 04-229 4390

Fax: 04-226 5860

Auditors

PricewaterhouseCoopers

4th Floor, Wisma Penang Garden

Jalan Sultan Ahmad Shah

10050 Penang

Tel: 04-227 2200

Fax: 04-227 0124

Principal Corporate Advisor

Malaysian International

Merchant Bankers Berhad

Principal Bankers

Malayan Banking Berhad

Alliance Bank Malaysia Berhad

RHB Bank Berhad

Stock Exchange Listing

Kuala Lumpur Stock Exchange

Main Board

Stock Code: 5827

Stock Short Name: OIB



CORPORATE PROFILE

Incorporation

Oriental Interest Berhad (“Oriental Interest”) was incorporated in Malaysia on 2 August 1993 under the Companies Act, 1965 as a private limited company under the name of Oriental Interest Sdn. Bhd. The Company was converted to a public limited company on 22 December 1993 and adopted its present name. The principal activities of the Company are investment holding and provision of management services.

Oriental Interest was officially listed on the Main Board of Kuala Lumpur Stock Exchange on 18 October 1994.

Business

The Company is an investment holding company for the Oriental Interest Group. The Oriental Interest Group, comprises of Oriental Interest, 6 subsidiary companies and 10 sub-subsidiary companies, is actively involved in the businesses of commercial and residential property development, general construction and the manufacture of rubberwood products.

Property Development

Over the past 16 years, the Group has completed numerous construction and property development projects totalling over RM820 million in value and has established itself as a leading housing developer, having completed approximately 15,300 units of houses since 1985.

The Group has gained the confidence of house buyers and is well-known as a reliable housing developer due to its good reputation in consistently delivering houses ahead of development schedule.

Manufacturing

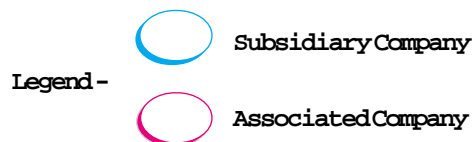
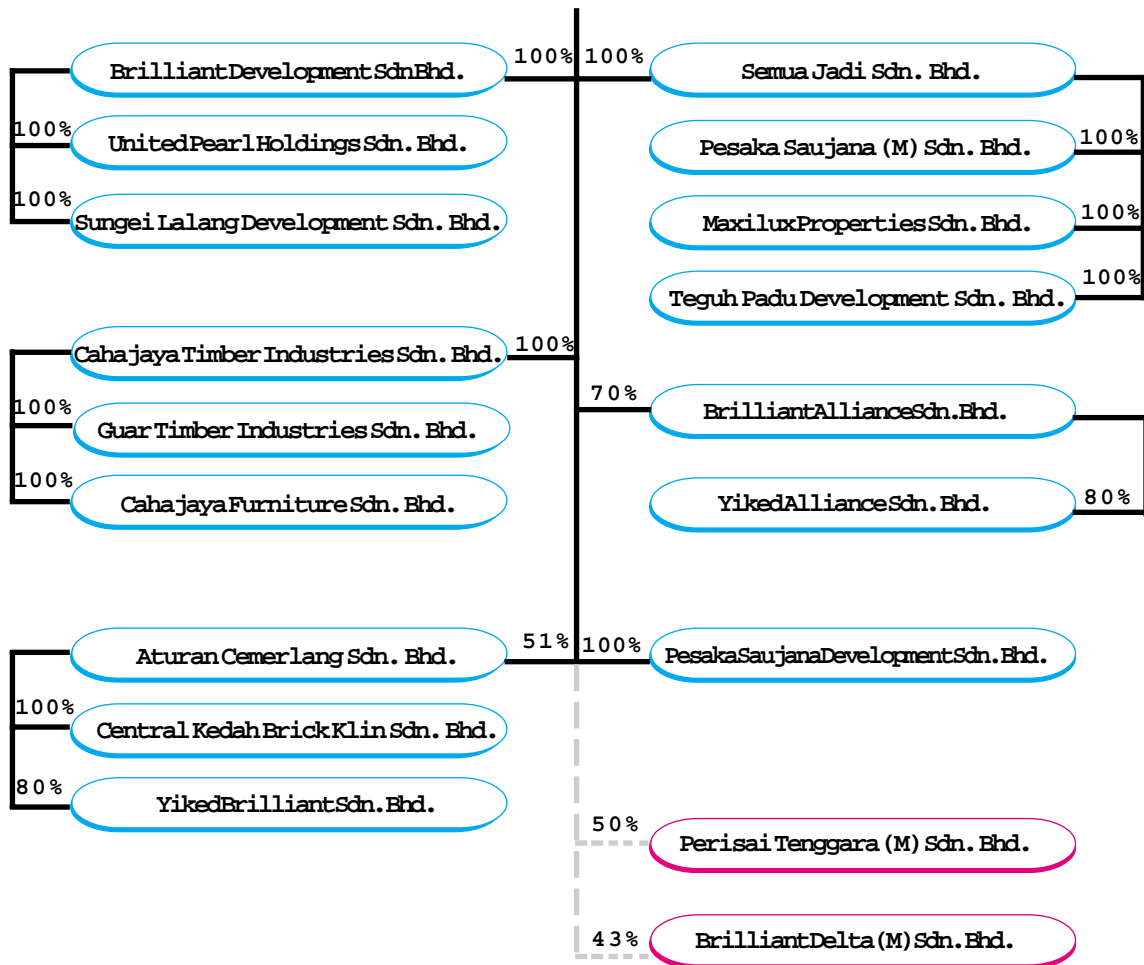
Oriental Interest, through its wholly-owned subsidiary company, Cahajaya Timber Industries Sdn. Bhd. is also involved in the manufacture and export of downstream rubberwood products to complement its property development activity. The rubberwood products are mainly moulding, lamination, drawers fronts, furniture parts, cabinet doors and solid doors.

The manufacturing activity is carried out in a main factory sited on 10.25 acres of land in the Bakar Arang Industrial Estate in Sungai Petani, Kedah. Approximately 95% of its products are exported to United States of America, Japan, Ireland, Belgium, United Kingdom and Korea.

GROUP STRUCTURE

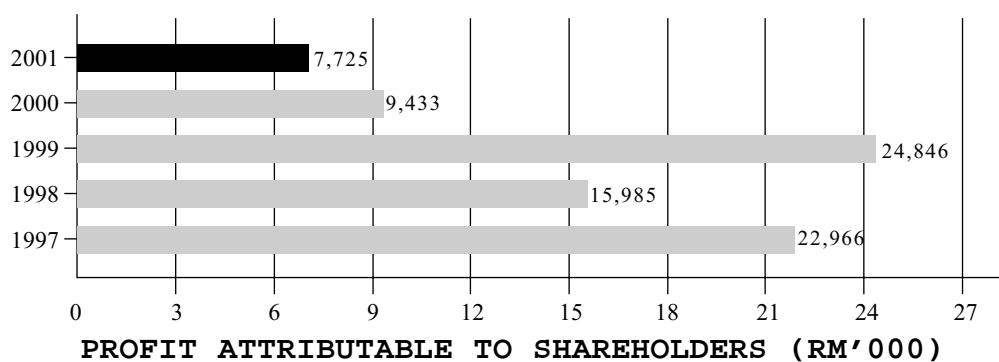
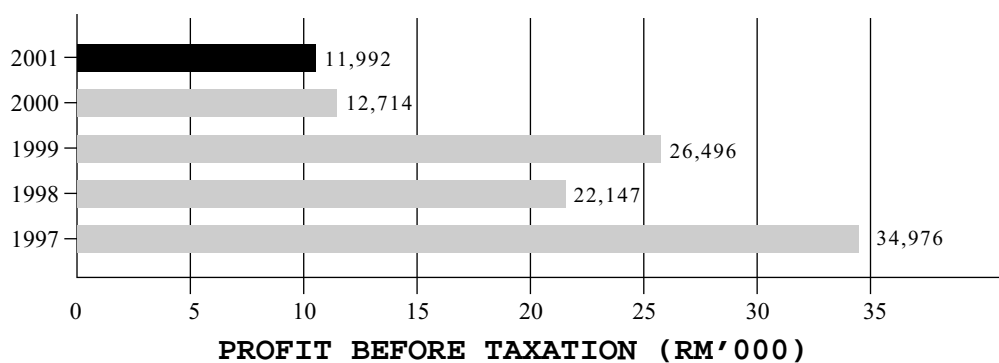
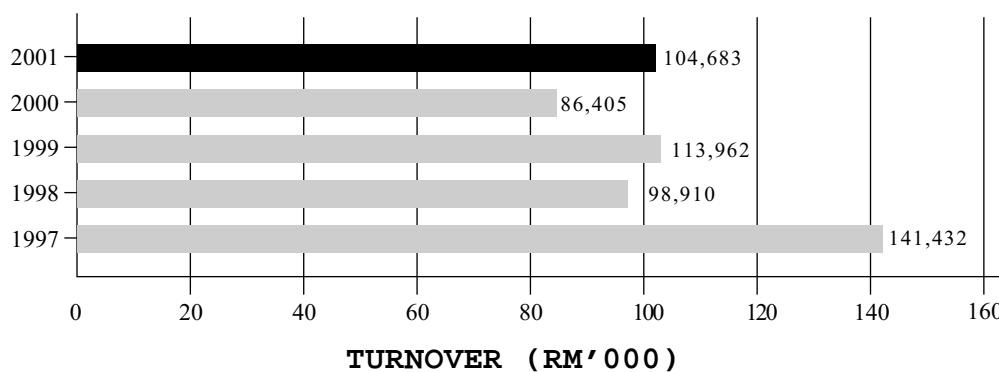


Oriental Interest Berhad



FINANCIAL HIGHLIGHTS

| 5 Years Results | Year Ended 30 June | | | | |
|-------------------------------------|--------------------|---------|---------|---------|----------|
| | 2001 | 2000 | 1999 | 1998 | 1997 |
| | RM' 000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Turnover | 104,683 | 86,405 | 113,962 | 98,910 | 141,432 |
| Profit Before Taxation | 11,992 | 12,714 | 26,496 | 22,147 | 34,976 |
| Taxation | (3,640) | (2,423) | (1,347) | (6,177) | (12,056) |
| | 8,352 | 10,291 | 25,149 | 15,970 | 22,920 |
| Minority Interests | (627) | (858) | (303) | 15 | 46 |
| Profit Attributable To Shareholders | 7,725 | 9,433 | 24,846 | 15,985 | 22,966 |





CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of Oriental Interest Berhad ("OIB"), I am pleased to present the eighth Annual Report and Financial Statements of the Group and of the Company for the financial year ended 30 June 2001.

INDUSTRY TREND AND FINANCIAL RESULTS

Although there were signs that certain sectors of the industry were set on the recovery path in 1999/2000, the dampened local economy in 2000/2001, consequent upon the economy slowdown globally, had once again created an uncertain atmosphere for the property market resulting in potential house buyers adopting an over-cautious approach. Operating under these challenging circumstances, the performance of the Group for the period under review was inevitably affected.

For the financial year under review, the Group recorded a revenue of RM104.7million resulting in a pre-tax profit of RM12.0million; while net of tax profit attributable to shareholders, after minority interests, amounted to RM7.7million. Although there was a drop in overall profit margin, excluding share of results of associated company; a 21% increase in turnover of RM18.3million enabled the Group to maintain the same level of profit before taxation as that of the preceding financial year of RM12.0million. Meanwhile, depressed crude palm oil market had resulted in significant reduction in contribution from associated company.

DIVIDEND

The Board of Directors has recommended, subject to shareholders' approval at the forthcoming Annual General Meeting, a first and final dividend of 7% less 28% income tax in respect of the financial year ended 30 June 2001.

CORPORATE GOVERNANCE

The Board welcomes the introduction of Corporate Governance. An independent professional consultant had been engaged to conduct a Gap Analysis. Upon completion of the assignment, the consultant will make appropriate recommendations to the Board.

EMPLOYEES SHARE OPTION SCHEME ("ESOS")

An announcement to the Kuala Lumpur Stock Exchange ("the KLSE") was made on 17 July 2001 in relation to the proposed termination of the Existing ESOS and establishment of a New ESOS. The proposals are intended to provide incentive to motivate, retain and reward employees for their loyalty and contribution, without adversely affecting the cashflows of the Group. The Securities Commission had, in its letter dated 29 August 2001, approved the New ESOS, and Malaysian International Merchant Bankers Berhad duly made an announcement to the KLSE on 3 September 2001 on behalf of the Board.

PROSPECTS

With the revival of property sector playing an important role in revitalising the growth of the nation's economy, the Government is making every endeavour to ensure the industry is back on the recovery path. Introducing new incentives to complement existing measures through various channels, the Government's determination has gradually restored house buyers' confidence in the property sector. Response from the Group's residential housing projects, at strategic locations, launched in previous financial year was favourable. Therefore, the Board expects the Group's operating results for financial year ending 30th June 2002 to remain profitable.

APPRECIATION

On behalf of the Board, I wish to thank all our customers, business associates, regulatory authorities and shareholders for their continuing support and confidence in the Group.

Finally, I would like to extend my sincere appreciation and gratitude to my fellow Board members, the management and staff of the Group for their dedication and perseverance throughout this trying time. Through excellent teamwork under direction from the Board and management, we hope to achieve better results for the current financial year.

Dato' Haji Thobrani Bin Haji Hanafi

Executive Chairman

6 September 2001





MANAGING DIRECTOR'S OPERATION REVIEW

The financial year ended 30 June 2001 has seen OIB Group maintaining same level of RM12.0million pre-tax profit at the back of RM104.7million revenue, representing a 21% (RM18.3million) increase from that of the previous financial year.

With profit from Manufacturing Division is not taxable, due to tax losses brought forward and unabsorbed capital allowances, whereas profit from Property Division is subject to statutory tax rate at 28%; therefore, drop in operating profit of RM3.8million from the former, although compensated by an equivalent amount of profit from the latter, had resulted in a RM1.4million increase in provision of income tax for the current financial year. As a result, the earnings per ordinary share ("EPS") for the financial year under review had dropped 1.9sen (18%) from 10.48sen to 8.58sen.



PROPERTY DEVELOPMENT

Progress billings and operating profit from Property Division stood at RM82.9million and RM10.8million, up by RM29.8million (56%) and RM3.7million (52%) respectively as opposed to the preceding financial year. The improvement in results of Property Division was mainly due to higher billings, principally attributable to completion of several projects.

There were in total 961 units of houses being launched during the financial year under review, of which more than 60% had been sold to date. Among the units launched, there are 4 blocks of low cost apartments consists of 200 units; more than 50% had been sold to date. The remaining 761 units are landed residential properties.

MANUFACTURING

Operating profit before taxation for Manufacturing Division reduced by 74%, from RM5.2million to RM1.4million; while its sales was lowered by RM11.7million (35%), from RM33.3million to RM21.6million. These were mainly attributable to the drop in sales volume, due to slowing economy in overseas market, and significantly increase in unit cost due to lower production volume for the financial year under review.

CORPORATE DEVELOPMENT

During the financial year, OIB subscribed for all its rights, under a Rights Issues exercise, of 6,579,000 and 7,630,000 ordinary shares of RM1.00 each for cash in two of its subsidiary companies, Aturan Cemerlang Sdn Bhd and Brilliant Alliance Sdn Bhd respectively. In so doing, OIB maintains its shareholdings of 51% and 70% respectively in these two subsidiary companies.

The purpose of this funds exercise was to raise cash for these two non-wholly owned subsidiary companies enabling them to repay amounts owing to OIB in compliance with the revamped Listing Requirements of the Kuala Lumpur Stock Exchange, prohibiting provision of financial assistance to non-wholly owned related corporations without appropriate announcements and/or shareholders' approval.

OUTLOOK

Although there is still considerable property overhang in the market, authorities are making every effort to resolve this undesirable situation. However, attractively priced landed residential properties at strategic locations are still sought after by potential house buyers. Based on the favourable response for OIB's existing and newly launched housing scheme, the Group expects its results to remain profitable for the financial year ending 30 June 2002.

Goh Cheng Hock
Managing Director
6 September 2001



AUDIT COMMITTEE REPORT

COMPOSITION OF THE COMMITTEE

During the financial year, the Audit Committee (“the Committee”) comprised the following members: -

| | Attendance at Committee Meetings held during the financial year |
|-----------------------------------------------------------------------------|-----------------------------------------------------------------------|
| Chairman: Mr Gee Kok Sang [Independent Non-Executive Director] | 3 / 4 |
| Members: Encik Anuar Bin Bahari [Independent Non-Executive Director] | 4 / 4 |
| (resigned on 16/08/2001) | |
| Mr Koay Leong Eng [Executive Director] | 4 / 4 |

The present members of the Committee are as follows: -

Chairman: Mr Gee Kok Sang [Independent Non-Executive Director]
Members: Encik Ahmad Bin Abdul Rashid [Independent Non-Executive Director]
(appointed on 16/08/2001)
Mr Chin Kuet Sen [Independent Non-Executive Director] (appointed on 16/08/2001)
Mr Koay Leong Eng [Executive Director]

TERMS OF REFERENCE

In view of the revamped Listing Requirements of the Kuala Lumpur Stock Exchange (“KLSE”) came into effect on 1 June 2001, the Board had revised the terms of reference of the Committee to comply with the relevant provisions of the aforesaid Listing Requirements.

Authority

The Committee is authorised by the Board of Directors (“the Board”), under the provisions stipulated in the written terms of reference, to investigate any matter within the scope of its responsibilities. The Committee is granted unrestricted access to any information pertaining to the Group, while employees of the Group are also directed to give their full co-operation to the Committee.

The Committee has the right to communicate directly with external auditors or any other advisors engaged by the Group. The Committee is also empowered by the Board to obtain external legal or other independent professional advice as well as to secure the attendance of outsiders with relevant experience and expertise if it is deemed necessary in performing its duties.

Membership

The Board shall appoint members to the Committee from amongst the Directors of the Company. No Alternate Director shall be appointed as member of the Committee. The Committee shall consist of at least three (3) members of whom majority shall be Independent Directors. Members of the Committee shall elect a Chairman from amongst their number who shall be an Independent Director. At least one member of the Committee must be a qualified person as defined under Paragraph 15.10(1)(c) of Chapter 15 of the Listing Requirements of the KLSE.

The quorum necessary for a meeting of the Committee shall be two (2) members, of whom the majority must be Independent Directors.

In the event that a member of the Committee retires, resigns or ceases to be a member, for any other reason, resulting in non-compliance of the terms prescribed; the Board shall, within three (3) months of that event, appoint such number of members as may be necessary to fulfill the requirements.

The Board shall review the term of office and performance of each member of the Committee at least once every three (3) years.

Meeting and Reporting Procedure

The committee shall meet not less than four (4) times a year. Members of the Committee and external auditors may convene a meeting, with at least seven (7) days notice being served, if they consider that one is necessary. At the request of the other Independent members of the Committee and external auditors, Executive members may be excused from attendance at any meeting.



All matters arising from meetings of the Committee shall be determined by a majority of votes. In the event of an equality of votes, the Chairman shall have a casting vote.

The Committee may invite other Directors, who are not members of the Committee, any employee of the Group or any other person deemed necessary to be in attendance at any particular meeting of the Committee to assist it in its deliberation.

The Company Secretary shall be the Secretary to the Committee. The Secretary shall keep minutes of all meetings of the Committee and circulate them to every member of the Board.

Duties

The duties of the Committee shall be to carry out the following and report to the Board accordingly: -

- (a) to review with external auditors, the audit plan, report on evaluation of the system of internal controls, matters arising from interim and final audit as well as auditors' report;
- (b) to recommend the nomination of a person or persons as external auditors and their remuneration thereon;
- (c) to consider any letter of resignation from or suggestion of dismissal of the external auditors or whether there is valid reason, supported by justifiable grounds, to believe that the external auditors is not suitable for re-appointment;
- (d) to liaise with the independent professional consultant in formulating and determining the scope, objectives and resources of the internal audit function and overseeing its implementation;
- (e) to assess the adequacy of the internal audit programme and procedure and to review the internal audit reports;
- (f) to monitor whether appropriate action has been taken by the Board on the recommendations made by the internal audit function, via the Committee;
- (g) to review the unaudited quarterly results and audited financial statements, prior to submission to the Board for approval, focusing particularly on changes in and implementation of major accounting policy, significant and unusual events as well as compliance with applicable approved accounting standards and other legal requirements;
- (h) to review procedure or course of conduct that raises questions of management integrity in relation to related party transactions and conflict of interest situation that may have arisen within the Group; and
- (i) to consider any other topics as may be deemed necessary by the Committee.

In the event that the Committee is of the opinion that matters reported by it to the Board have not been satisfactorily resolved resulting in either non-compliance or breach of the Listing Requirements of the KLSE, it must promptly report such matter to the KLSE.

INTERNAL AUDIT FUNCTION

The Group does not have an internal audit department at present. However, the Committee has recommended to the Board that an internal audit function be implemented by procuring the services of an independent professional consultant to assist in the formulation of such function. Implementation of internal audit function is targeted to be before end of the current financial year.

In the absence of an internal audit function, the Committee held regular discussions with key management staff of the Group and was given unlimited access to all pertinent information and documents necessary in discharging its duties effectively.

**PROPERTIES OF THE GROUP AS AT 30 JUNE 2001**

| Address/Location | Description/ Year of Acquisition or Revaluation | Approximate Land/Floor Area | Tenure/Age of Buildings (years) | Net Book Value (RM' 000) |
|-----------------------------------------------------------------------------------------------|----------------------------------------------------------------|--------------------------------------------|------------------------------------------------|-----------------------------------------|
| Sungai Petani | | | | |
| 1 & 2, Jalan Bank, Sg. Petani, Kedah Darul Aman. | 6 Storey Office Building / 1993 | 25,255 sq.ft. | Freehold/5 | 2,687 |
| 7 & 8, Jalan Bank, Sg. Petani, Kedah Darul Aman. | Double Storey Shophouse/ 1996 & 1993 | 9,970 sq.ft. | Freehold/61 | 913 |
| Lot 96 & 97 & Plot 73A, Bakar Arang Industrial Estate, Sg. Petani, Kedah Darul Aman. | Industrial Land & Factory and Office Building/ 1993 | 10.25 acres | 99 years lease expiring in 2088/13 | 6,783 |
| Mukim Sungai Pasir, District of Kuala Muda, Kedah Darul Aman. | Development Land Approved for Housing | 96.21 acres | Freehold | 29,072 |
| Mukim Teloi Kiri, District of Kuala Muda, Kedah Darul Aman. | Oil Palm Plantation for Future Development | 283.08 acres | Freehold | 4,357 |
| Kulim | | | | |
| 343, Jalan Tunku Mohd. Assad, Kulim, Kedah Darul Aman. | Sales Office (Bungalow)/1996 | 62,483 sq. ft. | Freehold/44 | 1,091 |
| 32-42 & 44, Lorong Semarak 2, Taman Semarak, Kulim, Kedah Darul Aman. | 3 Storey Shophouses/1996 | 53,388 sq.ft. | Freehold/6 | 2,115 |
| Mukim Keladi, District of Kulim, Kedah Darul Aman. | Development Land Approved for Housing | 41.96 acres | Freehold | 5,843 |
| Mukim Kulim, District of Kulim, Kedah Darul Aman. | Development Land Approved for Housing | 85.05 acres | Freehold | 13,543 |



| Location | Description | Approximate Land/Floor Area | Tenure/Age of Buildings (years) | Net Book Value (RM'000) |
|--------------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------|-----------------------------------------------------|-------------------------|
| Mukim Kulim, District of Kulim, Kedah Darul Aman. | Agriculture Land for Future Development | 64.84 acres | Freehold | 8,216 |
| Mukim Lunas, District of Kulim, Kedah Darul Aman. | Agriculture Land for Future Development | 4.18 acres | Freehold | 82 |
| Kuala Lumpur / Sepang / Negeri Sembilan | | | | |
| 61-1, Jalan Kg. Pandan, Taman Maluri, Kuala Lumpur. | 4 Storey Office Building/ 1993 | 7,040 sq.ft. | 99 years lease expiring in 2076/11 | 667 |
| 22, Jalan ST 1C/4, Medan 88, Bandar Baru Salak Tinggi, Sepang, Selangor Darul Ehsan. | Sales Office Shophouse (3 Storey)/1997 | 3,900 sq.ft. | 99 years lease expiring in 2092/5 | 163 |
| Mukim Dengkil, District of Sepang, Selangor Darul Ehsan. | Development Land Approved for Housing | 87.16 acres | Freehold | 20,747 |
| Mukim Sepang, District of Kuala Langat, Selangor Darul Ehsan. | Development Land Approved for Housing | 29.75 acres | Freehold | 9,269 |
| Mukim Dengkil, District of Sepang, Selangor Darul Ehsan. | Development Land Approved for Housing | 19.65 acres | 99 years lease expiring between 2094 -2096 | 7,002 |
| Mukim Setul, Seremban, Negeri Sembilan | Development Land Future Development | 173.81 acres | Freehold | 14,460 |

**REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR
ENDED 30 JUNE 2001**

| | |
|----------------------------------------------|------------------|
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| Statements of changes in equity | • 37 |
| Cash flow statements | • 38 |
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Directors' report for the financial year ended 30 June 2001

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2001.

Principal activities

The principal activities of the Company during the financial year are those of investment holding and the provision of management services. The principal activities of the subsidiary companies are set out in note 16 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

Financial results

| | Group | Company |
|------------------------------------------------|------------------|-------------------|
| | R M | R M |
| Profit from ordinary activities after taxation | 8,352,316 | 19,827,869 |
| Minority interests | (626,965) | - |
| Net profit attributable to shareholders | <u>7,725,351</u> | <u>19,827,869</u> |

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Dividend

Dividend paid, declared or proposed since the end of the Company's previous financial year were as follows:

| | RM |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| In respect of the financial year ended 30 June 2000, as proposed in the Directors' report for that financial year, a first and final dividend of 7% less income tax paid on 15 November 2000 | <u>4,536,252</u> |

The Directors now recommend the payment of a first and final dividend of 7 sen per share on 90,005,002 ordinary shares, less income tax, amounting to RM4,536,252 in respect of financial year ended 30 June 2001 which, subject to the approval of members at the forthcoming Annual General Meeting of the Company, will be paid on 15 November 2001 to shareholders registered on the Company's Register of Members at the close of business on 30 October 2001.

Movements on reserves and provisions

All material transfers to or from reserves or provisions during the financial year are as disclosed in the financial statements.

**Employees' share option scheme**

The Oriental Interest Berhad Employees' Share Option Scheme ("ESOS") was approved by the shareholders at the Extraordinary General Meeting held on 21 November 1996. The main features of the ESOS are as follows:

- (a) Eligible persons are full time employees of the Group (including Executive Directors) who have been confirmed and served at least one full year (three full years for foreign employees) prior to the date of offer, being the date when an offer is made by the Option Committee in writing to the eligible employees. The eligibility for participation in the ESOS shall be at the absolute discretion of the Option Committee.
- (b) The total number of ordinary shares to be offered shall not exceed 10% of the issued and paid up ordinary share capital of the Company at any point of time during the duration of the ESOS.
- (c) No options shall be granted for more than 500,000 ordinary shares.
- (d) The option price for each of RM1.00 ordinary share shall be the average of the mean market quotation of the shares of the Company, as shown in the daily official list issued by the Kuala Lumpur Stock Exchange, for the five market days immediately prior to the respective dates of offer or at the par value of the share, whichever is higher.
- (e) The ESOS shall be in force for a duration of five years commencing from 4 February 1997 and expiring on 3 February 2002.
- (f) The number of ordinary shares relating to the option or option price or the terms and method of exercise of the option, as far as the option remaining unexercised, shall be adjusted in the event of any alteration in the capital structure of the Company during the option period.
- (g) The consideration is payable in full upon exercising of option and the option does not grant any right to participate in any share issue of any other company.
- (h) Subject to the approval of the Securities Commission, Registrar of Companies, Kuala Lumpur Stock Exchange and other relevant authorities, the terms and conditions of the ESOS may from time to time be modified and/or amended by a resolution of the Board without the approval of the Company in a general meeting provided that no such amendment shall be made which would either prejudice the rights then accrued to any grantee who has accepted an offer without his/her prior consent, increase or alter the maximum allowable allotment of the ordinary shares available under the ESOS or render the rights of any grantee more favourable.

The details of options granted to subscribe for ordinary shares which were outstanding at 30 June 2001 are as follows:

| Option expiry date | Option price R M | Number of ordinary shares | | |
|--------------------|---------------------|---------------------------|----------------|--------------------|
| | | At 1 July 2000 | Lapsed | At 30 June 2001 |
| 3 February 2002 | 3.71 | <u>6,349,000</u> | <u>843,000</u> | <u>5,506,000</u> |

During the financial year ended 30 June 2001, 843,000 of the options lapsed due to resignation.

**Directors**

The Directors in office since the date of the last report are:

| | |
|---------------------------------------------------------|--------------------------|
| Dato' Haji Thobrani Bin Haji Hanafi, DSDK, BCK, BKM, JP | |
| Goh Cheng Hock | |
| Goh Aik Lai | |
| Koay Leong Eng | |
| Lim Hai Hong @ Lim Hai Hak | |
| Chai Tin Kok @ Sua Ah Seng | |
| Gee Kok Sang | |
| Ahmad Bin Abdul Rashid | (appointed on 16.8.2001) |
| Chin Kuet Sen | (appointed on 16.8.2001) |
| Anuar Bin Bahari | (resigned on 16.8.2001) |

In accordance with Article 80 of the Articles of Association, Dato' Haji Thobrani Bin Haji Hanafi, DSDK, BCK, BKM, JP retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-election.

In accordance with Article 87 of the Articles of Association, En. Ahmad Bin Abdul Rashid and Mr. Chin Kuet Sen retire from the Board at the forthcoming Annual General Meeting and being eligible offer themselves for re-election.

In compliance with Paragraph 7.28(2) of Chapter 7 of the Listing Requirements of the Kuala Lumpur Stock Exchange, Mr. Goh Cheng Hock and Mr. Goh Aik Lai retire from the Board of the forthcoming Annual General Meeting and being eligible offer themselves for re-election.

Directors' interests

According to the Register of Directors' Shareholdings, particulars of interests in the shares in the Company and its related corporations during the financial year of the Directors holding office at the end of the financial year are as follows:

| | Number of ordinary shares of RM1 each | | | 30 June |
|------------------------------------------------------------|---------------------------------------|----------|----------|------------|
| | 1 July | Addition | Disposal | |
| Oriental Interest Berhad (The Company) | | | | |
| Dato' Haji Thobrani Bin Haji Hanafi, DSDK, BCK, BKM, JP | | | | |
| Direct | 260,453 | - | - | 260,453 |
| Indirect | 12,997,000 | - | - | 12,997,000 |
| Goh Cheng Hock | | | | |
| Direct | 325,002 | - | - | 325,002 |
| Indirect | 8,696,078 | 24,000 | - | 8,720,078 |
| Goh Aik Lai | | | | |
| Indirect | 7,300,078 | - | - | 7,300,078 |
| Koay Leong Eng | | | | |
| Direct | 304,500 | - | - | 304,500 |
| Indirect | 208,169 | - | - | 208,169 |
| Lim Hai Hong @ Lim Hai Hak | | | | |
| Direct | 550,931 | - | - | 550,931 |
| Indirect | 1,959,232 | - | - | 1,959,232 |
| Chai Tin Kok @ Sua Ah Seng | | | | |
| Direct | 249,000 | - | - | 249,000 |
| Indirect | 690,077 | - | - | 690,077 |

**Directors' interests (continued)**

| | 1 July | Number of ordinary shares of RM1 each | | 30 June |
|-----------------------------------|--------|---------------------------------------|----------|-----------|
| | | Addition | Disposal | |
| Aturan Cemerlang Sdn. Bhd. | | | | |
| (Subsidiary company) | | | | |
| Goh Cheng Hock | | | | |
| Indirect | 21,000 | 1,239,000 | - | 1,260,000 |

Brilliant Alliance Sdn. Bhd.
(Subsidiary company)

| | | | | |
|----------------|---|---------|---|---------|
| Goh Cheng Hock | | | | |
| Indirect | - | 300,000 | - | 300,000 |
| Goh Aik Lai | | | | |
| Indirect | - | 300,000 | - | 300,000 |

Yiked Alliance Sdn. Bhd.
(Subsidiary company)

| | | | | |
|------------------------------------------------------------|---|---|---|---|
| Dato' Haji Thobrani Bin Haji Hanafi, DSDK, BCK, BKM, JP | | | | |
| Direct | 1 | - | - | 1 |
| Goh Cheng Hock | | | | |
| Direct | 1 | - | - | 1 |

Yiked Brilliant Sdn. Bhd.
(Subsidiary company)

| | | | | |
|------------------------------------------------------------|---|---|---|---|
| Dato' Haji Thobrani Bin Haji Hanafi, DSDK, BCK, BKM, JP | | | | |
| Direct | 1 | - | - | 1 |
| Goh Cheng Hock | | | | |
| Direct | 1 | - | - | 1 |

| | Number of ordinary shares under option | | | |
|------------------------------------------------------------|----------------------------------------|---------|-----------|---------|
| | 1 July | Granted | Exercised | 30 June |
| Oriental Interest Berhad | | | | |
| (The Company) | | | | |
| Dato' Haji Thobrani Bin Haji Hanafi, DSDK, BCK, BKM, JP | 500,000 | - | - | 500,000 |
| Goh Cheng Hock | 500,000 | - | - | 500,000 |
| Goh Aik Lai | 500,000 | - | - | 500,000 |
| Koay Leong Eng | 500,000 | - | - | 500,000 |

Other than as disclosed above, no other Directors in office at the end of the financial year held any interest in shares in the Company and its related corporations during the financial year.

**Directors' benefits**

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the fees and other emoluments shown in note 6 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, other than benefits that may be deemed to have arisen in relation to transactions entered into the ordinary course of business as disclosed in note 32 to the financial statements.

Neither during nor at the end of the financial year was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate except for the share options to subscribe for new ordinary shares in the Company granted to certain Directors pursuant to the Employees' Share Option Scheme of the Company.

Other statutory information

Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets other than debts, which were unlikely to realise in the ordinary course of business including their values as shown in the accounting records of the Company and of its related corporations had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (a) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

In the interval between the end of the financial year and the date of this report:

- (a) no item, transaction or event of a material and unusual nature has arisen which, in the opinion of the Directors, would substantially affect the results of the operations of the Group and of the Company for the financial year in which this report is made;
- (b) no charge on the assets of any company in the Group has arisen which secures the liabilities of any other person; and
- (c) no contingent liability has arisen in respect of any company in the Group.



No contingent or other liability of any company in the Group has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Company and of its subsidiary companies to meet their obligations when they fall due.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

Auditors

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

In accordance with a resolution of the Board of Directors dated 6 September 2001.

Dato' Haji Thobrani Bin Haji Hanafi, DSDK, BCK, BKM, JP
Executive Chairman

Goh Cheng Hock
Managing Director

Sungai Petani





Report of the auditors to the members of Oriental Interest Berhad

We have audited the financial statements set out on pages 35 to 59. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with approved auditing standards in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

(a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:

- (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
- (ii) the state of affairs of the Group and of the Company as at 30 June 2001 and of the results and cash flows of the Group and of the Company for the financial year ended on that date;

and

(b) the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies have been properly kept in accordance with the provisions of the Act.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Act.

PricewaterhouseCoopers

[AF:1146]

Public Accountants

Tan Hock Hin

[441/3/03(J/PH)]

Partner of the firm

Penang

6 September 2001

Income statements for the financial year ended 30 June 2001

| | Note | Group | | Company | |
|-------------------------------------------------|------|--------------|--------------|-------------|-------------|
| | | 2001 R M | 2000 RM | 2001 R M | 2000 RM |
| Revenue | 4 | 104,683,267 | 86,404,954 | 28,233,154 | 28,502,984 |
| Cost of sales | | (84,151,294) | (62,519,096) | - | - |
| Gross profit | | 20,531,973 | 23,885,858 | 28,233,154 | 28,502,984 |
| Other operating income | | 1,412,561 | 2,715,177 | 88,576 | - |
| Selling and distribution costs | | (748,672) | (1,198,142) | - | - |
| Administration expenses | | (6,646,251) | (6,385,593) | (506,617) | (386,796) |
| Other operating expenses | | (964,977) | (4,606,916) | (2,876) | (2,446) |
| Profit from operations | 5 | 13,584,634 | 14,410,384 | 27,812,237 | 28,113,742 |
| Finance cost | 7 | (1,667,203) | (2,451,843) | (1,372,540) | (2,098,186) |
| Share of results of associated company | | 75,009 | 755,197 | - | - |
| Profit from ordinary activities before taxation | | 11,992,440 | 12,713,738 | 26,439,697 | 26,015,556 |
| Taxation | 8 | (3,640,124) | (2,422,870) | (6,611,828) | (7,283,076) |
| Profit from ordinary activities after taxation | | 8,352,316 | 10,290,868 | 19,827,869 | 18,732,480 |
| Minority interests | | (626,965) | (858,314) | - | - |
| Net profit attributable to shareholders | | 7,725,351 | 9,432,554 | 19,827,869 | 18,732,480 |
| Earnings per share (sen) - basic | 9 | 8.58 | 10.48 | | |

The above income statements are to be read in conjunction with the notes to the financial statements on pages 39 to 59.

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Balance sheets as at 30 June 2001

| | | Group | | Company | |
|---------------------------------------------|------|--------------------|--------------------|--------------------|--------------------|
| | Note | 2001 | 2000 | 2001 | 2000 |
| | | R M | RM | R M | RM |
| Capital and reserves | | | | | |
| Share capital | 10 | 90,005,002 | 90,005,002 | 90,005,002 | 90,005,002 |
| Share premium | | 13,550 | 13,550 | 13,550 | 13,550 |
| Retained earnings | 11 | 92,096,987 | 88,907,888 | 104,931,910 | 89,640,293 |
| Shareholders' equity | | 182,115,539 | 178,926,440 | 194,950,462 | 179,658,845 |
| Minority interests | | 15,830,384 | 5,942,225 | - | - |
| Deferred and long term liabilities | | | | | |
| Term loans | 12 | - | 50,118 | - | - |
| Deferred taxation | 14 | 58,794 | 58,794 | - | - |
| | | 58,794 | 108,912 | - | - |
| | | <u>198,004,717</u> | <u>184,977,577</u> | <u>194,950,462</u> | <u>179,658,845</u> |
| Non-current assets | | | | | |
| Property, plant and equipment | 15 | 25,490,769 | 26,161,338 | 3 | 4 |
| Subsidiary companies | 16 | - | - | 99,597,000 | 85,388,000 |
| Associated companies | 17 | 10,739,841 | 10,699,285 | 10,000,001 | 10,000,001 |
| Real property assets | 18 | 33,724,710 | 32,574,888 | - | - |
| Investments | 19 | 5,700 | 5,700 | - | - |
| Current assets | | | | | |
| Development properties | 20 | 113,809,009 | 112,833,058 | - | - |
| Inventories | 21 | 6,695,365 | 7,458,057 | - | - |
| Stock of unsold houses | | 12,218,057 | 12,591,852 | - | - |
| Trade receivables | | 24,452,270 | 23,134,673 | - | - |
| Other receivables, deposits and prepayments | 22 | 1,672,214 | 2,525,706 | - | 2,371 |
| Amounts due from subsidiary companies | 16 | - | - | 116,154,896 | 121,521,912 |
| Amounts due from associated companies | | 204,000 | 204,000 | 10,000 | 10,000 |
| Tax recoverable | | 2,200,058 | 98,381 | - | - |
| Fixed deposits with licensed banks | 23 | 2,619,900 | 220,630 | - | - |
| Cash and bank balances | 24 | 8,972,802 | 3,850,514 | 57,127 | 1,873 |
| | | <u>172,843,675</u> | <u>162,916,871</u> | <u>116,222,023</u> | <u>121,536,156</u> |
| Current liabilities | | | | | |
| Trade payables | | 6,200,783 | 5,110,176 | - | - |
| Term loans | 12 | 50,292 | 112,797 | - | 48,730 |
| Hire-purchase creditors | 13 | - | 36,018 | - | - |
| Other payables and accrued liabilities | 25 | 2,703,642 | 5,142,813 | 290,624 | 309,381 |
| Amounts owing to subsidiary companies | 16 | - | - | 5,719,210 | 8,507,930 |
| Short term borrowings | 26 | 33,296,551 | 30,738,931 | 24,000,000 | 26,000,000 |
| Taxation | | 1,908,135 | 2,517,280 | 550,402 | 88,515 |
| Bank overdrafts | 27 | 640,575 | 3,722,490 | 308,329 | 2,310,760 |
| | | <u>44,799,978</u> | <u>47,380,505</u> | <u>30,868,565</u> | <u>37,265,316</u> |
| Net current assets | | 128,043,697 | 115,536,366 | 85,353,458 | 84,270,840 |
| | | <u>198,004,717</u> | <u>184,977,577</u> | <u>194,950,462</u> | <u>179,658,845</u> |

The above balance sheets are to be read in conjunction with the notes to the financial statements on pages 39 to 59.

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Statements of changes in equity for the financial year ended 30 June 2001

| Group | Note | Issued and fully paid ordinary shares of RM1 each | | Non- distributable | Distributable | Total R M |
|-------------------------------------------------------------|------|---------------------------------------------------------|-------------------------|-------------------------|-----------------------------|--------------|
| | | Number of shares | Nominal value R M | Share premium R M | Retained earnings R M | |
| At 30 June 1999 | | 90,005,002 | 90,005,002 | 13,550 | 79,475,334 | 169,493,886 |
| Net profit attributable to shareholders | | - | - | - | 9,432,554 | 9,432,554 |
| At 30 June 2000 | | 90,005,002 | 90,005,002 | 13,550 | 88,907,888 | 178,926,440 |
| Dividend for the financial year ended 30 June 2000 | 28 | - | - | - | (4,536,252) | (4,536,252) |
| Net profit attributable to shareholders | | - | - | - | 7,725,351 | 7,725,351 |
| At 30 June 2001 | | 90,005,002 | 90,005,002 | 13,550 | 92,096,987 | 182,115,539 |
| Company | | | | | | |
| At 30 June 1999 | | 90,005,002 | 90,005,002 | 13,550 | 70,907,813 | 160,926,365 |
| Net profit attributable to shareholders | | - | - | - | 18,732,480 | 18,732,480 |
| At 30 June 2000 | | 90,005,002 | 90,005,002 | 13,550 | 89,640,293 | 179,658,845 |
| Dividend for the financial year ended 30 June 2000 | 28 | - | - | - | (4,536,252) | (4,536,252) |
| Net profit attributable to shareholders | | - | - | - | 19,827,869 | 19,827,869 |
| At 30 June 2001 | | 90,005,002 | 90,005,002 | 13,550 | 104,931,910 | 194,950,462 |

The above statements of changes in equity are to be read in conjunction with the notes to the financial statements on pages 39 to 59.

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Cash flow statements for the financial year ended 30 June 2001

| | Note | Group | | Company | |
|--------------------------------------------------------------------------|------|-------------|--------------|--------------|--------------|
| | | 2001 R M | 2000 RM | 2001 R M | 2000 RM |
| OPERATING CASH FLOWS | | | | | |
| Cash flow from operations | 29 | 12,968,844 | 15,331,991 | 2,413,080 | (3,355,102) |
| Taxation paid | | (6,326,493) | (7,608,493) | (6,149,941) | (7,055,121) |
| Net operating cash flow | | 6,642,351 | 7,723,498 | (3,736,861) | (10,410,223) |
| INVESTING CASH FLOWS | | | | | |
| Interest income received | | 244,791 | 112,303 | 2,710,686 | 2,993,031 |
| Dividend income received | | 10,000 | - | 25,250,382 | 25,434,953 |
| Proceeds from disposal of property, plant and equipment | | 769,847 | 84,158 | - | - |
| Compensation for compulsory acquisition of real property assets received | | - | 1,437,327 | - | - |
| Addition to property, plant and equipment | | (1,380,412) | (1,936,907) | - | - |
| Addition to real property assets | | (1,149,822) | (6,019,317) | - | - |
| Investment in subsidiary companies | | - | - | (14,209,000) | (5,808,000) |
| Net investing cash flow | | (1,505,596) | (5,716,198) | 13,752,068 | 22,619,984 |
| FINANCING CASH FLOWS | | | | | |
| Proceeds from issue of share to minority interests | | 9,591,000 | 3,792,000 | - | - |
| Repayment of term loans | | (112,623) | (2,074,856) | (2,048,730) | (2,015,142) |
| Repayment to hire-purchase creditors | | (36,018) | (281,662) | - | - |
| Proceeds from short term borrowings | | 2,557,620 | 14,726,078 | - | 15,000,000 |
| Interest paid | | (1,667,203) | (2,451,843) | (1,372,540) | (2,098,186) |
| Dividend paid to minority interest | | (329,806) | (6,800) | - | - |
| Dividend paid | | (4,536,252) | (4,536,252) | (4,536,252) | (4,536,252) |
| Net financing cash flow | | 5,466,718 | 9,166,665 | (7,957,522) | 6,350,420 |
| Net change in cash and cash equivalents during the financial year | | 10,603,473 | 22,606,361 | 2,057,685 | 18,560,181 |
| Cash and cash equivalents at the beginning of the financial year | | 348,654 | (22,257,707) | (2,308,887) | (20,869,068) |
| Cash and cash equivalents at the end of the financial year | 30 | 10,952,127 | 348,654 | (251,202) | (2,308,887) |

The above cash flow statements are to be read in conjunction with the notes to the financial statements on pages 39 to 59.

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Notes to the financial statements for the financial year ended 30 June 2001

1 General information

The principal activities of the Company during the financial year are those of investment holding and the provision of management services. The principal activities of the subsidiary companies are set out in note 16 to the financial statements.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, listed on the Main Board of Kuala Lumpur Stock Exchange. The Company's registered office and principal place of business are as follows:

Registered office:

1st Floor (Room 102)
Wisma Penang Garden
42 Jalan Sultan Ahmad Shah
10050 Penang

Principal place of business:

2nd Floor, Wisma OIB
1 & 2 Jalan Bank
08000 Sungai Petani
Kedah Darul Aman

The number of staff employed by the Group at the end of the financial year is 292 (2000: 477). There is no staff employed by the Company at the end of the financial year (2000: Nil).

2 Basis of preparation of the financial statements

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia.

3 Significant Group accounting policies

All significant Group accounting policies set out below are consistent with those applied in the previous financial year.

Accounting convention

The financial statements are prepared under the historical cost convention, modified by the revaluation of certain property, plant and equipment of the subsidiary companies.



3 Significant Group Accounting Policies (continued)

Revenue recognition

Dividend, management fees and interest are recognised on the receivable basis.

Revenue from property development is recognised on the percentage of completion method. The stage of completion is measured by certificate issued by the architect based on the physical completion of the work performed in proportion to the total development and contract work. Anticipated losses are recognised in full immediately in the income statement.

Revenue from oil palm cultivation is recognised upon delivery of goods.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiary companies made up to 30 June 2001. The results of the subsidiary companies are included in the consolidated income statement from the date of their acquisition except for acquisitions of subsidiary companies which meet the criteria for merger accounting under Malaysian Accounting Standard No. 2 “Accounting for Acquisitions and Mergers” are accounted for under that method. Intra-group transactions are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

- (i) Under the merger method of accounting, the results of subsidiary companies are presented as if the companies have been combined throughout the current and previous financial years. The difference between cost of acquisition over the nominal value of the share capital and reserves of the subsidiary companies is taken to merger reserve. Merger debit arising on consolidation is taken to capital reserve on consolidation, revaluation surplus and revenue reserve.
- (ii) Under the acquisition method of accounting, the results of subsidiary companies acquired during the year are included from the date of acquisition. At the date of acquisition, the fair values of the net assets of the subsidiary companies are determined and these values are reflected in the consolidated financial statements. The difference between the acquisition cost and their fair values is reflected as goodwill or capital reserve on consolidation as appropriate. Goodwill is written off if it is not supported by any intrinsic value.

Subsidiary companies

Investment in subsidiary companies, which is eliminated on consolidation, is stated in the Company’s financial statements at cost. Such investments are only written down when the Directors consider that there is a permanent diminution in the value of such investments.

Associated companies

The Group treats as associated companies, those companies in which a long term equity interest of between 20% and 50% is held or where it is in a position to exercise significant influence over the financial and operating policies.

**3 Significant Group Accounting Policies (continued)**

Premium or reserve arising on acquisition represents the difference between the cost of investment and the Group's share of the value of net assets of the associated companies at the date of acquisition.

The Group's share of profits less losses of associated companies is included in the consolidated income statement and the Group's share of net assets and premium or reserve on acquisition is included in the consolidated balance sheet.

In the Company's financial statements, investments in associated companies are stated at cost. Such investments are only written down when the Directors consider that there is a permanent diminution in the value of such investments.

Real property assets

Real property assets stated at cost consist of land and all related expenditure. Such assets will be transferred to either development or investment properties at their carrying value when significant activity is to be undertaken to prepare for its intended use within the normal operating cycle.

Investments

Investments are stated at cost. Cost is determined principally on an average basis computed on the occasion of each acquisition. Such investments are only written down when the Directors consider that there is a permanent diminution in value of such investments.

Foreign currency translation

Foreign currency transactions are accounted for at exchange rate ruling on the transaction date.

Foreign currency monetary assets and liabilities are translated at the exchange rates ruling at the balance sheet date. Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in the income statement.

The principal closing rates used in translating of foreign currency monetary assets and liabilities are as follows:

| Foreign currency | 2001 R M | 2000 RM |
|------------------|-------------|------------|
| 1 US Dollar | 3.795 | 3.795 |

Property, plant and equipment and depreciation

Property, plant and equipment, except for certain freehold and leasehold land and buildings, are stated at historical cost less accumulated depreciation.



3 Significant Group Accounting Policies (continued)

Certain freehold land are stated at revalued amount, based on valuations carried out by independent professional valuers; while certain leasehold land and buildings are stated at revalued amount, based on valuations carried out by independent professional valuers, less accumulated depreciation.

Freehold land and capital work in progress are not depreciated. Leasehold land is amortised in equal instalments over the period of the respective leases that range from 60 to 86 years.

Plantation development expenditure is amortised over a period of 20 years commencing from the year of maturity of the crop.

Depreciation of other property, plant and equipment is calculated so as to write off the cost or valuation of these property, plant and equipment less their estimated residual values, on a straight line basis over the expected useful lives of the property, plant and equipment concerned. The annual rates are:

| | % |
|-------------------------|-------------|
| Buildings | 2 |
| Factory buildings | 2 – 10 |
| Furniture and fittings | 10 – 20 |
| Office equipment | 10 – 33 1/3 |
| Electrical installation | 10 |
| Plant and machinery | 2 – 50 |
| Motor vehicles | 20 |
| Site equipment | 10 |
| Renovations | 10 |

The freehold and leasehold land and buildings have not been revalued since the financial year ended 30 June 1995. The Directors have adopted the transitional provisions in respect of assets carried at previously revalued amounts for International Accounting Standard No.16 (Revised): Property, Plant and Equipment as allowed for by Malaysian Accounting Standards Board to retain the carrying amounts of these land and buildings on the basis of their previous revaluation subject to the continuing application of current depreciation policy.

Development properties

The cost of land held for development, related development costs common to the whole project including interests charged directly relating to financing of the development and direct building costs plus attributable profit less foreseeable losses and progress billings received and receivable are carried forward as development properties.

Capitalisation of borrowing costs

Borrowing costs directly incurred for the financing of purchase of real property assets or property development are capitalised.

3 Significant Group Accounting Policies (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value after adequate allowance has been made for all deteriorated, damaged, obsolete or slow-moving inventories. Cost is determined principally on an weighted average basis. Cost of work in progress and finished goods, consists of direct materials, direct labour, direct charges and production overheads.

Plantation supplies are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis.

Stock of unsold houses

Stock of unsold houses is stated at the lower of cost and net realisable value. Cost comprises direct building cost and proportionate land and development costs.

Receivables

Known bad debts are written off and specific allowance is made for any debts considered to be doubtful of collection.

Deferred taxation

Provision is made using the liability method for taxation deferred in respect of all material timing differences.

In accounting for timing differences, deferred tax debits are not accounted for unless their realisation is beyond reasonable doubt.

Dividend

Interim dividend declared is accounted for as an appropriation of retained earnings from shareholders' equity in the financial year. Final dividend is not accounted for until approved by members at a General Meeting.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Comparatives

Where appropriate, comparative figures have been extended to conform with the additional disclosure requirements of the applicable approved new accounting standards issued by the Malaysian Accounting Standards Board that become operative for financial statements covering period commencing on or after 1 July 2000.

4 Revenue

| | Group | | Company | |
|-------------------------------------------|----------------|---------------|---------------|---------------|
| | 2001 | 2000 | 2001 | 2000 |
| | RM ' 000 | RM'000 | RM ' 000 | RM'000 |
| Dividend income | - | - | 25,250 | 25,435 |
| Loan interest income | - | - | 2,711 | 2,993 |
| Management fees | - | - | 272 | 75 |
| Progress billings received and receivable | 82,944 | 53,089 | - | - |
| Other sales at invoiced value | 21,739 | 33,316 | - | - |
| | <u>104,683</u> | <u>86,405</u> | <u>28,233</u> | <u>28,503</u> |

5 Profit from operations

Profit from operations is stated after charging:

| | Group | | Company | |
|--------------------------------------------------|------------------|------------------|----------|----------|
| | 2001 | 2000 | 2001 | 2000 |
| | R M | RM | R M | RM |
| Auditors' remuneration | 94,800 | 94,800 | 18,000 | 18,000 |
| Depreciation of property, plant and equipment | 1,873,954 | 1,896,530 | - | 996 |
| Rental of land and building | 28,000 | 23,050 | - | - |
| Hire of plant and machinery | 82,536 | 103,552 | - | - |
| Allowance for diminution in value of inventories | 148,531 | 2,012,601 | - | - |
| Property, plant and equipment written off | 680 | 11,099 | 1 | - |
| Inventories written off | - | 227,144 | - | - |
| Bad debts written off | - | 49,793 | - | - |
| Staff costs* | <u>7,651,864</u> | <u>6,641,506</u> | <u>-</u> | <u>-</u> |

and crediting:

| | | | | |
|------------------------------------------------------------------|---------------|---------------|------------|------------|
| Gross dividends received from subsidiary company (unquoted) | - | - | 25,240,382 | 25,424,953 |
| Gross dividends received from associated company (unquoted) | - | - | 10,000 | 10,000 |
| Rental income | 438,412 | 559,527 | - | - |
| Profit on disposal of property, plant equipment | 593,500 | 69,836 | - | - |
| Interest income | 244,791 | 112,303 | 2,710,686 | 2,993,031 |
| Gain arising from compulsory acquisition of real property assets | - | 1,437,325 | - | - |
| Gain on foreign exchange - realised | <u>21,666</u> | <u>63,885</u> | <u>-</u> | <u>-</u> |

* Staff costs include remuneration payable to Executive Directors of the Company amounting to RM1,226,860 (2000: 1,275,500).

**6 Directors' remuneration**

| | Group | | Company | |
|-------------------------------------------------------------|---------------|---------------|----------------|----------|
| | 2001 | 2000 | 2001 | 2000 |
| | R M | RM | R M | RM |
| Fees receivable | 160,000 | 160,000 | 160,000 | 160,000 |
| Other emoluments | 1,226,860 | 1,275,500 | 19,500 | 15,500 |
| Estimated monetary value of benefits otherwise than in cash | <u>69,481</u> | <u>73,850</u> | <u>-</u> | <u>-</u> |

7 Finance cost

| | Group | | Company | |
|------------------|------------------|------------------|------------------|------------------|
| | 2001 | 2000 | 2001 | 2000 |
| | R M | RM | R M | RM |
| Interest expense | <u>1,667,203</u> | <u>2,451,843</u> | <u>1,372,540</u> | <u>2,098,186</u> |

8 Taxation

| | Group | | Company | |
|--------------------------------------------------------------------|------------------|------------------|------------------|------------------|
| | 2001 | 2000 | 2001 | 2000 |
| | R M | RM | R M | RM |
| Taxation based on the profit for the financial year: | | | | |
| Malaysian income tax | 3,648,654 | 2,295,092 | 6,900,000 | 7,220,000 |
| Transfer to deferred taxation | - | 4,794 | - | - |
| | <u>3,648,654</u> | <u>2,299,886</u> | <u>6,900,000</u> | <u>7,220,000</u> |
| Taxation under/(over) provided in respect of prior financial years | (102,861) | 77,071 | (288,172) | 63,076 |
| Real property gains tax on disposal of landed property | 69,878 | - | - | - |
| Share of taxation of associated company | 24,453 | 45,913 | - | - |
| | <u>3,640,124</u> | <u>2,422,870</u> | <u>6,611,828</u> | <u>7,283,076</u> |

The effective tax rate of the Group for the current financial year is higher than the statutory rate because certain expenses are not deductible for tax purposes.

The effective tax rate of the Company for the current financial year is lower than the statutory rate because of tax exempt dividends received from a subsidiary company and an associated company.

8 Taxation(continued)

The Group has, subject to confirmation by the Inland Revenue Board, the following reliefs against which no future tax benefit has been taken up:

| | 2001 | 2000 |
|------------------------------------|------------|--------|
| | RM ' 0 0 0 | RM'000 |
| Tax losses carried forward | 2,422 | 2,177 |
| Unabsorbed capital allowances | 3,760 | 2,719 |
| Unabsorbed reinvestment allowances | 4,030 | 3,802 |

9 Earnings per share

Group only

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the financial year:

| | 2001 | 2000 |
|-----------------------------------------------------|------------|------------|
| Net profit attributable to shareholders (RM'000) | 7,725 | 9,433 |
| Weighted average number of ordinary shares in issue | 90,005,002 | 90,005,002 |
| Basic earnings per share (sen) | 8.58 | 10.48 |

For the diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The company has one category of dilutive potential ordinary shares which is share options granted to eligible employees. A calculation is done to determine the number of shares that could have been acquired at the average transacted share price of the company's shares based on the option price attached to outstanding share options. This calculation serves to determine the unpurchased shares to be added to the ordinary shares outstanding for the purpose of computing the dilution. No adjustment is made to net profit attributable to shareholders. Based on this calculation, it is anti-dilutive and therefore the diluted earnings per share is not presented.

**10 Share capital**

| | 2001 R M | 2000 RM |
|-----------------------------|-------------|-------------|
| Authorised: | | |
| Ordinary shares of RM1 each | 200,000,000 | 200,000,000 |

Employees' share option scheme

The Oriental Interest Berhad Employees' Share Option Scheme ("ESOS") was approved by the shareholders at the Extraordinary General Meeting held on 21 November 1996. The main features of the ESOS are as follows:

- (a) Eligible persons are full time employees of the Group (including Executive Directors) who have been confirmed and served at least one full year (three full years for foreign employees) prior to the date of offer, being the date when an offer is made by the Option Committee in writing to the eligible employees. The eligibility for participation in the ESOS shall be at the absolute discretion of the Option Committee.
- (b) The total number of ordinary shares to be offered shall not exceed 10% of the issued and paid up ordinary share capital of the Company at any point of time during the duration of the ESOS.
- (c) No options shall be granted for more than 500,000 ordinary shares.
- (d) The option price for each of RM1.00 ordinary share shall be the average of the mean market quotation of the shares of the Company, as shown in the daily official list issued by Kuala Lumpur Stock Exchange, for the five market days immediately prior to the respective dates of offer or at the par value of the share, whichever is higher.
- (e) The ESOS shall be in force for a duration of five years commencing from 4 February 1997 and expiring on 3 February 2002.
- (f) The number of ordinary shares relating to the option or option price or the terms and method of exercise of the option, as far as the option remaining unexercised, shall be adjusted in the event of any alteration in the capital structure of the Company during the option period.
- (g) The consideration is payable in full upon exercising of option and the option does not grant any right to participate in any share issue of any other company.
- (h) Subject to the approval of the Securities Commission, Registrar of Companies, Kuala Lumpur Stock Exchange and other relevant authorities, the terms and conditions of the ESOS may from time to time be modified and/or amended by a resolution of the Board without the approval of the company in a general meeting provided that no such amendment shall be made which would either prejudice the rights then accrued to any grantee who has accepted an offer without his/her prior consent, increase or alter the maximum allowable allotment of the ordinary shares available under the ESOS or render the rights of any grantee more favourable.



The details of options granted to subscribe for ordinary shares which were outstanding at 30 June 2001 are as follows:

| Option expiry date | Option price R M | Number of ordinary shares | | |
|--------------------|---------------------|---------------------------|------------------|--------------------|
| | | At 1 July 2000 | Lapsed | At 30 June 2001 |
| 3 February 2002 | 3.71 | <u>6,349,000</u> | <u>(843,000)</u> | <u>5,506,000</u> |

During the financial year ended 30 June 2001, 843,000 of the options lapsed due to resignations.

11 Retained earnings

Company

The Company has, subject to confirmation by the Inland Revenue Board, sufficient tax exempt account balance and tax credit under Section 108 of the Income Tax Act, 1967 to frank the payment of net dividends out of all its retained earnings at 30 June 2001, without incurring any additional taxation.

12 Term loans

The details of term loans are as follows:

| | Group 2001 | 2000 | Company 2001 | 2000 |
|--------------------------------------------------------------------------|---------------|---------------|-----------------|----------|
| | R M | RM | R M | RM |
| Unsecured | 50,292 | 162,915 | - | 48,730 |
| Repayments due within twelve months (included in current liabilities) | (50,292) | (112,797) | - | (48,730) |
| | <u>-</u> | <u>50,118</u> | <u>-</u> | <u>-</u> |

Interest rates for the financial year ranged between 8.05% and 8.30% (2000: 7.80% and 9.25%) per annum.

13 Hire-purchase creditors (2000 only)

Group only

| | 2000 RM |
|-----------------------------------------------------------------------|-----------------|
| Hire-purchase creditors | 36,018 |
| Repayments due within twelve months (included in current liabilities) | <u>(36,018)</u> |
| | <u>-</u> |

Interest was payable at rates ranged between 11.26% and 12.26% per annum.

14 Deferred taxation

| Group only | 2001 R M | 2000 R M |
|--------------------------------|---------------|---------------|
| At 1 July | 58,794 | 54,000 |
| Transfer from income statement | - | 4,794 |
| At 30 June | <u>58,794</u> | <u>58,794</u> |

15 Property, plant and equipment

The details of property, plant and equipment are as follows:

| Group | Land and buildings, atcost/valuation | Plantation development expenditure, atcost | Furniture and fittings, office equipment and electrical installation, atcost | Plant and machinery, atcost | Motor vehicles, atcost | Site equipment, atcost | Renovations, atcost | Capital work in progress, atcost | Total |
|---------------------------------|--------------------------------------|--------------------------------------------|------------------------------------------------------------------------------|-----------------------------|------------------------|------------------------|---------------------|----------------------------------|-------------------|
| | R M | R M | R M | R M | R M | R M | R M | R M | R M |
| Cost or valuation | | | | | | | | | |
| At 1 July | 20,772,290 | 407,022 | 2,852,779 | 13,282,586 | 3,613,650 | 88,150 | 210,702 | 3,600 | 41,230,779 |
| Additions | 26,530 | 97,181 | 98,160 | 350,356 | 808,185 | - | - | - | 1,380,412 |
| Disposals | (176,915) | - | - | (517,303) | (37,516) | - | - | - | (731,734) |
| Write off | - | - | (56,318) | - | - | - | - | - | (56,318) |
| At 30 June 2001 | <u>20,621,905</u> | <u>504,203</u> | <u>2,894,621</u> | <u>13,115,639</u> | <u>4,384,319</u> | <u>88,150</u> | <u>210,702</u> | <u>3,600</u> | <u>41,823,139</u> |
| Accumulated depreciation | | | | | | | | | |
| At 1 July 2000 | 1,532,538 | - | 1,934,262 | 8,221,374 | 3,242,435 | 22,828 | 116,004 | - | 15,069,441 |
| Charge for the financial year | 284,562 | 12,605 | 278,505 | 1,000,175 | 259,795 | 16,765 | 21,547 | - | 1,873,954 |
| Disposals | (19,461) | - | - | (498,410) | (37,516) | - | - | - | (555,387) |
| Write off | - | - | (55,638) | - | - | - | - | - | (55,638) |
| At 30 June 2001 | <u>1,797,639</u> | <u>12,605</u> | <u>2,157,129</u> | <u>8,723,139</u> | <u>3,464,714</u> | <u>39,593</u> | <u>137,551</u> | <u>-</u> | <u>16,332,370</u> |
| Net book value | | | | | | | | | |
| 30 June 2001 | <u>18,824,266</u> | <u>491,598</u> | <u>737,492</u> | <u>4,392,500</u> | <u>919,605</u> | <u>48,557</u> | <u>73,151</u> | <u>3,600</u> | <u>25,490,769</u> |

15 Property, plant and equipment (continued)

The land and buildings of the Group comprise:

| | Land, atcost/valuation | Buildings, atcost | Building, atvaluation | Factory building, atcost | Factory building, atvaluation | Total |
|---------------------------------|------------------------|-------------------|-----------------------|--------------------------|-------------------------------|-------------------|
| | R M | R M | R M | R M | R M | R M |
| Cost or valuation | | | | | | |
| At 1 July 2000 | 9,050,870 | 5,260,947 | 954,000 | 1,006,473 | 4,500,000 | 20,772,290 |
| Additions | - | 2,642 | - | 23,888 | - | 26,530 |
| Disposals | - | (176,915) | - | - | - | (176,915) |
| At 30 June 2001 | <u>9,050,870</u> | <u>5,086,674</u> | <u>954,000</u> | <u>1,030,361</u> | <u>4,500,000</u> | <u>20,621,905</u> |
| Accumulated depreciation | | | | | | |
| At 1 July 2000 | 288,846 | 470,007 | 103,960 | 134,506 | 535,219 | 1,532,538 |
| Charge for the financial year | 46,020 | 103,450 | 19,080 | 39,746 | 76,266 | 284,562 |
| Disposals | - | (19,461) | - | - | - | (19,461) |
| At 30 June 2001 | <u>334,866</u> | <u>553,996</u> | <u>123,040</u> | <u>174,252</u> | <u>611,485</u> | <u>1,797,639</u> |
| Net book value | | | | | | |
| 30 June 2001 | <u>8,716,004</u> | <u>4,532,678</u> | <u>830,960</u> | <u>856,109</u> | <u>3,888,515</u> | <u>18,824,266</u> |



15 Property, plant and equipment (continued)

The land of the Group comprise:

| 2001 | Freehold land, at cost R M | Freehold land, at valuation R M | Long term leasehold land, at cost R M | Long term leasehold land, at valuation R M | Short term leasehold land, at valuation R M | Freehold oil palm plantation lands, at cost R M | Total R M |
|---------------------------------|-------------------------------|------------------------------------|------------------------------------------|-----------------------------------------------|------------------------------------------------|----------------------------------------------------|--------------|
| Cost or valuation | | | | | | | |
| At 1 July 2000 | 934,127 | 1,042,000 | 46,082 | 1,519,222 | 1,152,778 | 4,356,661 | 9,050,870 |
| Reclassification | - | - | - | (922,222) | 922,222 | - | - |
| At 30 June 2001 | 934,127 | 1,042,000 | 46,082 | 597,000 | 2,075,000 | 4,356,661 | 9,050,870 |
| Accumulated depreciation | | | | | | | |
| At 1 July 2000 | - | - | - | 152,918 | 135,928 | - | 288,846 |
| Charge for the financial year | - | - | - | 25,169 | 20,851 | - | 46,020 |
| Reclassification | - | - | - | (125,422) | 125,422 | - | - |
| At 30 June 2001 | - | - | - | 52,665 | 282,201 | - | 334,866 |
| Net book value | | | | | | | |
| 30 June 2001 | 934,127 | 1,042,000 | 46,082 | 544,335 | 1,792,799 | 4,356,661 | 8,716,004 |

| 2000 | Land and buildings, at cost/ valuation R M | Plantation development expenditure, at cost R M | Furniture and fittings, office equipment and electrical installation, at cost R M | Plant and machinery, at cost R M | Motor vehicles, at cost R M | Site equipment, at cost R M | Renovations, at cost R M | Capital work in progress, at cost R M | Total R M |
|---------------------------------|--------------------------------------------------|----------------------------------------------------|--------------------------------------------------------------------------------------|-------------------------------------|--------------------------------|--------------------------------|-----------------------------|------------------------------------------|--------------|
| Cost or valuation | | | | | | | | | |
| At 1 July 1999 | 20,718,078 | 208,157 | 2,794,863 | 12,235,256 | 3,510,676 | 37,150 | 210,702 | 3,600 | 39,718,482 |
| Additions | 54,212 | 198,865 | 187,007 | 1,342,849 | 102,974 | 51,000 | - | - | 1,936,907 |
| Disposals | - | - | (58,864) | (295,520) | - | - | - | - | (354,384) |
| Write off | - | - | (70,227) | - | - | - | - | - | (70,227) |
| At 30 June 2000 | 20,772,290 | 407,022 | 2,852,779 | 13,282,585 | 3,613,650 | 88,150 | 210,702 | 3,600 | 41,230,778 |
| Accumulated depreciation | | | | | | | | | |
| At 1 July 1999 | 1,249,728 | - | 1,775,355 | 7,542,768 | 2,902,585 | 6,063 | 95,601 | - | 13,572,100 |
| Charge for the financial year | 282,810 | - | 275,247 | 961,456 | 339,849 | 16,765 | 20,403 | - | 1,896,530 |
| Disposals | - | - | (57,212) | (282,850) | - | - | - | - | (340,062) |
| Write off | - | - | (59,128) | - | - | - | - | - | (59,128) |
| At 30 June 2000 | 1,532,538 | - | 1,934,262 | 8,221,374 | 3,242,434 | 22,828 | 116,004 | - | 15,069,440 |
| Net book value | | | | | | | | | |
| 30 June 2000 | 19,239,752 | 407,022 | 918,517 | 5,061,211 | 371,216 | 65,322 | 94,698 | 3,600 | 26,161,338 |

**15 Property, plant and equipment (continued)**

The land and buildings of the Group comprise:

| 2000 | Land, at cost/ valuation R M | Buildings, at cost R M | Buildings, at valuation R M | Factory Building, at cost R M | Factory building, at valuation R M | Total R M |
|---------------------------------|---------------------------------------|------------------------------|-----------------------------------|----------------------------------------|---------------------------------------------|--------------|
| Cost or valuation | | | | | | |
| At 1 July 1999 | 9,050,870 | 5,260,947 | 954,000 | 952,261 | 4,500,000 | 20,718,078 |
| Additions | - | - | - | 54,212 | - | 54,212 |
| At 30 June 2000 | 9,050,870 | 5,260,947 | 954,000 | 1,006,473 | 4,500,000 | 20,772,290 |
| Accumulated depreciation | | | | | | |
| At 1 July 1999 | 242,825 | 364,788 | 84,880 | 109,188 | 448,047 | 1,249,728 |
| Charge for the financial year | 46,021 | 105,219 | 19,080 | 25,318 | 87,172 | 282,810 |
| At 30 June 2000 | 288,846 | 470,007 | 103,960 | 134,506 | 535,219 | 1,532,538 |
| Net book value | | | | | | |
| 30 June 2000 | 8,762,024 | 4,790,940 | 850,040 | 871,967 | 3,964,781 | 19,239,752 |

The land of the Group comprise:

| 2000 | Freehold land, at cost R M | Freehold land, at valuation R M | Long term leasehold land, at cost R M | Long term leasehold land, at valuation R M | Short term leasehold land, at valuation R M | Freehold oil palm plantation land, at cost R M | Total R M |
|---------------------------------|-------------------------------------|------------------------------------------|---------------------------------------------------|--------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------------|--------------|
| Cost or valuation | | | | | | | |
| At 1 July 1999/30 June 2000 | 934,127 | 1,042,000 | 46,082 | 1,519,222 | 1,152,778 | 4,356,661 | 9,050,870 |
| Accumulated depreciation | | | | | | | |
| At 1 July 1999 | - | - | - | 127,749 | 115,076 | - | 242,825 |
| Charge for the financial year | - | - | - | 25,169 | 20,852 | - | 46,021 |
| At 30 June 2000 | - | - | - | 152,918 | 135,928 | - | 288,846 |
| Net book value | | | | | | | |
| 30 June 2000 | 934,127 | 1,042,000 | 46,082 | 1,366,304 | 1,016,850 | 4,356,661 | 8,762,024 |

Company

| 2001 | Furniture and fittings R M | Office equipment R M | Total R M |
|---------------------------------|-------------------------------------|----------------------------|--------------|
| Cost | | | |
| At 1 July 2000 | 4,100 | 11,610 | 15,710 |
| Write off | - | (8,620) | (8,620) |
| At 30 June 2001 | 4,100 | 2,990 | 7,090 |
| Accumulated depreciation | | | |
| At 1 July 2000 | 4,098 | 11,608 | 15,706 |
| Write off | - | (8,619) | (8,619) |
| At 30 June 2001 | 4,098 | 2,989 | 7,087 |
| Net book value | | | |
| 30 June 2001 | 2 | 1 | 3 |

**15 Property, plant and equipment (continued)**

| | Furniture and fittings R M | Office equipment R M | Total R M |
|-------------------------------|-----------------------------------------------|-------------------------------------|----------------------|
| 2000 | | | |
| Cost | | | |
| At 1 July 1993/30 June 2000 | 4,100 | 11,610 | 15,710 |
| Depreciation | | | |
| At 1 July 1999 | 4,098 | 10,612 | 14,710 |
| Charge for the financial year | - | 996 | 996 |
| At 30 June 2000 | 4,098 | 11,608 | 15,706 |
| Net book value | | | |
| 30 June 2000 | 2 | 2 | 4 |

The title deeds in respect of certain leasehold land belonging to the subsidiary companies have yet to be issued, pending finalisation of the relevant transfer documents.

The net book value of freehold land, long term and short term leasehold land, building and factory building at valuation that would otherwise be stated in the financial statements had the assets been carried at cost less depreciation amounts to RM4,335,771 (2000: RM4,384,539).

The landed properties were revalued by the Directors during the financial year ended 30 June 1995 based on the open market values basis and approved by the Securities Commission. The tax effect arising from property revaluation surplus are not disclosed as there is no intention to dispose of these properties in the foreseeable future.

Net book value of assets acquired under hire-purchase agreements:

| | 2001 R M | 2000 RM |
|---------------------|---------------------|--------------------|
| Plant and machinery | - | 135,131 |

16 Subsidiary companies

The subsidiary companies are:

| Name of company | Country of incorporation | Interest in equity held by | | | | Principal activities |
|--------------------------------------|--------------------------|----------------------------|--------|--------------------|--------|------------------------------------------------------------------------------------------|
| | | Company | | Subsidiary company | | |
| | | 2001 % | 2000 % | 2001 % | 2000 % | |
| Brilliant Development Sdn. Bhd. | Malaysia | 100 | 100 | - | - | Property development and oil palm plantation |
| United Pearl Holdings Sdn. Bhd. | Malaysia | - | - | 100 | 100 | Property development |
| Sungei Lalang Development Sdn. Bhd. | Malaysia | - | - | 100 | 100 | Dormant |
| Semua Jadi Sdn. Bhd. | Malaysia | 100 | 100 | - | - | Property development and general construction |
| Maxilux Properties Sdn. Bhd. | Malaysia | - | - | 100 | 100 | Property development |
| Teguh Padu Development Sdn. Bhd. | Malaysia | - | - | 100 | 100 | Property development |
| Pesaka Saujana (M) Sdn. Bhd. | Malaysia | - | - | 100 | 100 | Property development |
| Pesaka Saujana Development Sdn. Bhd. | Malaysia | 100 | 100 | - | - | Property development |
| Cahajaya Timber Industries Sdn. Bhd. | Malaysia | 100 | 100 | - | - | Manufacture of kiln dried rubberwood, sawn timber, solid doors and moulded wood products |
| Guar Timber Industries Sdn. Bhd. | Malaysia | - | - | 100 | 100 | Dormant |
| Cahajaya Furniture Sdn. Bhd. | Malaysia | - | - | 100 | 100 | Manufacture of furniture and furniture parts and letting of business premises |
| Aturan Cemerlang Sdn. Bhd. | Malaysia | 51 | 51 | - | - | Investment holding |
| Central Kedah Brick Kiln Sdn. Berhad | Malaysia | - | - | 100 | 100 | Investment holding |
| Brilliant Alliance Sdn. Bhd. | Malaysia | 70 | 70 | - | - | Investment holding |
| Yiked Alliance Sdn. Bhd. | Malaysia | - | - | 80 | 80 | Property development |
| Yiked Brilliant Sdn. Bhd. | Malaysia | - | - | 80 | 80 | Property development |

| | 2001 R M | 2000 RM |
|--------------------------|-------------------|-------------------|
| Unquoted shares, at cost | <u>99,597,000</u> | <u>85,388,000</u> |

Amount due from subsidiary companies bear interest at rates ranging from 1% to 8% per annum (2000: 1% to 8.38%) and is repayable on demand.

17 Associated companies

The associated companies are:

| Name of company | Country of incorporation | Financial year end | Interest in equity | | Principal activities |
|--------------------------------|--------------------------|--------------------|--------------------|-----------|-----------------------------|
| | | | 2001 % | 2000 % | |
| Perisai Tenggara (M) Sdn. Bhd. | Malaysia | 30 June | 50 | 50 | Dormant since incorporation |
| Brilliant Delta (M) Sdn. Bhd. | Malaysia | 31 December | 43 | 43 | Oil palm plantation |

| | Group | | Company | |
|-----------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2001 R M | 2000 RM | 2001 R M | 2000 RM |
| Unquoted shares, at cost | 10,000,001 | 10,000,001 | 10,000,001 | 10,000,001 |
| Share of post-acquisition profit net of dividend received | 739,840 | 699,284 | - | - |
| | <u>10,739,841</u> | <u>10,699,285</u> | <u>10,000,001</u> | <u>10,000,001</u> |

Represented by:

Share of net assets of associated companies

10,739,840 10,699,285

18 Real property assets

Group only

Real property assets stated at cost are made up as follows:

| | 2001 R M | 2000 RM |
|--------------------------|-------------------|-------------------|
| Freehold land | 21,988,991 | 22,013,610 |
| Long term leasehold land | 4,700,000 | 4,700,000 |
| Related expenditure | 7,035,719 | 5,861,278 |
| | <u>33,724,710</u> | <u>32,574,888</u> |

19 Investments

Group only

| | 2001 R M | 2000 RM |
|--------------------------------------------------|--------------|--------------|
| Share in corporation quoted in Malaysia, at cost | <u>5,700</u> | <u>5,700</u> |
| Market value of quoted shares | <u>2,220</u> | <u>5,850</u> |

**20 Development properties****Group only**

Development properties are made up as follows:

| | 2001 R M | 2000 RM |
|-----------------------------------------------------------|--------------------|--------------------|
| Freehold land, at cost | 77,759,656 | 77,937,515 |
| Development expenditure, at cost plus attributable profit | 297,979,357 | 234,126,402 |
| | 375,739,013 | 312,063,917 |
| Progress billings received and receivable | (261,930,004) | (199,230,859) |
| | <u>113,809,009</u> | <u>112,833,058</u> |

The following expenditure incurred during the financial year have been capitalised to development properties:

| | 2001 R M | 2000 RM |
|-----------------------------|-------------|------------|
| Hire of equipment | - | 263,281 |
| Hire of plant and machinery | 39,213 | 94,698 |

The title deeds in respect of certain land have yet to be issued pending finalisation of relevant transfer documents.

21 Inventories**Group only**

| | 2001 R M | 2000 RM |
|-----------------------------------|------------------|------------------|
| At cost: | | |
| Work in progress | 4,171,256 | 8,828,054 |
| Finished goods | 301,030 | 423,701 |
| Consumables | 178,550 | 218,903 |
| Plantation supplies | 2,749 | - |
| | <u>4,653,585</u> | <u>9,470,658</u> |
| At net realisable value: | | |
| Work in progress | 2,041,780 | - |
| | <u>6,695,365</u> | <u>9,470,658</u> |
| Allowance for diminution in value | - | (2,012,601) |
| | <u>6,695,365</u> | <u>7,458,057</u> |

**22 Other receivables, deposits and prepayments**

| | Group | | Company | |
|-------------------|------------------|------------------|----------|--------------|
| | 2001 | 2000 | 2001 | 2000 |
| | R M | RM | R M | RM |
| Other receivables | 333,290 | 734,957 | - | 2,371 |
| Deposits | 1,275,272 | 1,691,840 | - | - |
| Prepayments | 63,652 | 98,909 | - | - |
| | <u>1,672,214</u> | <u>2,525,706</u> | <u>-</u> | <u>2,371</u> |

23 Fixed deposits with licensed banks**Group only**

The fixed deposits with licensed banks pledged to the bank as security against bankers' guarantee facilities granted amounted to RM Nil (2000: RM107,630).

24 Cash and bank balances

| | Group | | Company | |
|---------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|---------------|--------------|
| | 2001 | 2000 | 2001 | 2000 |
| | R M | RM | R M | RM |
| Cash and bank balances held under Housing Development Accounts pursuant to Section 7A of the Housing Developers (Control and Licensing) Act, 1966 | 928,835 | 1,493,540 | - | - |
| Cash at bank and in hand | 8,043,958 | 2,356,974 | 57,127 | 1,873 |
| | <u>8,972,793</u> | <u>3,850,514</u> | <u>57,127</u> | <u>1,873</u> |

25 Other payables and accrued liabilities

| | Group | | Company | |
|---------------------|------------------|------------------|----------------|----------------|
| | 2001 | 2000 | 2001 | 2000 |
| | R M | RM | R M | RM |
| Other payables | 1,666,167 | 3,694,718 | - | 23,208 |
| Accrued liabilities | 1,037,475 | 1,448,095 | 290,624 | 286,173 |
| | <u>2,703,642</u> | <u>5,142,813</u> | <u>290,624</u> | <u>309,381</u> |

26 Short term borrowings**Group and Company**

The short term borrowings are unsecured and interest rates for the financial year ranged between 3.50% and 6.30% (2000: 3.50% and 8.55%) per annum.

27 Bank overdrafts**Group and Company**

The bank overdrafts are unsecured and interest rates for the financial year ranged between 7.55% and 9.15% (2000: 7.55% and 9.25%) per annum.

28 Dividend

| | 2001 | | 2000 | |
|-----------------------------------------------------------------------------------|----------------------------|----------------------------|----------------------------|---------------------------|
| | Net dividend per share Sen | Amount of net dividend R M | Net dividend per share Sen | Amount of net dividend RM |
| Paid: | | | | |
| First and final dividend, less income tax, in respect of preceding financial year | 5.04 | 4,536,252 | 5.04 | 4,536,252 |

At the forthcoming Annual General Meeting on 25 October 2001, a first and final dividend in respect of the year ended 30 June 2001 of 5.04 sen per share (year ended 30 June 2000: actual dividend of 5.04 sen per share) amounting to RM 4,536,252 (year ended 30 June 1999: actual dividend of RM4,536,252) will be proposed for members' approval. These financial statements do not reflect this first and final dividend which, when approved by members, will be accounted for as an appropriation of retained earnings from shareholders' equity in the financial year ending 30 June 2002.

29 Cash flow from operations

| | Group | | Company | |
|------------------------------------------------------------------|-------------|--------------|--------------|--------------|
| | 2001 R M | 2000 RM | 2001 R M | 2000 RM |
| Net profit before taxation attributable to shareholders | 11,365,475 | 11,855,424 | 26,439,697 | 26,015,556 |
| Adjustments for: | | | | |
| Depreciation of property, plant and equipment | 1,873,954 | 1,896,530 | - | 996 |
| Dividend income | - | - | (25,250,382) | (25,434,953) |
| Profit on disposal of property, plant and equipment | (593,500) | (69,836) | - | - |
| Gain arising from compulsory acquisition of real property assets | - | (1,437,325) | - | - |
| Minority interests in profit for the financial year | 626,965 | 858,314 | - | - |
| Interest income | (244,791) | (112,303) | (2,710,686) | (2,993,031) |
| Property, plant and equipment written off | 680 | 11,099 | 1 | - |
| Interest expense | 1,667,203 | 2,451,843 | 1,372,540 | 2,098,186 |
| Inventories written off | - | 227,144 | - | - |
| Bad debts written off | - | 49,793 | - | - |
| Share of results of associated company | (75,009) | (755,197) | - | - |
| | 3,255,502 | 3,120,062 | (26,588,527) | (26,328,802) |
| | 14,620,977 | 14,975,486 | (148,830) | (313,246) |
| Changes in working capital: | | | | |
| Development properties | (975,951) | (13,504,753) | - | - |
| Stocks of unsold houses | 373,795 | (1,944,056) | - | - |
| Inventories | 762,692 | (1,334,910) | - | - |
| Receivables | (464,105) | 19,116,655 | 2,371 | (2,371) |
| Payables | (1,348,564) | (1,976,431) | (18,757) | 75,852 |
| Related company balances | - | - | 2,578,296 | (3,115,337) |
| | (1,652,133) | 356,505 | 2,561,910 | (3,041,856) |
| Cash flow from operations | 12,968,844 | 15,331,991 | 2,413,080 | (3,355,102) |

**30 Cash and cash equivalents**

Cash and cash equivalents included in the cash flow statements comprise the following:

| | Group | | Company | |
|------------------------------------|--------------------------|----------------|-------------------------|--------------------|
| | 2001 | 2000 | 2001 | 2000 |
| | R M | RM | R M | RM |
| Fixed deposits with licensed banks | 2,619,900 | 220,630 | - | - |
| Cash and bank balances | 8,972,802 | 3,850,514 | 57,127 | 1,873 |
| Bank overdrafts | (640,575) | (3,722,490) | (308,329) | (2,310,760) |
| | <u>10,952,127</u> | <u>348,654</u> | <u>(251,202)</u> | <u>(2,308,887)</u> |

31 Contingent liabilities

| | Group | | Company | |
|------------------------------------------------------------------------------|------------------|-------------|------------------|-------------|
| | 2001 | 2000 | 2001 | 2000 |
| | R M | RM | R M | RM |
| Bank guarantees issued to third parties | | | | |
| - secured | - | 107,630 | - | - |
| - unsecured | 2,770,574 | 2,524,340 | - | - |
| Guarantee for banking facilities granted to subsidiary companies - unsecured | - | - | 1,486,420 | 1,230,460 |

The Company also provides a guarantee for supplier credit facilities granted to a subsidiary company.

32 Significant related party disclosure

- (a) All subsidiary and associated companies, as set out in Notes 16 and 17 to the financial statements, are considered to be related to Oriental Interest Berhad ("the Company"). Other related parties having transactions with the Group and the Company are as follows: -

| Name of company | Relationship |
|--------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Conlin Sdn. Bhd. | Enterprise that is a substantial shareholder of the Company |
| Tentumewah Sdn. Bhd. | Enterprise in which a substantial interest is owned indirectly by Directors and substantial shareholders of the Company |
| Brilliant Sun Sdn. Bhd. | Wholly-owned subsidiary of Tentumewah Sdn. Bhd. |
| Ladang Sin Hock Sdn. Bhd. | Enterprise in which substantial interests are owned directly by a Director and indirectly by other Directors as well as substantial shareholders of the Company |
| First Light Industries Sdn. Bhd. | Enterprise that is indirectly controlled by a Director, who is also a substantial shareholder of the Company |
| Teong Choon Enterprise (M) Sdn. Bhd. | Enterprise in which a substantial interest is owned directly by a person connected with a Director, who is also a substantial shareholder of the Company |

- (b) Significant related party transactions during the financial year are as follows: -

| Group | 2001 | 2000 |
|--------------------------------------------------------------|-----------------------|----------------|
| | RM | RM |
| Trade: | | |
| Purchases of construction materials from Conlin Sdn. Bhd. | 2,771,640 | 1,202,950 |
| Purchases of semi-produced timber from First Light Sdn. Bhd. | <u>747,278</u> | <u>648,026</u> |

The above transactions were established based on terms and rates agreed between the Group and the respective related parties.



- (c) There is no significant balance arising from related party transactions, other than normal trade transaction, remained outstanding as at the balance sheet date.

33 Segmental reporting

Group only

| 2001 | Revenue RM ' 000 | Profit from ordinary activities before taxation RM ' 000 | Identifiable assets RM ' 000 |
|----------------------------------------------------------------------|---------------------|----------------------------------------------------------------------------|------------------------------------|
| Analysis by activity: | | | |
| Property development | 82,944 | 10,790 | 206,835 |
| Manufacturing | 21,618 | 1,374 | 25,242 |
| Others | - | (247) | (184) |
| | <u>104,683</u> | <u>11,917</u> | <u>231,894</u> |
| Group's share of associated company's results and assets employed | - | 75 | 10,740 |
| | <u>104,683</u> | <u>11,992</u> | <u>242,634</u> |

| 2000 | Revenue RM ' 000 | Profit from ordinary activities before taxation RM ' 000 | Identifiable assets RM ' 000 |
|----------------------------------------------------------------------|---------------------|----------------------------------------------------------------------------|------------------------------------|
| Analysis by activity: | | | |
| Property development | 53,089 | 7,092 | 194,915 |
| Manufacturing | 33,316 | 5,218 | 26,652 |
| Others | - | (351) | 92 |
| | <u>86,405</u> | <u>11,959</u> | <u>221,659</u> |
| Group's share of associated company's results and assets employed | - | 755 | 10,699 |
| | <u>86,405</u> | <u>12,714</u> | <u>232,358</u> |

All activities of the Group are carried out in Malaysia and as such segmental reporting by geographical location is not presented.



**Statement by Directors pursuant to
Section 169(15) of the Companies Act, 1965**

We, Dato' Haji Thobrani Bin Haji Hanafi, DSDK, BCK, BKM, JP and Goh Cheng Hock, being two of the Directors of Oriental Interest Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 35 to 59 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2001 and of the results and cash flows of the Group and of the Company for the financial year ended on that date in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

In accordance with a resolution of the Board of Directors dated 6 September 2001.

Dato' Haji Thobrani Bin Haji Hanafi, DSDK, BCK, BKM, JP
Executive Chairman

Goh Cheng Hock
Managing Director

**Statutory declaration pursuant to
Section 169(16) of the Companies Act, 1965**

I, Koay Leong Eng, being the Director primarily responsible for the financial management of Oriental Interest Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 35 to 59 are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Koay Leong Eng
Executive Director

Subscribed and solemnly declared at Sungai Petani on 6 September 2001.

Before me

Commissioner for Oaths

Analysis of Shareholdings as at 3 September 2001

| | | |
|----------------------------------------|---|------------------------------------------|
| Authorised share capital | : | RM2,000,000,000/= |
| Issued and fully paid-up share capital | : | RM90,005,002/= |
| Class of share | : | Ordinary shares of RM1/= each fully paid |
| Voting rights | : | One vote per share |

Thirty Largest Shareholders

| Name | No. of Shares | % of Issued Share Capital |
|----------------------------------------------------------------|-------------------|---------------------------|
| 1. Thobrani Holdings Sdn Bhd | 11,085,365 | 12.32 |
| 2. Longway Sdn Bhd | 6,352,997 | 7.06 |
| 3. Goh Cheng Hock Holdings Sdn Bhd | 5,542,000 | 6.16 |
| 4. Tai Lean Development Sdn Bhd | 3,998,624 | 4.44 |
| 5. Teoh Peng Yeow | 3,622,000 | 4.02 |
| 6. Toong Yik Realty (Sendirian) Berhad | 3,470,570 | 3.86 |
| 7. Permodalan Nasional Berhad | 2,369,794 | 2.63 |
| 8. Fortune Yields Sdn Bhd | 2,357,000 | 2.62 |
| 9. Conlin Sdn Bhd | 1,976,935 | 2.20 |
| 10. Daedalin Sdn Bhd | 1,959,232 | 2.18 |
| 11. Alliancegroup Nominees (Tempatan) Sdn Bhd | 1,911,635 | 2.12 |
| Pledged Securities Account for Thobrani Holdings Sdn Bhd | | |
| 12. Hoe Siew Mee | 1,757,741 | 1.95 |
| 13. K T Ooi Holdings Sdn Bhd | 1,686,171 | 1.87 |
| 14. Ahead Development Sdn Bhd | 1,533,459 | 1.70 |
| 15. Tow Hing Wa Holdings Sdn Bhd | 1,482,182 | 1.65 |
| 16. Lembaga Tabung Haji | 1,459,793 | 1.62 |
| 17. Goh Cheng Guan Holdings Sdn Bhd | 1,314,191 | 1.46 |
| 18. Taraf Johan Sdn Bhd | 1,255,124 | 1.39 |
| 19. Horich Sdn Bhd | 1,053,106 | 1.17 |
| 20. Employees Provident Fund Board | 1,014,000 | 1.13 |
| 21. Goh Aik Lean | 1,000,000 | 1.11 |
| 22. Goh Aik Keong | 997,585 | 1.11 |
| 23. Alliancegroup Nominees (Tempatan) Sdn Bhd | 900,000 | 1.00 |
| Pledged Securities Account for Goh Aik Lai Holdings Sdn Bhd | | |
| 24. HSBC Nominees (Tempatan) Sdn Bhd | 796,000 | 0.88 |
| HSBC (Malaysia) Trustee Berhad for Amanah Saham Kedah | | |
| 25. Yap Shing @ Yap Sue Kim | 714,000 | 0.79 |
| 26. Alliancegroup Nominees (Tempatan) Sdn Bhd | 700,000 | 0.78 |
| Pledged Securities Account for Perfect Scores Sdn Bhd | | |
| 27. Yeoh Kooi Chuan | 697,585 | 0.78 |
| 28. Tentumewah Sdn Bhd | 642,078 | 0.71 |
| 29. Mayban Securities Nominees (Tempatan) Sdn Bhd | 620,000 | 0.69 |
| Pledged Securities Account for Yeap Peng Hean (REM 628-Margin) | | |
| 30. Yeap Peng Hean Holdings Sdn Bhd | 573,182 | 0.64 |
| | <u>64,842,349</u> | <u>72.04</u> |

**Distribution Schedule**

| Size of Holdings | No. of Shareholders | % of Shareholders | No. of Shares | % of Issued Share Capital |
|------------------------|---------------------|-------------------|---------------|---------------------------|
| 1 - 999 | 10 | 0.36 | 2,482 | 0.00 |
| 1,000 - 10,000 | 2,508 | 89.06 | 5,934,149 | 6.59 |
| 10,001 - 100,000 | 219 | 7.78 | 6,368,217 | 7.08 |
| 100,001 - 4,500,249 | 76 | 2.70 | 54,719,792 | 60.80 |
| 4,500,250 - 90,005,002 | 3 | 0.11 | 22,980,362 | 25.53 |
| | 2,816 | 100.00 | 90,005,002 | 100.00 |

Substantial Shareholders

| Name | Direct Interest | | Deemed Interest | |
|---------------------------------------------|-----------------|-------|-----------------|-------|
| | No. of Shares | % | No. of Shares | % |
| 1. Akanjadi Sdn Bhd | - | - | 7,406,103 | 8.23 |
| 2. Conlin Sdn Bhd | 1,976,935 | 2.20 | 7,406,103 | 8.23 |
| 3. Datin Sharifah Mahiran Binti Syed Kechil | 11,000 | 0.01 | 12,997,000 | 14.44 |
| 4. Dato' Haji Thobrani Bin Haji Hanafi | 260,453 | 0.29 | 12,997,000 | 14.44 |
| 5. Goh Aik Keong | 997,585 | 1.11 | 8,741,078 | 9.71 |
| 6. Goh Aik Lai | - | - | 7,300,078 | 8.11 |
| 7. Goh Aik Lean | 1,000,000 | 1.11 | 6,384,078 | 7.09 |
| 8. Goh Cheng Hock | 325,002 | 0.36 | 8,741,078 | 9.71 |
| 9. Goh Cheng Hock Holdings Sdn Bhd | 5,542,000 | 6.16 | 842,078 | 0.94 |
| 10. Horich Sdn Bhd | 1,053,106 | 1.17 | 6,352,997 | 7.06 |
| 11. Longway Sdn Bhd | 6,352,997 | 7.06 | - | - |
| 12. Onwards Development Sdn Bhd | 488,914 | 0.54 | 9,383,038 | 10.43 |
| 13. Pemajuan Tanah Patani Sdn Bhd | - | - | 6,352,997 | 7.06 |
| 14. Sinyu Development Sdn Bhd | 17,000 | 0.02 | 9,383,038 | 10.43 |
| 15. Thobrani Holdings Sdn Bhd | 12,997,000 | 14.44 | - | - |
| 16. Toong Yik Realty (Sendirian) Berhad | 3,470,570 | 3.86 | 11,404,727 | 12.67 |

Directors' Interests in Shares

| Name | Direct Interest | | Deemed Interest | |
|---------------------------------------|-----------------|------|-----------------|-------|
| | No. of Shares | % | No. of Shares | % |
| * Dato' Haji Thobrani Bin Haji Hanafi | 260,453 | 0.29 | 12,997,000 | 14.44 |
| * Goh Cheng Hock | 325,002 | 0.36 | 8,741,078 | 9.71 |
| * Goh Ah Lai | - | - | 7,300,078 | 8.11 |
| * Koay Leong Eng | 304,500 | 0.34 | 208,169 | 0.23 |
| Lim Hai Hong @ Lim Hai Hak | 550,931 | 0.61 | 1,959,232 | 2.18 |
| Chai Tin Kok @ Sua Ah Seng | 249,000 | 0.28 | 690,077 | 0.77 |
| Gee Kok Sang | - | - | - | - |
| Ahmad Bin Abdul Rashid | - | - | 60,000 | 0.07 |
| Chin Kuet Sen | 2,000 | 0.00 | - | - |

* Option to subscribe for 500,000 Shares in OIB pursuant to OIB's Employees' Share Option Scheme

**ORIENTAL INTEREST BERHAD (272144-M)***(Incorporated in Malaysia)***PROXY FORM**

I/We,
 (Full name in block letters)

of
 (Address)

being a member/members of Oriental Interest Berhad hereby appoint

.....
 (Full name in block letters)

of
 (Address)

or failing him the CHAIRMAN OF THE MEETING as my/our proxy, to vote for me/us on my/our behalf at the Eighth Annual General Meeting of the Company to be held at Serindit Room, Hotel Equatorial, No. 1, Jalan Bukit Jambul, 11900 Penang on Thursday, 25 October 2001 at 10:00 a.m. and at any adjournment thereof.

| NO. | RESOLUTION | | FOR | AGAINST |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|-----|---------|
| | ORDINARY RESOLUTIONS | | | |
| 1. | To receive and adopt the Audited Financial Statements and the Reports of the Directors and of the Auditors. | -Resolution 1 | | |
| 2. | To re-elect Dato' Haji Thobrani Bin Haji Hanafi who retires pursuant to Article 80. | -Resolution 2 | | |
| 3. | To re-elect Directors who retire pursuant to Article 87: - i) Encik Ahmad Bin Abdul Rashid ii) Mr Chin Kuet Sen | -Resolution 3 -Resolution 4 | | |
| 4. | To re-elect Directors who retire in compliance with Para 7.28(2) of Chapter 7 of the Listing Requirements of the Kuala Lumpur Stock Exchange: - i) Mr Goh Cheng Hock ii) Mr Goh Aik Lai | -Resolution 5 -Resolution 6 | | |
| 5. | To declare a first and final dividend of 7% less Malaysian Income Tax. | -Resolution 7 | | |
| 6. | To approve Directors' fees. | -Resolution 8 | | |
| 7. | To re-appoint Messrs. PricewaterhouseCoopers | -Resolution 9 | | |
| 8. | Authority to issue shares pursuant to Section 132D of the Companies Act, 1965 | -Resolution 10 | | |
| | SPECIAL RESOLUTION | | | |
| 9. | Proposed Amendments to the Articles of Association of the Company. | -Resolution 1 | | |

(Please indicate with "X" how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion)

Signed this day of October, 2001.

No. of Ordinary Shares Held

.....
 Signature of Shareholder(s)

Notes :

1. A proxy shall be a member of the Company and if the proxy is not a member of the Company, the proxy shall be an advocate or an approved company auditor or a person approved by the Registrar of Companies.
2. Where a member appoints more than one (1) proxy (subject always to a maximum of two (2) proxies) the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. If the appointor is a corporation, the proxy form must be executed under its Common Seal or under the hand of its attorney.
4. To be valid, the proxy form duly completed must be deposited at the Company's Registered Office at 1st Floor (Room 102), Wisma Penang Garden, 42 Jalan Sultan Ahmad Shah, 10050 Penang, not less than forty eight (48) hours before the time appointed for holding the meeting.

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Affix
Stamp

ORIENTAL INTEREST BERHAD
(272144-M)

c/o M & C Services Sdn Bhd
1st Floor (Room 102),
Wisma Penang Garden,
42, Jalan Sultan Ahmad Shah,
10050 Penang.

Fold here

Fold this flap for sealing