



human touch



Oriental Interest Berhad
(272144-M)

02	Corporate Information
03	Group Structure
04	Corporate Profile
05	Profile of Directors
08	Financial Highlights
09	Chairman's Statement
12	Corporate Governance Statement
21	Audit Committee Report
25	Statement of Internal Control
27	Reports and Financial Statements
96	Analysis of Shareholdings
98	Properties of the Group
100	Notice of Annual General Meeting
104	Special Resolution 1
113	Statement Accompanying Notice of Annual General Meeting and Other Information
115	Proxy Form

CONTENTS





CORPORATE INFORMATION

for the financial year ended 30 June 2009

Board of Directors

Dato' Haji Thobrani Bin Haji Hanafi
Executive Chairman

Mr Goh Aik Keong
Managing Director

En. Hazman Bin Thobrani
Executive Director

Mr Khaw Eng Peng
Executive Director

Mr Goh Chooi Eam
Non-Independent Non-Executive Director

Tuan Haji Ahmad Bin Abdul Rashid
Senior Independent Non-Executive Director

Mr Koay Chong Beng
Independent Non-Executive Director

Mr Chin Kuet Sen
Independent Non-Executive Director

Audit Committee

Mr Koay Chong Beng
Chairman

Tuan Haji Ahmad Bin Abdul Rashid
Mr Goh Chooi Eam

Remuneration Committee

Tuan Haji Ahmad Bin Abdul Rashid
Chairman

Mr Koay Chong Beng
Mr Chin Kuet Sen

Nominating Committee

Mr Koay Chong Beng
Chairman

Mr Chin Kuet Sen
Mr Goh Chooi Eam

Company Secretary

Ms 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

Suite 2-1, 2nd Floor,
Menara Penang Garden,
42A Jalan Sultan Ahmad Shah, 10050 Penang.
Tel: 04-229 4390 Fax: 04-226 5860

Registrar

Agriteum Share Registration Services Sdn. Bhd.
2nd Floor, Wisma Penang Garden,
42 Jalan Sultan Ahmad Shah, 10050 Penang.
Tel: 04-228 2321 Fax: 04-227 2391

Auditors

PricewaterhouseCoopers
16th Floor Bangunan KWSP,
Jalan Sultan Ahmad Shah, P.O. Box 856,
10810 Penang.
Tel: 04-238 9188 Fax: 04-238 9288

Principal Corporate Advisor

Malaysian International
Merchant Bankers Berhad

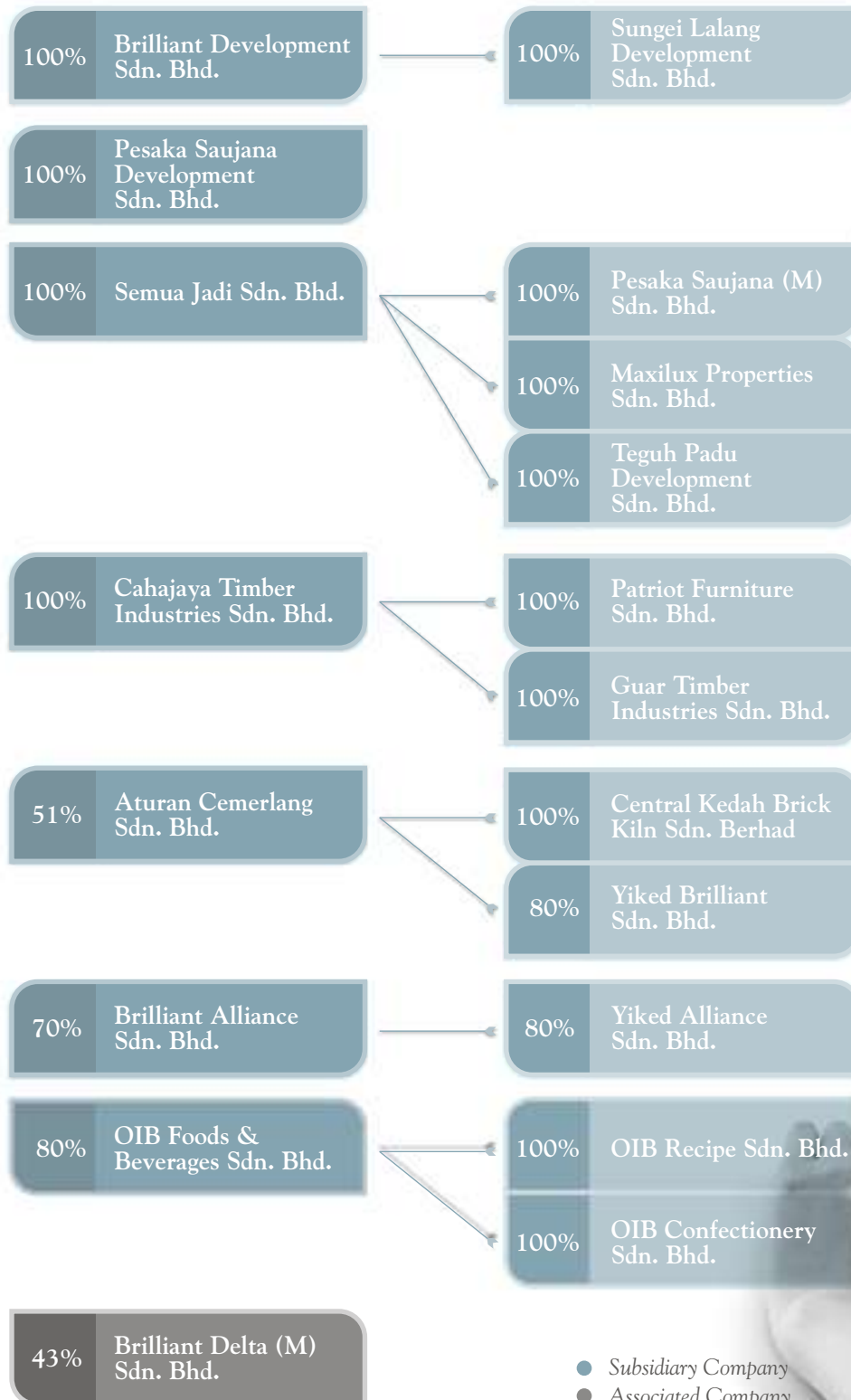
Principal Bankers

RHB Bank Berhad
Malayan Banking Berhad
Alliance Bank Malaysia Berhad
CIMB Bank Berhad
OCBC Bank (Malaysia) Berhad

Stock Exchange Listing

Bursa Malaysia Securities Berhad
Main Board
Stock Code: 5827
Stock Name: OIB

Oriental Interest Berhad





CORPORATE PROFILE

Incorporation

Oriental Interest Berhad ("OIB" or "the Company") was incorporated in Malaysia on 3 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.

The Company was officially listed on the Main Board of the then Kuala Lumpur Stock Exchange (now known as Bursa Malaysia Securities Berhad "Bursa Securities") on 18 October 1994.

Business

The Company is an investment holding company for the OIB Group. The OIB Group, comprises of OIB, 7 subsidiary companies and 11 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 24 years, OIB Group has completed numerous construction and property development projects totaling over RM1.555 billion in value and has established itself as a leading housing developer, having completed approximately 20,823 units of houses since 1985.

OIB 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

OIB Group, through its wholly-owned subsidiary companies, Cahajaya Group, 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 the manufacturing facility, sited on 14.25 acres of land in the Bakar Arang Industrial Estate in Sungai Petani, Kedah. Approximately 88% of its products are exported to United States of America and Europe.

Dato' Haji Thobrani Bin Haji Hanafi

Malaysian, aged 63, was appointed to the Board on 19 August 1994 as Executive Chairman of the Company, a position he is still holding to date. He obtained his Bachelor of Arts degree in Social Science from University of Malaya in 1969 and, in 1977, attended City Planning Studies in Europe and Thailand. Dato' Haji Thobrani served with the Kedah State Civil Service for 13 years in various capacities and was President of Majlis Perbandaran Kota Setar, Kedah prior to leaving Civil Service to join OIB Group in August 1982. He is the spouse of Datin Sharifah Mahiran Binti Syed Kechil as well as having a substantial interest in Thobrani Holdings Sdn. Bhd.; both of them are substantial shareholders of the Company.

Mr Goh Aik Keong

Malaysian, aged 46, joined the Board on 23 November 2006 and was appointed as the Managing Director of the Company on 26 August 2008. Mr Goh graduated from University of Melbourne in 1988 with a Bachelor of Architecture degree. Upon returning to Malaysia in that same year, Mr Goh joined Longway Sdn. Bhd., a substantial founding shareholder of OIB, as Project Manager for the development of Taman Delima in Sungai Petani, Kedah. After the completion of earlier phases of Taman Delima, he left Longway to join OIB Group as General Manager in August 1990 and is responsible for planning, implementation and development of the Group's housing operations in the State of Selangor. He is currently responsible for overseeing the operations of Property Division (Central Region) and Manufacturing Division for OIB Group. He is a substantial shareholder of the Company.

Encik Hazman Bin Thobrani

Malaysian, aged 34, is an Executive Director of the Company and was appointed to the Board on 5 November 2007. Encik Hazman was awarded a full scholarship from Telekom Malaysia Berhad for his undergraduate studies and graduated from Carnegie Mellon University, Pittsburgh, Pennsylvania, USA in 1999 with a Bachelor of Science degree in Electrical and Computer Engineering with an additional major in Economics. Encik Hazman's preliminary involvement in OIB Group began during semester breaks of his undergraduate studies as an Assistant Project Manager. After graduation, he joined OIB Group on 1 August 1999 as Assistant General Manager, overseeing planning and implementation of the Group's property development operation in the state of Selangor. In 2007, he was promoted as the General Manager of the Group to lead the operation of the Northern Region Property Division. He is the son of Dato' Haji Thobrani Bin Haji Hanafi, the Executive Chairman of OIB, and Datin Sharifah Mahiran Binti Syed Kechil, both of them are substantial shareholders of the Company.

Mr Khaw Eng Peng

Malaysian, aged 42, is an Executive Director of the Company and was appointed to the Board on 5 November 2007. Mr Khaw is a fellow member of the Association of Chartered Certified Accountants and a member of Malaysian Institute of Accountants. He joined Messrs. Coopers & Lybrand (now merged under the firm PricewaterhouseCoopers) in 1993, attaching to audit and compliance services division of the firm. In 1996, he left audit practice, as Assistant Audit Manager, joining OIB Group as Senior Manager in Finance and Administration Department. He was promoted to the rank of Assistant General Manager in 2001, overseeing all financial reporting, corporate compliance and administration aspects for OIB Group. Mr Khaw is also a Director of Lipo Corporation Berhad.



PROFILE OF DIRECTORS (cont'd)

Mr Goh Chooi Eam

Malaysian, aged 48, is a Non-Independent Non-Executive Director of the Company and was appointed to the Board on 5 November 2007. Mr Goh is a fellow member of the Association of Chartered Certified Accountants and a member of Malaysian Institute of Accountants and Malaysian Institute of Taxation. He is also a Certified Financial Planner of Financial Planning Association of Malaysia. He was attached to Allan Ong & Co., Sateras Management Sdn. Bhd. and Tor & Co. between 1984 and 1988, from which he acquired both statutory and internal audit training. Mr Goh qualified as a Chartered Certified Accountants in 1988. He joined Messrs. Coopers & Lybrand (now merged under the firm PricewaterhouseCoopers) in 1989 as an Audit Assistant and was promoted to Assistant Audit Manager in 1991. He left Messrs. Coopers & Lybrand in 1994 to set up his own practice under the name of CE Goh & Associates providing audit, accounting and other related services. He is also a Director of CE Goh Taxation Services Sdn. Bhd. providing tax consultancy services.

Mr Koay Chong Beng

Malaysian, aged 50, is an Independent Non Executive Director of the Company and was appointed to the Board on 1 April 2008. Mr Koay graduated from University Sains Malaysia with a Bachelor of Social Science degree majoring in Management. He is a member of both the Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants. Mr Koay is the Group Financial Controller of Southern Steel Berhad ("SSB"). He was the Corporate Financial Controller of SSB Group before being promoted to his current position in July 2007. He also oversees the Group internal audit and treasury activities. Prior to his employment in SSB, he was an Associate Director of PricewaterhouseCoopers. He has more than 20 years working experience in the professional and commercial environment.

Tuan Haji Ahmad Bin Abdul Rashid

Malaysian, aged 58, is an Independent Non-Executive Director of the Company and was appointed to the Board on 16 August 2001. He obtained a Bachelor of Arts degree from University of Malaya in 1974. Tuan Haji Ahmad started his career as an Assessing Officer in the Department of Inland Revenue, after a few months, to serve as an Assistant Director of the Bumiputera Participation Unit in the Ministry of Trade and Industry in 1975. He was appointed as a Lay Magistrate for a period of 2 years before pursuing his law degree in 1977. After obtaining his Bachelor of Law degree from University of Malaya in 1980, Tuan Haji Ahmad continued serving as a Judicial and Legal Officer until starting his private practice, Ahmad A. Rashid & Co., in 1983.

Mr Chin Kuet Sen

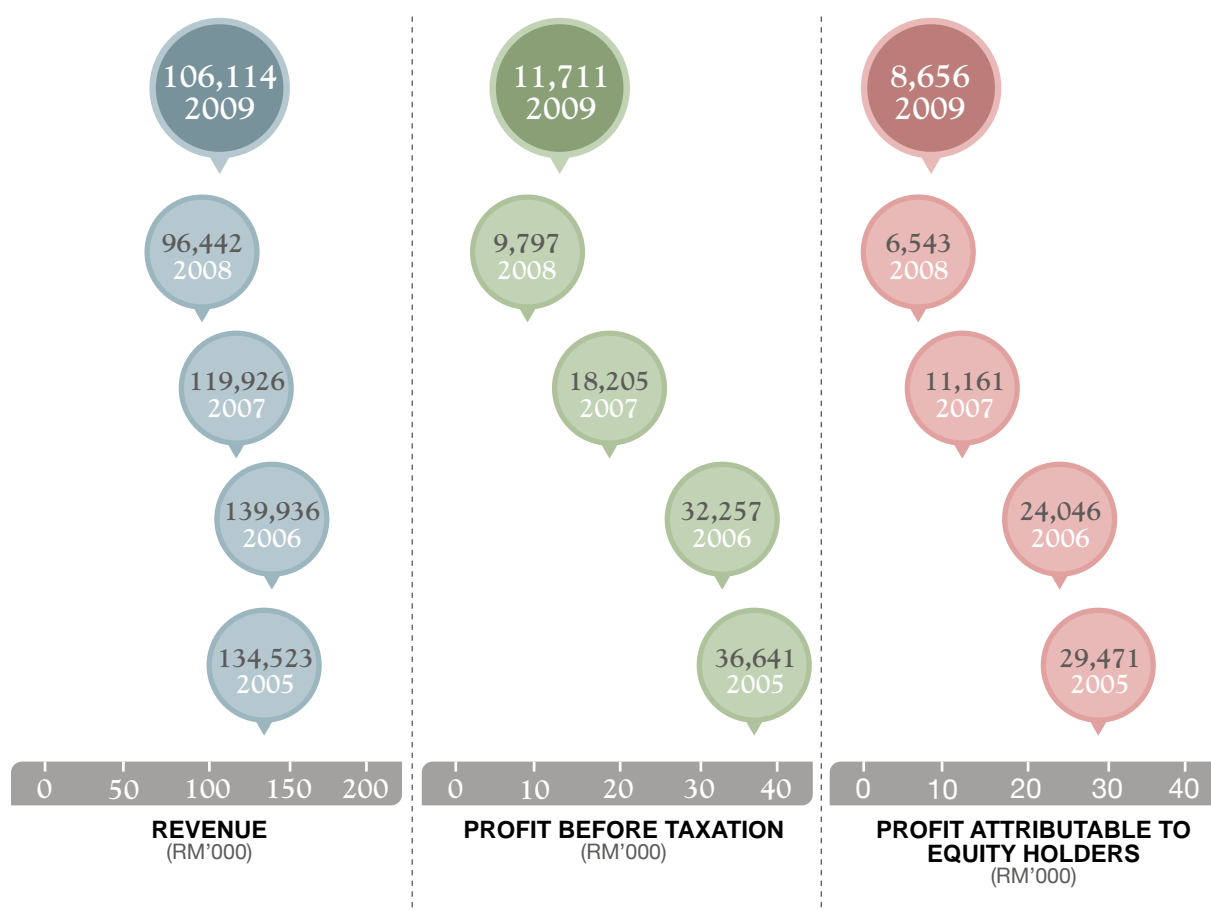
Malaysian, aged 46, is an Independent Non-Executive Director of the Company and was appointed to the Board on 16 August 2001. He holds Bachelor of Law and Bachelor of Economics (Major in Accounting) degrees from Monash University. He began his career with Chew Tan & Lim, Penang in 1990, specialising in conveyancing, civil litigations, banking and corporate work, and was admitted to the Malaysian Bar in the same year. He joined Oo 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.

Notes:

- Other than as disclosed in the Profile of Directors, none of the Directors has any family relationship with any other Directors and/or substantial shareholders of the Company.
- None of the Directors has any conflict of interest with the Company.
- Other than as disclosed in the Profile of Directors, none of the Directors holds any directorship in other public companies.
- None of the Directors was convicted of any offences within the past 10 years, other than for traffic offences, if any.

FINANCIAL HIGHLIGHTS

5 Years Results (RM'000)	2009	2008	Year Ended 30 June		
			2007	2006	2005
Revenue	106,114	96,442	119,926	139,936	134,523
Profit before tax	11,711	9,797	18,205	32,257	36,641
Tax expense	(2,446)	(1,817)	(3,735)	(6,075)	(5,713)
Profit for the financial year	9,265	7,980	14,470	26,182	30,928
Attributable to:					
Equity holders of the Company	8,656	6,543	11,161	24,046	29,471
Minority Interests	609	1,437	3,309	2,136	1,457
Profit for the financial year	9,265	7,980	14,470	26,182	30,928





On behalf of the Board of Directors of Oriental Interest Berhad ("OIB"), it gives me great pleasure presenting to you the Sixteenth Annual Report of OIB Group in respect of the financial year ended 30 June 2009.

FINANCIAL RESULTS

Although it was a period full of challenges for the reporting financial year, the Group succeeded in registering revenue of RM106.114 million and profit before taxation of RM11.711 million, representing 10% and 20% increase from RM96.442 million and RM9.797 million respectively compared with the preceding financial year.

Property Development

Compared with the preceding financial year, profit before taxation of Property Division for the financial year under review increased by 13%, from RM7.432 million to RM8.371 million, mainly due to a surge of 26% in total progressive billings, from RM62.073 million to RM78.174 million.

Manufacturing

Although sales of Manufacturing Division dropped by 19%, from RM32.986 million to RM26.773 million, compared with the preceding financial year, loss before taxation was in fact reduced from RM1.394 million to RM0.434 million, mainly deriving from gain on foreign exchange at the back of stronger US dollars during the first half of the reporting financial year.

Associated Company

Share of profit from associated company, Brilliant Delta (M) Sdn. Bhd. reduced by 14%, from RM2.804 million to RM2.398 million, compared with the preceding financial year, principally due to housing project completed in the preceding year was of larger scale compared with the housing project presently under development. Contribution from the associated company continued to be of significance, whereby it is accountable for 26% of net profit of the Group for the financial year.

Financial Position

The financial strength of the Group had been further enhanced by RM4.744 million to RM65.556 million, from RM60.812 as at the end of the last financial year. The improvement was achieved by unlocking non-cash assets through a conservative approach to its operations under present difficult economic and market circumstances.



DIVIDEND

As a rightful reward for the continuing support and confidence placed by the shareholders on the Directors and management of the Group, the Board is pleased to recommend a first and final dividend of 10% less 25% income tax in respect of the financial year ended 30 June 2009, subject to shareholders' approval at the forthcoming Annual General Meeting.

CORPORATE GOVERNANCE

In acknowledging the great importance of good corporate governance, the Board continued to function within the established framework through conducting its business and operations abided by the high standard of principles and practices adopted. With this fundamental concept in mind, the Board, with the assistance of its various board committees, practices a more transparent and accountable reporting system with the operational management team; which is conducive to more interaction and constructive suggestion and discussion. Consequently, this endeavour will continue to advance the business growth of the Group as well as enhancing shareholders' value in the long term; and these efforts were illustrated in more details in the Statement of Corporate Governance enclosed in this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

The Board continues its pledge for a corporate culture, that professes good corporate social responsibility ("CSR") and corporate citizenship, which is to be embraced throughout OIB Group. Hence, within our means, OIB Group treats CSR as an integral part of its very existence, rather than just merely as a necessity of its business operations.

Although there is no formal CSR framework at present, the Group is making every attempt to reciprocate to the community as a continuing effort, based fundamentally around the values of integrity and partnership, aligning and embedding our core values to be authentic, transparent, relevant and responsive to meet distinct needs of the workplace, markets and communities.

CSR Contributions in 2009

- Contributing to re-construction of public amenities.
- Participating in and supporting schemes promoted by local government.
- Encouraging employees as to skills development and career advancement through various aids.
- Sharing to shoulder the financial burden of deserving loyal employees in maintaining their disposable income in this period of financial hardship.

PROSPECTS

Data from various sources indicated that global and domestic economies had shown signs of gradual improvement, but it is likely to be a slow process taking up to between 12 and 18 months before full recovery from its present downturn. Although Bank Negara decided to maintain interest rate at its present level to provide support for economic activity, it is expected that most people would remain cautious with venturing into capital expenditure and financial commitment. Nevertheless, there would still be demand for certain segments within the property market, particularly those purchasing for self occupation; as the Group has always been focusing on developing affordable owner-occupation property market. Meanwhile, the persistent depressing state of US market for Manufacturing Division continues to be a great concern for OIB Group. Despite of facing with all the challenges, in the opinion of the Board, the operations of the Group is expected to be profitable for the current financial year ending 30 June 2010.

APPRECIATION

Together with my fellow Directors, I would like to commend to all employees of the Group for their great contribution in this challenging time as well as heartfelt gratitude to our business partners for their understanding, relevant regulatory authorities for their co-operation and our shareholders for their full pledge of confidence in the Board. Lastly but not least, personally, I would like to thank all my colleagues on the Board, in particular Mr. Chai Tin Kok, one of the co-founder of the Group, who had retired at the last Annual General Meeting, for their perseverance in discharging their stewardship in a professional manner required of them by the legislation and the shareholders of the Company as a whole.



Dato' Haji Thobrani Bin Haji Hanafi

Executive Chairman

9 October 2009



CORPORATE GOVERNANCE STATEMENT

The Board of Directors fully appreciates the importance of adopting high standards of corporate governance within the Group. The Board views corporate governance as synonymous with three key concepts; namely transparency, accountability and integrity.

The Board evaluates the status of the Group's corporate governance practices with a view to adopt and apply, where practicable, the Principles and Best Practices enshrined in Parts 1 and 2 of the Malaysian Code on Corporate Governance (the "Code") respectively. As such, the Board is fully committed to the maintenance of high standards of corporate governance in its quest to enhance shareholder value.

The Board is pleased to provide the following statement, which outlines the main corporate governance practices that were in place throughout the financial year under review unless otherwise stated.

PRINCIPLES STATEMENT

The following statement sets out how the Company has applied the Principles in Part 1 of the Code.

A. Directors The Board

The Board acknowledges its role in the stewardship of the Group's direction and operations, and ultimately the enhancement of long-term shareholder value. To fulfill this role, the Board is responsible for the overall corporate governance of the Group, including its strategic direction, establishing goals for Management and monitoring the achievement of these goals. Although it does not have a formal schedule of matters reserved to it for decision, the Board is normally involved in deciding the overall Group strategy and direction, acquisition and divestment policy, approval of capital expenditure, consideration of significant financial matters and the review of financial and operating performance of the Group.

The Board delegates the day-to-day operations of the Group to the Executive Directors, who have vast experience in the business of the Group.

Meetings

The Board ordinarily meets at least four times a year at quarterly intervals with additional meetings convened when urgent and important decisions need to be taken between the scheduled meetings. During the financial year ended 30 June 2009, the Board met seven times, where it deliberated upon and considered a variety of matters including the Group's financial results, strategic decisions and the direction of the Group.

A. Directors (cont'd)

Meetings (cont'd)

The details of Board attendance are as follows:

	Directors	Attendance
Executive	Dato' Haji Thobrani Bin Haji Hanafi - Chairman	7/7
	Goh Aik Keong - Managing Director	7/7
	Hazman Bin Thobrani	7/7
	Khaw Eng Peng	7/7
Non-Independent Non-Executive	Chai Tin Kok @ Sua Ah Seng (Retired on 30/10/08)	3/3
	Goh Chooi Eam	7/7
Independent Non-Executive	Tuan Haji Ahmad Bin Abdul Rashid	6/7
	Koay Chong Beng	7/7
	Chin Kuet Sen	7/7

All Directors are furnished with an agenda and documents on matters requiring their consideration in advance of each Board meeting. The Chairman, with the assistance of the Company Secretary, undertakes the primary responsibility for organising information necessary for the Board to deal with the agenda and for providing this information to the Directors on a timely basis.

All proceedings of Board meeting are duly recorded and the minutes thereof signed by the Chairman of the Board.

Board Committees

The Board of Directors delegates certain responsibilities to Board Committees, namely an Audit Committee, a Nominating Committee, a Remuneration Committee and an Employee Share Option Scheme ("ESOS") Committee in order to enhance business and operational efficiency as well as efficacy. The ESOS Committee was established to administer the Company's ESOS in accordance with the By-Laws thereof to determine, amongst others, participation eligibility, option offers and share allocations.

Board balance

At the date of this statement, the Board consists of eight (8) members; comprising four (4) Executive Directors, one (1) Non-Independent Non-Executive Directors and three (3) Independent Non-Executive Directors. A brief profile of each Director is presented on pages 5 to 7 of the Annual Report.

A. Directors (cont'd) Board balance (cont'd)

The Directors, with their different backgrounds and specialisations, collectively bring with them a wide range of experience and expertise in areas such as finance, corporate affairs, legal, marketing and operations.

The Executive Directors are responsible for implementing the policies and decisions of the Board, overseeing the operations as well as co-ordinating the development and implementation of business and corporate strategies. The Independent Non-Executive Directors bring to bear objective and independent judgement to the decision making of the Board and provide a review and challenge on the performance of Management.

The Non-Executive Directors contribute in areas such as policy and strategy, performance monitoring as well as improving governance and controls. Together with the Executive Directors who have intimate knowledge of the business, the Board is constituted of individuals who have a proper understanding of, and competence to deal with, current and emerging business issues.

There is a clear division of responsibilities at the head of the Company to ensure a balance of authority and power. The Chairman is responsible for running the Board and ensures that all Directors receive sufficient relevant information on financial and non-financial matters to enable them to participate actively in Board decisions. The Executive Directors are responsible for the day-to-day management of the business as well as the implementation of Board's policies and decisions.

The Board is satisfied that the current Board composition fairly reflects the interests of minority shareholders in the Company.

Supply of information

The Board recognises that the decision making process is highly dependent on the quality of information furnished. As such, all Directors have unrestricted access to any information pertaining to the Group.

The Chairman, with the assistance of the Company Secretary, ensures that all Directors have full and timely access to information with Board papers distributed in advance of Board meetings. This ensures that Directors have sufficient time to understand and appreciate issues deliberated at the Board meeting and expedites the decision making process.

Before meetings of the Board and Board Committees, appropriate documents, which include the agenda and reports relevant to the issues to be deliberated at the meetings covering the areas of financial, operational and regulatory compliance matters, are circulated to all Directors, to enable them to obtain further explanation, where necessary, in order to be properly briefed before the meeting.



A. Directors (cont'd)

Supply of information (cont'd)

Every Director also has unhindered access to the advice and services of the Company Secretary. The Board believes that the current Company Secretary is capable of carrying out her duties to ensure the effective functioning of the Board. The Articles of Association allow the appointment of a temporary substitute for the Company Secretary who shall be deemed to be the Company Secretary during the term of the appointment.

The Directors meet, review and approve all corporate announcements, including the announcement of quarterly financial results, before releasing them to Bursa Malaysia Securities Berhad ("Bursa Securities").

There is a formal procedure sanctioned by the Board for Directors, whether as a full board or in their individual capacity, to take independent professional advice, where necessary and under appropriate circumstances, in furtherance of their duties, at the Group's expense.

Appointments to the Board Nominating Committee

The Nominating Committee comprises the following members:

Chairman	:	Koay Chong Beng	(Independent Non-Executive Director)
Members	:	Goh Chooi Eam	(Non-Independent Non-Executive Director)
		Chin Kuet Sen	(Independent Non-Executive Director)

The Committee consists entirely of Non-Executive Directors, a majority of whom are independent in accordance with Best Practices of the Code.

The Nominating Committee is empowered by the Board and its terms of reference are to bring to the Board recommendations on the appointment of new Directors. The Committee is to systematically keep under review the effectiveness of the Board and Board Committees as a whole and for assessing the contribution of each individual Director, including Independent Non-Executive Directors, in discharging his duties in the most conscientious manner.

The Committee shall meet whenever there is a need for the Committee to perform its function, and at least once every year in carrying out an annual review of the Board, its Committees and the contribution of individual Directors to the Company.

During the financial year, the Committee met once, attended by all members to deliberate on the retirement of Directors and their eligibility for re-election at the Annual General Meeting ("AGM"), the performance of the Board and the various Board Committees as well as contribution of individual Directors.

CORPORATE GOVERNANCE STATEMENT (cont'd)

A. Directors (cont'd) Directors' training

The Board, through the Nominating Committee, ensures that it recruits to the Board only individuals of sufficient calibre, knowledge and experience to fulfill the duties of a Director appropriately. There is no formal training or orientation programme for Directors.

All Directors have attended and successfully completed the Mandatory Accreditation Programme conducted by the Research Institute of Investment Analysts Malaysia. The Directors continue to undergo the Continuous Education Program to enhance their skills and knowledge, where relevant.

The following are the courses and training programmes attended by the Directors during the financial year ended 30 June 2009:

Directors	Training Programmes Attended	Date
Dato' Haji Thobrani Bin Haji Hanafi	Corporate Culture Enhancement for Civil Service in Kedah State	26/04/2009
Goh Aik Keong	Understanding ISO 9001:2008 Quality Management System	12/12/2008
Hazman Bin Thobrani	Understanding ISO 9001:2008 Quality Management System	04/09/2008
	Best Practices of Boardroom Affairs	11/06/2009
Khaw Eng Peng	2009 Budget Seminar	08/09/2008
	Controversies of Financial Reporting Practices in Malaysia	06/11/2008
	Managing Mergers & Acquisitions	22/12/2008
	Financial Reporting During Financial Turbulence	10/02/2009
	IRB Taxation Seminar 2009	17/04/2009
Goh Chooi Eam	National Tax Conference 2008	19 & 20/08/2008
	National Seminar on Taxation 2008	16/09/2008
	MIT Workshop on Practical Implications on New Public Rulings	23/03 2009
Tuan Haji Ahmad Bin Abdul Rashid	Recent Developments in Malaysia Financial Reporting Standards	03/06/2009
Koay Chong Beng	Thomas-Reuter Technical Analysis Seminar	19/05/2009
	Bond Reference Pricing	19/06/2009
Chin Kuet Sen	National Symposium on Islamic Banking & Finance	13/04/2009

A. Directors (cont'd) Re-election

The Articles of Association provide that an election of Directors shall take place each year and, at the AGM, one-third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office and be eligible for re-election. All the Directors shall retire from office once at least in three years but shall be eligible for re-election.

The Directors to retire in each year are the Directors who have been longest in office since their appointment or re-appointment. A retiring Director is eligible for re-appointment. This provides an opportunity for shareholders to renew their mandates.

The election of each Director is voted on separately. To assist shareholders in their decision, sufficient information such as personal profile, meetings attendance and the shareholdings in the Group of each Director standing for election are furnished in a separate statement accompanying the Notice of the AGM.

B. Directors' remuneration Remuneration Committee

The Remuneration Committee comprises the following members:

Chairman	:	Tuan Haji Ahmad Bin Abdul Rashid	(<i>Senior Independent Non-Executive Director</i>)
Members	:	Koay Chong Beng	(<i>Independent Non-Executive Director</i>)
		Chin Kuet Sen	(<i>Independent Non-Executive Director</i>)

The Committee consists entirely of Independent Non-Executive Directors. The policy adopted by the Committee on Directors' remuneration is to structure remuneration packages necessary to attract, retain and motivate Directors to effectively manage the business of the Group. The Remuneration Committee is responsible for recommending and putting in place a structured remuneration framework for Executive Directors, linking their rewards to corporate and individual performance.

The remuneration package of Non-Executive Directors, linking to their experience and level of responsibilities, shall be determined by the Board as a whole, with individual Directors abstaining from decisions in respect of their individual remuneration.

The Remuneration Committee met once during the financial year, attended by all members.

CORPORATE GOVERNANCE STATEMENT (cont'd)

B. Directors' remuneration (cont'd) Directors' remuneration

Details of Directors' remuneration for the financial year ended 30 June 2009 are as follows:

Categories	Executive Directors RM'000	Non-Executive Directors RM'000	Total RM'000
Fees	100	130	230
Allowances	23	40	63
Salaries	1,186	-	1,186
Bonuses	192	-	192
Employees' Provident Fund	165	-	165
Estimated Value of Benefits-in-Kind	78	-	78
Total	1,744	170	1,914

Directors' remuneration in bands of RM50,000

Remuneration bands	Executive	Non-Executive
RM50,000 and below	-	5
RM250,001 - RM300,000	1	-
RM300,001 - RM350,000	1	-
RM400,001 - RM450,000	1	-
RM650,001 - RM700,000	1	-

C. Shareholders

The Company realises the importance of communicating with its shareholders and does this through the Annual Report, the AGM and Extraordinary General Meetings ("EGM"). Whilst the Annual Report provides a comprehensive source of information on the Group's financial and operational performance, the AGM and EGM provide a platform for shareholders to seek more information and clarification on the audited financial statements, operational issues and other matters of interest. The Directors readily avail themselves to answer any such questions that may arise as shareholders may seek more information than what is available in the Annual Report and/or circulars. The Company's practice is to send out the notice of AGM and related papers to shareholders at least twenty-one (21) working days before the meeting.

In addition, the Group's quarterly financial results, information on corporate exercises undertaken by the Group, and other information that warrants an announcement under the Listing Requirements are released on a timely basis to continuously provide shareholders with an update of the Group's operations.

C. Shareholders (cont'd)

While the Company endeavours to provide as much information as possible to its shareholders and stakeholders, it is mindful of the legal and regulatory framework governing the release of material and price-sensitive information. In any of the circumstances, the Directors are cautious not to provide undisclosed material information about the Group and frequently stress the importance of timely and equal dissemination of information to shareholders and stakeholders.

D. Accountability and audit

Financial reporting

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements, quarterly announcement of results to Bursa Securities as well as the Chairman's statement and review of operations in the Annual Report. The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes and the quality of its financial reporting.

Directors' responsibility statement in respect of the preparation of the audited financial statements

The Board is responsible for ensuring that the financial statements of the Group 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 the results of their operations and cash flows for the year then ended. In preparing the financial statements, the Directors have ensured that the Malaysian Accounting Standard Board ("MASB") Approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965 have been applied.

In preparing the financial statements, the Directors have selected and applied consistently suitable accounting policies and made reasonable and prudent judgements and estimates.

The Directors also have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

State of internal controls

The Statement on Internal Control furnished on pages 25 and 26 of the Annual Report provides an overview on the state of internal controls within the Group.

Relationship with the Auditors

Key features underlying the relationship of the Audit Committee with the internal and external auditors are included in the Audit Committee's terms of reference as detailed on pages 22 to 24 of the Annual Report.

A summary of the activities of the Audit Committee during the financial year, including the evaluation of the independent audit process, are set out in the Audit Committee Report on page 21 of the Annual Report.

CORPORATE GOVERNANCE STATEMENT (cont'd)

D. Accountability and audit (cont'd)

Relationship with the Auditors (cont'd)

Details of the fees paid/payable for the financial year to the external auditors are as set out below:

	Company RM'000	Group RM'000
Statutory audit	30	150
Review of statement by Directors	3	3
HDA audit	-	22
Special audit	55	55
Total	88	230

Compliance statement

The Company has complied throughout the financial year with all the Best Practices of corporate governance set out in Part 2 of the Code, except for the following:

- The Board does not have a formal schedule of matters specifically reserved to it for decision-making. However, it has been the practice for the Board to deliberate on significant matters that concern the overall strategy and direction of the Group such as major investment or divestment decisions, financial and operating performance, acquisition and disposal of capital expenditure;
- The Board had, on 26 August 2008, elected Mr. Goh Aik Keong as Managing Director and formally established an executive committee and defined the scope of responsibilities of directors; and
- The Board had appointed Tuan Haji Ahmad Bin Abdul Rashid as the Senior Independent Non-Executive Director, with effect from 1 October 2008, to whom concerns may be conveyed.

This statement is issued in accordance with a resolution of the Directors dated 9 October 2009.



Membership

The Audit Committee (the “Committee”) comprises of the following members:

Chairman	:	Koay Chong Beng	(Independent Non-Executive Director)
Members	:	Goh Chooi Eam	(Non-Independent Non-Executive Director)
		Tuan Haji Ahmad bin Abdul Rashid	(Senior Independent Non-Executive Director)

Terms of reference of the Audit Committee

The Committee was established to act as a Committee to the Board of Directors, with terms of reference as set out on pages 22 to 24 of the Annual Report.

Meetings

During the financial year ended 30 June 2009, the Committee convened five meetings, which were attended by all members. The meetings were appropriately structured through the use of agendas, which were distributed to members with sufficient notification.

The Company Secretary or her representative was present by invitation at all the meetings. The external auditors and internal auditors were also invited to attend the meetings that concerned them.

Summary of activities during the financial year

The Committee carried out its duties in accordance with its terms of reference during the financial year. The main activities undertaken by the Committee were as follows:

- Reviewed the external auditors’ scope of work and audit plan for the year. Prior to the audit, representatives from the external auditors presented their audit strategy and plan;
- Reviewed with the external auditors the results of the audit and the audit/accounting issues;
- Reviewed and approved the internal audit plan;
- Reviewed the reports on internal audit, carried out by an independent firm of consultants, which highlighted the audit issues, recommendations and Management’s response, including the implementation status of Management-agreed actions to address findings highlighted in previous cycles of internal audit;
- Reviewed the Company’s compliance, in particular the quarterly and year end financial statements, with the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and other relevant legal and regulatory requirements, before recommending them for the Board’s approval;
- Verified allocation of options pursuant to Employee Share Option Scheme of the Company in compliance with the criteria stipulated in the By-Laws. (Only if there is allocation during the year); and
- Reviewed related party transactions entered into by the Group.

Internal audit function

The Group outsourced its internal audit function to an independent firm of consultants to carry out the internal audit of the Group. The principal role of the internal audit function is to undertake independent and periodic reviews of the system of internal control so as to provide reasonable assurance that such system continues to operate satisfactorily and effectively. It is the responsibility of the internal audit function to provide the Audit Committee with independent and objective reports on the state of internal control of the key business units within the Group and the extent of compliance of the units with the Group's established policies and procedures as well as relevant statutory requirements.

During the financial year ended 30 June 2009, the internal audit function conducted an update review of Enterprise Risk Management profile of the Group's Property and Manufacturing operations, and also carried out its annual review. The opportunities for improvement noted, together with the recommendations thereof and agreed management action plans, were presented to the Audit Committee for consideration.

Further details on the internal audit function and its activities are set out in the Statement on Internal Control on pages 25 and 26 of the Annual Report.

Terms of reference of the Audit Committee Objectives

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling the following oversight objectives on the Group activities:

- assess the Group's processes relating to its risks and control environment;
- oversee financial reporting; and
- evaluate the internal and external audit processes.

Composition

The Board shall elect and appoint Committee members from amongst their numbers, comprising no fewer than three Directors, all of whom must be Non-Executive Directors, with a majority of them being Independent Directors of the Company.

The Board shall at all times ensure that at least one member of the Committee shall be:

- a member of the Malaysian Institute of Accountants ("MIA"); or
- if he is not a member of MIA, he must have at least three years of working experience and:
 - the person must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - the person must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
- fulfils such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad ("Bursa Securities").

Composition (cont'd)

If a member of the Committee resigns, dies or for any reason ceases to be a member with the result that the number of members is reduced below three, the Board shall within three months of the event appoint such number of new members as may be required to fill the vacancy.

The Chairman of the Committee shall be an Independent Non-Executive Director. No alternate Director of the Board shall be appointed as a member of the Committee.

The Board shall review the terms of office of each of its members at least once every three years.

Quorum and Committee's procedures

Meetings shall be convened at least four times annually, or more frequently as circumstances dictate.

In order to form a quorum for the meeting, the majority of the members present must be Independent Non-Executive Directors. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present.

The Company Secretary shall be appointed Secretary of the Committee (the "Secretary"). The Secretary, in conjunction with the Chairman, shall draw up an agenda, which shall be circulated together with the relevant support papers, at least one week prior to each meeting to members of the Committee. The minutes shall be circulated to members of the Board.

The Committee may, as and when deemed necessary, invite other Board members and senior management members to attend its meetings.

The Chairman shall submit an annual report to the Board summarising the Committee's activities during the year and the related significant results and findings.

The Committee shall meet at least annually with Management, and at least twice a year with the internal auditors and external auditors in separate sessions to discuss any matters with the Committee, if necessary, without the presence of any executive member of the Board.

The Committee shall regulate the manner of proceedings of its meetings, having regard to normal convention on such matter.

Authority

The Committee is authorised to seek any information it requires from employees, who are required to cooperate with any request made by the Committee.

The Committee shall have full and unlimited access to any information pertaining to the Group.

The Committee shall have direct communication channels with the internal auditors and external auditors and with senior management of the Group and shall be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary.

Authority (cont'd)

The Committee shall have the resources that are required to perform its duties. The Committee can obtain, at the expense of the Company, outside legal or other independent professional advice it considers necessary.

Where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the Committee shall promptly report such matter to Bursa Securities.

Responsibilities and duties

In fulfilling its primary objectives, the Committee shall undertake the following responsibilities and duties:

- To consider the appointment of external auditors, the audit fee and any questions of resignation or dismissal;
- To discuss with the external auditors before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
- To review the quarterly and year-end financial statements of the Company, focusing particularly on:
 - any changes in accounting policies and practices;
 - significant adjustments arising from the audit;
 - the going concern assumption; and
 - compliance with accounting standards and other legal requirements.
- To discuss problems and reservations arising from the interim and final audits, and any matter the auditors may wish to discuss (in the absence of Management, where necessary);
- To review the external auditors' management letter and management's response;
- To do the following where an internal audit function exists:
 - review the adequacy of the scope, function, competency and resources of the internal audit functions, and that it has the necessary authority to carry out its work;
 - review the internal audit program and results of the internal audit process and, where necessary, ensure that appropriate action is taken on the recommendations of the internal audit function; and
 - review any appraisal or assessment of the performance of members of the internal audit function;
- To consider any related party transactions that may arise within the Company or Group;
- To verify allocation of options pursuant to Employee Share Option Scheme of the Company in compliance with the criteria stipulated in the By-Laws;
- To consider the major findings of internal investigations and Management's responses; and
- To consider other topics as defined by the Board.

Introduction

The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of internal control to safeguard shareholders' investment and the Group's assets. Paragraph 15.27(b) of the Listing Requirements of Bursa Malaysia Securities Berhad requires the Board of Directors of public listed companies to include in its annual report a "statement about the state of internal control of the listed issuer as a Group".

The Board is committed to maintaining a sound system of internal control in the Group and presents the following statement, which outlines the nature and scope of internal control prevailing in the Group during the financial year under review. The associated company has not been considered in this statement.

Board responsibility

The Board affirms its ultimate responsibility for the Group's system of internal control which includes the establishment of an appropriate control environment and framework as well as reviewing its adequacy and integrity. In view of the limitations that are inherent in any system of internal control, this system is designed to manage, rather than eliminate, the risk of failure to achieve corporate objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss. The system of internal control covers financial, operational and compliance controls as well as risk management procedures.

Following the publication of the Statement on Internal Control: Guidance for Directors of Public Listed Companies (the "Internal Control Guidance"), the Board confirms that there is an ongoing formal process for identifying, evaluating and managing significant risks faced by the Company and its key subsidiary. This process accords with the Internal Control Guidance.

Enterprise risk management framework

The Board appointed a firm of consultants to assist it in establishing a risk management framework for the Group. Besides strengthening risk management functions, the Enterprise Risk Management project was carried out to sensitise all employees within the Group more strongly to risk identification, evaluation, control, ongoing monitoring and reporting. To ensure that the risk profile of the Group is appropriately updated, a risk assessment update for the Group was carried out during the financial year ended 30 June 2009. Based on the results thereof, an updated risk profile of the key business risks in the Group was drawn up to enable Management deploy action plans to manage the risks on an ongoing basis.

Internal audit function

The Group outsourced its internal audit function to an independent firm of consultants, which provides the Board with much of the assurance it requires regarding the adequacy and integrity of the system of internal control of the Group. The internal audit function reviews the internal control in the key activities of the Group's businesses based on a 2-year internal audit strategy and detailed annual internal audit plan presented to the Audit Committee for approval. The internal audit function adopts a risk-based approach and prepares its audit strategy and plan based on the risk profiles of the major business units of the Group. Opportunity for improvements to the system of internal control are identified and presented to the Audit Committee via



STATEMENT OF INTERNAL CONTROL (cont'd)

Internal audit function (cont'd)

internal audit reports whilst Management formulates the relevant action plans to address the issues noted on a periodic basis.

During the financial year under review, 1 cycle of internal audit was carried out. The findings of the internal audit function, including its recommendations and Management's responses, were reported to the Audit Committee. In addition, the internal audit function also followed up on the implementation of recommendations from previous cycles of internal audit and updated the Audit Committee on the status of Management-agreed action plan implementation.

The cost incurred in maintaining the outsourced internal audit function for the financial year ended 30 June 2009 amounted to RM40,434.

Other risk and control processes

Apart from risk management and internal audit, the Board has put in place an organizational structure with formally defined lines of responsibility and delegation of authority. A process of hierarchical reporting has been established which provides for a documented and auditable trail of accountability. The procedures include the establishment of limits of authority coupled with internal checks and appropriate segregation of duties. These procedures are relevant across Group operations and provide for continuous assurance to be given at increasingly higher levels of Management and, finally, to the Board.

The Executive Director in charge of finance provides the Board with quarterly financial information, including pertinent explanations on the performance of the Group vis-à-vis the market situation.

Where areas of improvement in the system of internal control are identified, the Board will consider the recommendation made by the Audit Committee and Management for implementation.

Weaknesses in internal controls that result in material losses

The Management continues to take measures to strengthen the control environment, and there is no case of material loss had been reported to the Board during the financial year ended 30 June 2009.

This statement is issued in accordance with the resolution of the Directors dated 9 October 2009.

REPORTS AND FINANCIAL STATEMENTS

28	Directors' Report
35	Independent Auditors' Report to the Members
37	Income Statements
38	Balance Sheets
40	Statements of Changes in Equity
42	Cash Flow Statements
44	Notes to the Financial Statements
95	Statement by Directors
95	Statutory Declaration





DIRECTORS' REPORT

for the financial year ended 30 June 2009

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 2009.

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 Group consist primarily of property development and the manufacture of furniture and rubberwood related products. There have been no significant changes in the nature of these activities during the financial year.

Financial results

	Group RM'000	Company RM'000
Profit after taxation for the financial year	9,265	720
Minority interests	(609)	0
Profit attributable to equity holders	8,656	720

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

Dividends

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

	RM'000
In respect of the financial year ended 30 June 2008, as proposed in the Directors' report for that financial year, a first and final dividend of 10% less income tax, paid on 24 November 2008	6,791

The Directors now recommend the payment of a first and final dividend of 10 sen per share on 90,545,002 ordinary shares, less income tax, amounting to RM6,790,875 in respect of financial year ended 30 June 2009 which is subject to the approval of members at the forthcoming Annual General Meeting of the Company.

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.

Employee share option scheme

The Company's ESOS was approved by the shareholders at the Extraordinary General Meeting held on 25 October 2001. 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) Not more than 50% of the shares available under the ESOS should be allocated in aggregate, to Directors and senior management of the Group.
- (d) Not more than 10% of the shares available under the ESOS should be allocated to any individual Director or employee who, singly or collectively through his/her associates, holds 20% or more of the issued and paid-up share capital of the Company.
- (e) The option price for each of RM1 ordinary share shall be set at a discount of not more than 10%, if deemed appropriate or such lower or higher limit as approved by the relevant authorities, from the weighted average market price of the shares of the Company, as quoted and stated in the daily official list issued by Bursa Securities, for the five trading days immediately prior to the respective dates of offer, or at the par value of the share, whichever is higher.
- (f) The ESOS shall be in force for a duration of ten years commencing from 24 November 2001 and expiring on 23 November 2011.
- (g) 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.
- (h) 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.
- (i) The Option Committee may at any time and from time to time by resolution of the Board modify and/or vary all or any of the provisions of the ESOS provided any such modification/variation shall be in compliance with the guidelines of the Securities Commission, as amended from time to time, or shall not be to the advantage of the grantees without prior approval of the shareholders of the Company in a general meeting.

DIRECTORS' REPORT (cont'd)

for the financial year ended 30 June 2009

Employee share option scheme (cont'd)

(j) The basis on which the options may be exercised by virtue of By-Law 11(a) of the ESOS is as follows:

No. of years from date of offer	Percentage (%) of shares comprised in option
(i) First year	40%
(ii) Second year	30%
(iii) Third year onwards	30%

(k) The option holders of the ESOS shall not be eligible for any other employee share option scheme of any other company within the Group during the option period.

The movements during the financial year in the number of options over the shares of the Company are as follows:

Offer date	Exercise price RM	At 1 July 2008	Number of ordinary shares of RM1 each under option				At 30 June 2009
			Granted	Exercised	Terminated		
8 January 2002	1.32	4,225,000	0	0	(124,000)		4,101,000
24 August 2002	1.36	77,000	0	0	(3,000)		74,000
14 January 2004	1.36	402,000	0	0	(24,000)		378,000
		4,704,000	0	0	(151,000)		4,553,000

At the end of the financial year, there were 4,101,000 unissued ordinary shares under option at an exercise price of RM1.32 and 452,000 unissued ordinary shares under option at an exercise price of RM1.36. All shares under option granted under the ESOS will expire on 23 November 2011.

Directors

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

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

Goh Aik Keong

Hazman Bin Thobrani

Khaw Eng Peng

Tuan Haji Ahmad Bin Abdul Rashid

Chin Kuet Sen

Goh Chooi Eam

Koay Chong Beng

Chai Tin Kok @ Sua Ah Seng

(retired on 30 October 2008)

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

Directors' interests

According to the Register of Directors' Shareholdings, particulars of interests in 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			
	1.7.2008	Addition	Disposal	30.6.2009
Oriental Interest Berhad				
(The Company)				
Dato' Haji Thobrani Bin Haji Hanafi, DSDK, BCK, BKM, JP				
Direct	453	0	0	453
Indirect	13,592,000	0	0	13,592,000
Goh Aik Keong				
Direct	3,104,785	75,000	0	3,179,785
Indirect	5,503,807	27,500	0	5,531,307
Tuan Haji Ahmad Bin Abdul Rashid				
Indirect	60,000	0	0	60,000
Chin Kuet Sen				
Direct	2,000	0	0	2,000
Hazman Bin Thobrani				
Direct	20,000	0	0	20,000
Khaw Eng Peng				
Direct	63,002	32,000	0	95,002
Goh Chooi Eam				
Direct	203	0	0	203
Indirect	1,726,191	0	0	1,726,191
Koay Chong Beng				
Indirect	3,000	0	0	3,000
Brilliant Alliance Sdn. Bhd.				
(Subsidiary)				
Dato' Haji Thobrani Bin Haji Hanafi, DSDK, BCK, BKM, JP				
Indirect	22,000	0	0	22,000
Goh Aik Keong				
Indirect	1,212,500	0	0	1,212,500
Goh Chooi Eam				
Direct	57,000	0	0	57,000
Yiked Alliance Sdn. Bhd.				
(Subsidiary)				
Dato' Haji Thobrani Bin Haji Hanafi, DSDK, BCK, BKM, JP				
Direct	1*	0	0	1*

DIRECTORS' REPORT (cont'd)

for the financial year ended 30 June 2009

Directors' interests (cont'd)

	Number of ordinary shares of RM1 each			
	1.7.2008	Addition	Disposal	30.6.2009
Khaw Eng Peng				
Direct	1*	0	0	1*
Goh Aik Keong				
Indirect	199,998	0	0	199,998
Aturan Cemerlang Sdn. Bhd.				
(Subsidiary)				
Dato' Haji Thobrani Bin Haji Hanafi, DSDK, BCK, BKM, JP				
Indirect	207,900	0	0	207,900
Goh Aik Keong				
Indirect	2,653,700	0	0	2,653,700
Goh Chooi Eam				
Direct	174,650	0	0	174,650
Indirect	21,700	0	0	21,000
Yiked Brilliant Sdn. Bhd.				
(Subsidiary)				
Dato' Haji Thobrani Bin Haji Hanafi, DSDK, BCK, BKM, JP				
Direct	1#	0	0	1#
Khaw Eng Peng				
Direct	1#	0	0	1#
Goh Aik Keong				
Indirect	199,998	0	0	199,998
Central Kedah Brick Kiln Sdn. Bhd.				
(Subsidiary)				
Goh Aik Keong				
Indirect	586,000	0	0	586,000

* Held in trust for Brilliant Alliance Sdn. Bhd.

Held in trust for Aturan Cemerlang Sdn. Bhd.



Directors' interests (cont'd)

	Number of ordinary shares of RM1 each			
	1.7.2008	Granted	Exercised	30.6.2009
Oriental Interest Berhad				
(The Company)				
Dato' Haji Thobrani Bin Haji Hanafi, DSDK, BCK, BKM, JP	450,000	0	0	450,000
Goh Aik Keong	350,000	0	0	350,000
Hazman Bin Thobrani	250,000	0	0	250,000
Khaw Eng Peng	250,000	0	0	250,000

Other than as disclosed above, none of the Directors in office at the end of the financial year held any interest in shares in, or debentures of, 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 8 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 in the ordinary course of business as disclosed in note 33 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 ESOS 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 Group and of the Company had been written down to an amount which they might be expected so to realise.

Other statutory information (cont'd)

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 or 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 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 Group or the Company 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 9 October 2009.



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



Goh Aik Keong
Managing Director

Report on the financial statements

We have audited the financial statements of Oriental Interest Berhad, which comprise the balance sheets as at 30 June 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 37 to 94.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act, 1965. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



INDEPENDENT AUDITORS' REPORT (cont'd)

To The Members Of Oriental Interest Berhad

Report on the financial statements (cont'd)

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2009 and of their financial performance and cash flows for the financial year then ended.

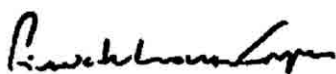
Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the accounts of the subsidiaries 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 financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



PricewaterhouseCoopers
[No. AF: 1146]
Chartered Accountants

Penang



Cho Choo Meng
[2082/09/10(J/PH)]
Chartered Accountant

INCOME STATEMENTS

for the financial year ended 30 June 2009

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Revenue	5	106,114	96,442	1,110	9,065
Cost of sales		(84,891)	(76,575)	0	0
Gross profit		21,223	19,867	1,110	9,065
Other operating income		3,135	5,442	708	896
Selling and distribution costs		(2,501)	(3,888)	0	0
Administrative expenses		(9,028)	(10,635)	(481)	(497)
Other operating expenses		(3,514)	(3,784)	(355)	(772)
Finance cost	6	(2)	(9)	0	(5)
Share of results of an associate		2,398	2,804	0	0
Profit before taxation	9	11,711	9,797	982	8,687
Taxation	10	(2,446)	(1,817)	(262)	(1,937)
Profit for the financial year		9,265	7,980	720	6,750
Attributable to:					
Equity holders of the Company		8,656	6,543	720	6,750
Minority interests		609	1,437	0	0
Profit for the financial year		9,265	7,980	720	6,750
Earnings per share attributable to ordinary equity holders of the Company:					
- Basic (sen)	11	9.56	7.23		
- Diluted (sen)	11	9.56	7.19		

The above income statements are to be read in conjunction with the notes to the financial statements on pages 44 to 94.

Auditors' report - pages 35 and 36.

BALANCE SHEETS

as at 30 June 2009

	Note	Group 2009 RM'000	2008 RM'000	Company 2009 RM'000	2008 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	25,760	27,722	0	0
Land held for property development	13	9,162	9,228	0	0
Investment properties	14	3,257	3,342	0	0
Biological assets	15	404	424	0	0
Prepaid lease rentals	16	13,964	14,196	0	0
Investment in subsidiaries	17	0	0	88,941	88,941
Investment in an associate	18	17,767	15,369	10,000	10,000
Deferred tax assets	19	3,954	3,258	0	0
		74,268	73,539	98,941	98,941
Current assets					
Property development costs	20	89,897	81,337	0	0
Inventories	21	13,818	15,765	0	0
Trade and other receivables	22	67,181	77,875	2	2
Amounts due from subsidiaries	17	0	0	112,068	116,274
Current tax recoverable		3,546	3,808	211	950
Deposits with licensed banks	23	39,734	40,020	23,116	23,502
Cash and bank balances	24	25,822	20,792	280	1,804
		239,998	239,597	135,677	142,532
TOTAL ASSETS		314,266	313,136	234,618	241,473
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	25	90,545	90,545	90,545	90,545
Reserves	26	183,775	181,910	143,838	149,909
Minority interests		20,152	19,875	0	0
Total equity		294,472	292,330	234,383	240,454

The above balance sheets are to be read in conjunction with the notes to the financial statements on pages 44 to 94.

Auditors' report - pages 35 and 36.

BALANCE SHEETS (cont'd)

as at 30 June 2009



	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Non-current liabilities					
Deferred tax liabilities	19	892	995	0	783
Provision for property development	27	531	0	0	0
		1,423	995	0	783
Current liabilities					
Trade and other payables	28	17,204	19,554	235	236
Provision for property development	27	557	0	0	0
Current tax liabilities		610	257	0	0
		18,371	19,811	235	236
Total liabilities		19,794	20,806	235	1,019
TOTAL EQUITY AND LIABILITIES		314,266	313,136	234,618	241,473

The above balance sheets are to be read in conjunction with the notes to the financial statements on pages 44 to 94.

Auditors' report - pages 35 and 36.

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 30 June 2009

Group	Note	Attributable to equity holders of the Company					Minority interests RM'000	Total equity RM'000
		Number of shares '000	Issued and fully paid ordinary shares of RM1 each Nominal value RM'000	Non-distributable Share premium RM'000	Distributable Retained earnings RM'000	Total RM'000		
At 1 July 2007		90,539	90,539	184	181,791	272,514	21,165	293,679
Profit for the financial year		0	0	0	6,543	6,543	1,437	7,980
Dividend - financial year ended 30 June 2007		0	0	0	(6,610)	(6,610)	(177)	(6,787)
Issue of shares from exercise of share options	25	6	6	2	0	8	0	8
Payment of reduction in share capital to minority interests		0	0	0	0	0	(2,550)	(2,550)
At 30 June 2008		90,545	90,545	186	181,724	272,455	19,875	292,330
At 1 July 2008		90,545	90,545	186	181,724	272,455	19,875	292,330
Profit for the financial year		0	0	0	8,656	8,656	609	9,265
Dividend - financial year ended 30 June 2008	29	0	0	0	(6,791)	(6,791)	(332)	(7,123)
At 30 June 2009		90,545	90,545	186	183,589	274,320	20,152	294,472

The above statements of changes in equity are to be read in conjunction with the notes to the financial statements on pages 44 to 94.

Auditors' report - pages 35 and 36.

STATEMENTS OF CHANGES IN EQUITY (cont'd) for the financial year ended 30 June 2009

Company	Note	Issued and fully paid ordinary shares of RM1 each Number of shares '000	Nominal value RM'000	Non- distributable Share premium RM'000	Distributable Retained earnings RM'000	Total RM'000
At 1 July 2007		90,539	90,539	184	149,583	240,306
Dividend - financial year ended 30 June 2007		0	0	0	(6,610)	(6,610)
Profit for the financial year		0	0	0	6,750	6,750
Issue of shares from exercise of share options	25	6	6	2	0	8
At 30 June 2008		90,545	90,545	186	149,723	240,454
At 1 July 2008		90,545	90,545	186	149,723	240,454
Dividend - financial year ended 30 June 2008	29	0	0	0	(6,791)	(6,791)
Profit for the financial year		0	0	0	720	720
At 30 June 2009		90,545	90,545	186	143,652	234,383

The above statements of changes in equity are to be read in conjunction with the notes to the financial statements on pages 44 to 94.

Auditors' report - pages 35 and 36.

CASH FLOW STATEMENTS

for the financial year ended 30 June 2009

	Note	Group 2009 RM'000	2008 RM'000	Company 2009 RM'000	2008 RM'000
OPERATING CASH FLOWS					
Cash flow generated from operations	30	11,852	16,796	(35)	3,190
Taxation paid		(3,061)	(4,133)	(366)	(988)
Tax refunds		431	1,592	418	0
Net operating cash flow		9,222	14,255	17	2,202
INVESTING CASH FLOWS					
Interest received		1,602	1,899	708	896
Dividends received		0	3,500	4,156	5,864
Proceeds from disposal of property, plant and equipment		2,011	529	0	0
Additions to property, plant and equipment		(937)	(629)	0	0
Additions to biological assets		0	(53)	0	0
Additions to land held for property development		(29)	(230)	0	0
Proceeds from capital reduction of a subsidiary	17	0	0	0	950
Net investing cash flow		2,647	5,016	4,864	7,710
FINANCING CASH FLOWS					
Proceeds from issue of shares:					
- exercise of share options		0	8	0	8
Interest paid		(2)	(9)	0	(5)
Dividend paid to minority interests		(332)	(177)	0	0
Dividend paid		(6,791)	(6,610)	(6,791)	(6,610)
Payment of reduction of share capital to minority interests		0	(2,550)	0	0
Deposits with licensed bank pledged as security		(200)	(18)	0	0
Net financing cash flow		(7,325)	(9,356)	(6,791)	(6,607)

The above cash flow statements are to be read in conjunction with the notes to the financial statements on pages 44 to 94.

Auditors' report - pages 35 and 36.

CASH FLOW STATEMENTS (cont'd)

for the financial year ended 30 June 2009

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Net change in cash and cash equivalents during the financial year		4,544	9,915	(1,910)	3,305
Cash and cash equivalents at the beginning of the financial year		60,794	50,879	25,306	22,001
Cash and cash equivalents at the end of the financial year	31	<u>65,338</u>	<u>60,794</u>	<u>23,396</u>	<u>25,306</u>

During the financial year ended 30 June 2008, a subsidiary disposed of a portion of the freehold oil palm plantation land included in property, plant and equipment and biological asset for an amount of RM2,380,000, of which cash payment of RM476,000 was received during that financial year. The remaining amount of RM1,904,000 was received in financial year ended 30 June 2009.

A subsidiary had traded-in a motor vehicle and office equipments included in disposal of property, plant and equipment with net book value of RM nil and RM9,000 respectively for an amount of RM106,000 and RM6,000 respectively.

The above cash flow statements are to be read in conjunction with the notes to the financial statements on pages 44 to 94.

Auditors' report - pages 35 and 36.



NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2009

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 Group consist primarily of property development and the manufacture of furniture and rubberwood related products.

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

Registered office:

Suite 2-1, 2nd Floor
Menara Penang Garden
42A Jalan Sultan Ahmad Shah
10050 Penang

Principal place of business:

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

2 Summary of significant accounting policies

Unless otherwise stated, the following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements.

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRS"), the Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the provisions of the Companies Act, 1965.

The financial statements of the Group and of the Company have been prepared under the historical cost convention in this summary of significant accounting policies, unless otherwise stated.

The preparation of financial statements in conformity with FRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ. Critical accounting estimates used that are significant to the financial statements and areas involving a higher degree of judgement or complexity, are disclosed in note 3 to the financial statements.



2 Summary of significant accounting policies (cont'd)

2.1 Basis of preparation (cont'd)

(a) Standards that are effective

There are no new accounting standards, amendments to published standards and interpretations to existing standards effective for the Group's financial year ended 30 June 2009.

(b) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group but not yet effective

The following new standards and IC Interpretation will be effective for annual period beginning on or after 1 January 2010. The Group will apply these standards and IC Interpretations from financial year beginning on 1 July 2010.

- The Group has applied the transitional provision in the respective standards which exempts entities from disclosing the possible impact arising from the initial application of the standard on the financial statements of the Group.
 - FRS 139 "Financial Instruments: Recognition and Measurement"
 - FRS 7 "Financial Instruments: Disclosures"
- IC Interpretation 9 "Reassessment of Embedded Derivatives" requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment is required.
- FRS 123 "Borrowing Costs" which replaces FRS 123₂₀₀₄, requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed.
- FRS 8 "Operating Segments" (effective for annual period beginning on or after 1 July 2009). FRS 8 replaces FRS 114₂₀₀₄ Segment Reporting. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes.

(c) Standards, amendments to published standards and interpretations to existing standards that are not yet effective and are not relevant to the Group

- FRS 4 "Insurance Contracts"
- IC Interpretation 10 "Interim Financial Reporting and Impairment" prohibits the impairment losses recognised in an interim period on goodwill and investments in equity instruments and in financial assets carried at cost to be reversed at a subsequent balance sheet date.

2 Summary of significant accounting policies (cont'd)

2.1 Basis of preparation (cont'd)

(c) Standards, amendments to published standards and interpretations to existing standards that are not yet effective and are not relevant to the Group (cont'd)

- Amendments to FRS 2 "Share-based Payment: Vesting Conditions and Cancellations" clarify that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. These features would need to be included in the grant date fair value for transactions with employees and others providing similar services; they would not impact the number of awards expected to vest or valuation thereof subsequent to grant date. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment.
- Amendments to FRS 1 "First-time Adoption of Financial Reporting Standards" and FRS 127 "Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate" allow first-time adopters to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements. The amendment also removes the definition of the cost method from IAS 27 and replaces it with a requirement to present dividends as income in the separate financial statements of the investor.
- IC Interpretation 11 "FRS 2 Group and Treasury Share Transactions" provides guidance on whether share-based transactions involving treasury shares or involving group entities (for example, options over a parent's shares) should be accounted for as equity-settled or cash-settled share-based payment transactions in the stand-alone accounts of the parent and group companies.
- IC Interpretation 13 "Customer Loyalty Programmes" clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement and the revenue in respect of the consideration receivable from the customer is allocated between the components of the arrangement using fair values.
- IC Interpretation 14 "FRS 119 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" provides guidance on assessing the limit in FRS 119 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement.

2.2 Economic entities in the Group

(a) Subsidiaries

Subsidiaries are those entities which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

2 Summary of significant accounting policies (cont'd)

2.2 Economic entities in the Group (cont'd)

(a) Subsidiaries (cont'd)

The Group has taken advantage of the exemption provided by FRS 3 to apply these Standards prospectively. Accordingly, business combinations entered into prior to the respective effective dates have not been restated to comply with these Standards.

Under the purchase method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases. The cost of an acquisition is measured as fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired at the date of acquisition is reflected as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Minority interests represent that portion of the profits or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the parent. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since that date.

Where more than one exchange transaction is involved, any adjustment to the fair values of the subsidiary's identifiable assets, liabilities and contingent liabilities relating to previously held interests of the Group is accounted for as a revaluation.

Under the merger method of accounting, the results of subsidiaries are presented as if the merger had been effected throughout the current and previous years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting credit difference is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any share premium, capital redemption reserve and any other reserves which are attributable to share capital of the merged enterprises, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in other capital reserves.

Intragroup transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the assets transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2 Summary of significant accounting policies (cont'd)

2.2 Economic entities in the Group (cont'd)

(a) Subsidiaries (cont'd)

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets as of the date of disposal including the cumulative amount of any exchange differences that relate to the subsidiary is recognised in the consolidated income statement.

(b) Transactions with minority interests

For purchases of a subsidiary's equity shares from minority interests for cash consideration and the purchase price is established at fair value, the accretion of the Group's interests in the subsidiary is treated as purchase of equity interest under the acquisition method of accounting. The identifiable assets and liabilities acquired are adjusted to their fair values, with the resulting difference being attributed to goodwill or negative goodwill.

Disposals of equity shares to minority interests for cash consideration and at fair value result in gains and losses for the Group and are recorded in the income statement. The gain or loss is the difference between the Group's share of net assets immediately before and immediately after the disposal and a ratable portion of goodwill is realised.

For purchases or disposals from or to minority interests for consideration other than cash and not at fair value, the accretion or dilution of the Group's interests is treated as an equity transaction between the subsidiary and its shareholders. The difference between the Group's share of net assets immediately before and immediately after the change in stake and any consideration received or paid is adjusted to or against the Group's reserves.

All other changes in stake and changes in composition of the Group are treated as equity transactions between the Group and its majority and minority shareholders. The difference between the Group's share of net assets before and after the change, and any consideration received or paid is adjusted to or against the Group's reserves.

(c) Associates

Associates are those entities in which the Group exercises significant influence, but which it does not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not the power to exercise control over those policies.

Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in an associate includes goodwill identified on acquisition, net of any accumulated impairment loss. See accounting policy note 2.6 on impairment of assets.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in

2 Summary of significant accounting policies (cont'd)

2.2 Economic entities in the Group (cont'd)

(c) Associates (cont'd)

the associate, including any other unsecured receivables, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence on impairment of the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of associates to ensure consistency of accounting policies with those of the Group.

Dilution gains and losses in associates are recognised in the income statement.

For incremental interest in an associate, the date of acquisition is purchase date at each stage and goodwill is calculated at each purchase date based on the fair value of assets and liabilities identified.

2.3 Property, plant and equipment and depreciation

Property, plant and equipment are initially stated at cost. Certain land and buildings are stated at revalued amounts, based on valuations by external independent valuers or as assessed by Directors. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Surpluses arising on revaluation are credited to revaluation reserve. Any deficit arising from revaluation is charged against the revaluation reserve to the extent of a previous surplus held in the revaluation reserve for the same asset. In all other cases, a decrease in carrying amount is charged to income statement.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

2 Summary of significant accounting policies (cont'd)

2.3 Property, plant and equipment and depreciation (cont'd)

Freehold land is not depreciated as it has an infinite life. Other property, plant and equipment are depreciated on the straight-line basis to write off the cost of the assets, or their revalued amounts, to their residual values over their estimated useful lives. The annual depreciation rates are as follows:

	%
Buildings	2
Factory buildings	2 - 10
Furniture and fittings	10 - 20
Office equipment	10 - 50
Electrical installation	10
Plant and machinery	10 - 20
Motor vehicles	12.5
Site equipment	10
Office renovations	10

Depreciation on capital work in progress commences when the assets are ready for their intended use.

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance sheet date.

At each balance sheet date, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy note 2.6 on impairment of assets.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit/(loss) from operations. On disposal of revalued assets, amount in revaluation reserve relating to those assets are transferred to retained earnings.

The freehold land, building and factory building have not been revalued since the financial year ended 30 June 1995. The Directors have adopted the transitional provisions of International Accounting Standard 16 (Revised): Property, Plant and Equipment as allowed for by the Malaysian Accounting Standards Board to retain the carrying amounts of these revalued land and buildings on the basis of their previous revaluation subject to the continuing application of the current depreciation policy.

2.4 Investment properties

Investment properties, comprising principally land and buildings, are held for long term rental yields or for capital appreciation or both, and are not occupied by the Group. Investment properties are stated at cost less any accumulated depreciation and impairment losses.



2 Summary of significant accounting policies (cont'd)

2.4 Investment properties (cont'd)

Freehold land is not depreciated as it has an infinite life. Other categories of investment properties are depreciated on the straight-line basis to write off the cost of the assets to their residual values over their estimated useful lives. The annual depreciation rate for buildings is 2%.

On disposal of an investment property, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal, it shall be derecognised (eliminated from the balance sheet). The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period of the retirement or disposal.

2.5 Investments

Investments in subsidiaries, jointly controlled entities and associates are shown at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy note 2.6 on impairment of assets.

Investments in other non-current investments are shown at cost and an allowance for diminution in value is made where, in the opinion of the Directors, there is a decline other than temporary in the value of such investments. Where there has been a decline other than temporary in the value of an investment, such a decline is recognised as an expense in the period in which the decline is identified.

2.6 Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there is separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to the income statement unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in the income statement unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus.

2.7 Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on the straight-line basis over the lease period.

2 Summary of significant accounting policies (cont'd)

2.7 Operating leases (cont'd)

Prepaid lease rentals are amortised in equal instalments over the periods of leases from 38 to 86 years. The adoption of the revised FRS 117 Leases has resulted in a retrospective change in the accounting policy relating to the classification of leasehold land. The up-front payments made for the leasehold land represent prepaid lease rentals and are amortised on the straight-line basis over the lease term. Prior to 1 July 2006, leasehold land was classified as property, plant and equipment and was stated at cost less accumulated depreciation.

The prepaid lease rentals were last revalued by the Directors during the financial year ended 30 June 1994 based on the open market value basis and approved by the Securities Commission. The Directors have adopted the transitional provision of FRS 117 Leases as allowed for by the Malaysian Accounting Standards Board to retain the unamortised revalued amount as the surrogate amount of prepaid lease rentals.

2.8 Biological assets

Biological assets comprise new planting expenditure (incurred from land clearing to the point of harvesting) and replanting expenditure (incurred in replanting old planted areas) for oil palm cultivation. Such expenditure is capitalised and are amortised on the straight-line basis over the estimated economic useful lives of rootstocks of 20 years, or over the period of the lease, whichever is shorter, commencing from the year of maturity of the crop.

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined principally on the weighted average basis. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity).

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

The cost of developed properties comprises cost associated with the acquisition of land, direct costs and an appropriate proportion of allocated costs attributable to property development activities.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

2.10 Property development activities

(a) Land held for property development

Land held for property development consist of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at cost less accumulated impairment losses.

2 Summary of significant accounting policies (cont'd)

2.10 Property development activities (cont'd)

(a) Land held for property development (cont'd)

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy note 2.6 on impairment of assets.

Land held for property development including its related expenditure are transferred to property development costs (within current assets) when development activities have commenced and where the development activities can be completed within the Group's normal operating cycle of 2 to 4 years.

Borrowing costs are capitalised in accordance with note 2.15.

(b) Property development costs

Property development costs comprise costs associated with the acquisition of land including landowners' entitlement (where applicable) and all costs directly attributable to development activities or that can be allocated on a reasonable basis to these activities.

Property development costs are recognised when incurred. When the outcome of the development activity can be estimated reliably, property development revenue are recognised by using the stage of completion method. The stage of completion is based on a certificate issued by an architect based on the physical completion of the work performed in proportion to the total development.

When the outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable; property development costs on the development units sold are recognised when incurred.

Irrespective whether the outcome of a property development activity can be estimated reliably, when it is probable that total property development costs (including expected defect liability expenditure) will exceed total property development revenue, the expected loss is recognised as an expense immediately.

Property development costs not recognised as an expense is recognised as an asset and is stated at the lower of cost and net realisable value.

Where revenue recognised in the income statement exceeds billings to purchasers, the balance is shown as accrued billings under receivables (within current assets). Where billings to purchasers exceed revenue recognised in the income statement, the balance is shown as progress billings under payables (within current liabilities).

Borrowing costs are capitalised in accordance with note 2.15.

2 Summary of significant accounting policies (cont'd)

2.11 Receivables

Trade receivables are carried at invoiced amount less an allowance for doubtful debts. The allowance is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original term of receivables. Known bad debts are written off in the financial period in which they are identified.

2.12 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short term, highly liquid investments with original maturities of three months or less, and bank overdrafts.

2.13 Share capital

Ordinary shares with discretionary dividends are classified as equity. Distributions to holders of a financial instrument classified as an equity instrument is charged directly to equity.

2.14 Dividends

Dividends on ordinary shares are recognised as a liability in the period in which they are declared. Dividends proposed after balance sheet date but before the financial statements are authorised for issue are not recognised as a liability at balance sheet date.

2.15 Borrowing costs

Borrowing costs incurred to finance property development activities and land held for property development are capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use. Capitalisation of interest on borrowing costs will cease when development projects, or land held for property development are ready for sale or ready for its intended use. All other borrowing costs are charged to the income statement.

2.16 Income tax

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon taxable profits.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences or unused tax losses can be utilised.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

2 Summary of significant accounting policies (cont'd)

2.17 Employee benefits

(a) Short term employee benefits

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

(b) Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

Subsidiaries incorporated in Malaysia contribute to the Employees Provident Fund, the national defined contribution plan. The Group's contributions to defined contribution plans are charged to the income statement in the period to which they relate. Once the contributions have been paid, the Group has no further payment obligations. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(c) Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits as a liability and an expense when, and only when, it is demonstrably committed to either terminate the employment of an employee or group of employees according to a detailed formal plan without realistic possibility of withdrawal or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

2.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligation may be small.

2 Summary of significant accounting policies (cont'd)

2.18 Provisions (cont'd)

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.19 Contingent liabilities and contingent assets

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognise because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

2.20 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue earned by the Group and the Company are recognised on the following basis:

- Revenue from property development is recognised on the percentage of completion method. The stage of completion for each project is measured by a certificate issued by an architect based on the physical completion of the work performed in proportion to the total development. Anticipated losses are recognised in full immediately in the income statement.
- Revenue from sale of land is recognised upon transfer of significant risks and rewards of ownership to the purchasers.
- Dividend income is recognised when the right to receive the dividend is established.
- Interest income is recognised on the accrual basis determined by the principal outstanding and the rates applicable.



2 Summary of significant accounting policies (cont'd)

2.20 Revenue recognition (cont'd)

Revenue earned by the Group and the Company are recognised on the following basis: (cont'd)

- Management fees are recognised on the accrual basis.
- Revenue from the manufacture of furniture and rubberwood related products is recognised upon delivery of goods, net of sales tax and discounts.
- Revenue from oil palm cultivation is recognised upon delivery of goods.

2.21 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the functional and presentation currency of the Company and all its subsidiaries.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

The principal closing rate used in the translation of the currency amounts is as follow:

Foreign currency	2009 RM	2008 RM
1 US Dollar	3.5225	3.2665

2.22 Financial instruments

(a) Description

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

2 Summary of significant accounting policies (cont'd)

2.22 Financial instruments (cont'd)

(b) **Financial instruments recognised on the balance sheet**

The particular recognition method adopted for financial instruments recognised on the balance sheet is disclosed in the individual accounting policy statements associated with each item.

(c) **Fair value estimation for disclosure purposes**

The face values of financial assets (less any estimated credit adjustments) and financial liabilities with a maturity period of less than one year are assumed to approximate their fair values.

2.23 Segment reporting

Segment reporting is presented for enhanced assessment of the Group's risks and returns. A business segment is a group of assets and operations engaged in providing products or services that are subject to risk and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those components operating in other economic environments.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group enterprises within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

3 **Critical accounting estimates and judgements**

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group recognises property development revenue based on stage of completion method. The stage of completion is measured by reference to the completion of a physical proportion of work-to-date.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs. In making the judgement, the Group relies on past experience and work of specialists. The carrying amount of the Group's property development projects are shown in note 20.

4 Financial risk management objectives and policies

The Group's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its foreign currency exchange, interest rate, price, credit, liquidity and cash flow risks. Financial risk management is carried out through risk reviews and internal control systems. The management regularly reviews these risks and approves the treasury policies, which cover the management of these risks.

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activity are set out as follows:

Property development division

(a) Interest rate risk

The Group's exposure to the risk of changes in interest rates is mainly arising from floating rate terms and deposits with banks and financial institutions.

The Group controls and monitors closely its cash flows to ensure that the interest rates are always maintained at favourable rates.

(b) Price risk

The Group's principal exposure to price risk arises mainly from the state of the domestic property markets.

The Group manages its exposure to adverse fluctuation in property value by obtaining all the necessary information before investing in property and continuous monitoring of the state of the property market. The Group optimises its return on realisation by managing its decision to dispose or hold, continue or postpone development of these properties based on the current and expected future trend of the property market. For property development activities to sustain, preservation of land bank is of utmost importance for future development. The Group is actively pursuing the continuous purchase of land and joint venture with landowners at strategic locations.

Impairment losses will be recognised when there is indication of adverse changes in fair values of these properties. Reversals are taken to the income statement immediately to the extent of the previously recognised impairment losses when the adverse conditions which led to the impairment of the assets cease to exist.

(c) Credit risk

The Group controls credit risks by assessing all the relevant information obtained and also via monitoring procedures to ensure that the sales of products and services rendered are made to customers with an appropriate credit history. The exposure to credit risk is monitored on an ongoing basis and on a case-by-case basis.

At balance sheet date, there was no significant concentration of credit risk.

4 Financial risk management objectives and policies (cont'd)

Property development division (cont'd)

(d) **Liquidity and cash flow risk**

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position.

Manufacturing division

(a) **Foreign currency exchange risk**

The Group has exposure to foreign currency as the majority of the manufacturing division's sales are in United States Dollars. The exposure to foreign risk is monitored on an ongoing basis to minimise the group's risk expense to an acceptable level. The Group endeavours to maintain natural hedge, whenever possible, by using the currency for import payment.

(b) **Interest rate risk**

The Group is exposed to interest rate risk for changes in interest rates primarily for placement of fixed deposits. The Group controls and monitors closely its cash flows to ensure that the interest rates are always maintained at favourable rates.

(c) **Price risk**

The Group seeks to manage price risk by being more aggressive and innovative in its product range. This is by way of diversification, enhancing the quality, design and features of the products.

The Group currently sources rubberwood from a mix of overseas and local suppliers. The Group may face significant exposure from the risk of changes in rubberwood prices from the suppliers. The management minimises the risk by widening the selection of rubberwood suppliers.

(d) **Credit risk**

The Group has a credit policy in place and the exposure to credit risk is being monitored regularly. A large portion of the sales of the Group is on confirmed standby Letter of Credit, document against payment and document against acceptance terms. These terms generally do not expose the Group to significant credit risk. As for the other minority customers, the Group seeks to manage the credit risk by setting credit limits and taking action to ensure prompt payment. Furthermore, the creditworthiness of each potential new customer is evaluated carefully before orders are accepted.

(e) **Liquidity and cash flow risk**

Prudent liquidity and cash flow risk management implies maintaining sufficient cash and the availability of funding through internally generated cash flows and an adequate amount of committed credit facilities. The Group aims at strengthening its cash flow position and minimising on bank borrowings. In addition, the Group also maintains flexibility in funding by keeping adequate committed credit lines available at any one time to meet the future needs of the business.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2009

5 Revenue

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Dividend income	0	0	1,025	8,995
Management fees	0	0	85	70
Property development revenue based on stage of completion	74,036	55,200	0	0
Sales of developed properties	3,415	6,873	0	0
Sales of vacant land	723	0	0	0
Sales of goods at invoiced value	26,773	32,986	0	0
Sales of fresh fruit bunches of oil palm	1,167	1,383	0	0
	106,114	96,442	1,110	9,065

6 Finance cost

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Interest expense	2	9	0	5

7 Employee benefits cost

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Wages, salaries and bonuses	8,411	8,939	0	0
Contributions to defined contribution retirement plan	788	820	0	0
Gratuity	0	1,300	0	0
Other employee benefits	389	354	0	0
	9,588	11,413	0	0

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2009

8 Directors' remuneration

The Directors of the Company in office during the financial year are as follows:

Non-executive Directors

Goh Chooi Eam

Tuan Haji Ahmad Bin Abdul Rashid

Chin Kuet Sen

Koay Chong Beng

Chai Tin Kok @ Sua Ah Seng

(retired on 30 October 2008)

Executive Directors

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

Goh Aik Keong

Hazman Bin Thobrani

Khaw Eng Peng

The aggregate amount of emoluments receivable by Directors of the Company during the financial year are as follows:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Non-executive Directors:				
- Fees receivable	130	119	130	119
- Allowances	40	45	40	45
Executive Directors:				
- Fees receivable	100	75	100	75
- Salaries and bonuses	1,378	1,542	0	0
- Gratuity	0	300	0	0
- Contributions to defined contribution retirement plan	165	185	0	0
- Allowances	23	19	23	19
	1,836	2,285	293	258
Estimated monetary value of benefits otherwise than in cash	78	91	0	0
	1,914	2,376	293	258

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2009



8 Directors' remuneration (cont'd)

Executive Directors of the Company have been granted options under the ESOS on the same terms and conditions as those offered to other employees of the Group (note 25) as follows:

Grant date	Expiry date	Exercise price RM/share	Number of share options on shares of RM1 each				At end of the financial year '000
			At beginning of the financial year/ At date of appointment '000	Granted '000	Exercised '000	Resignation '000	
Financial year ended 30 June 2009							
8 January 2002	23 November 2011	1.32	1,300	0	0	0	1,300
Financial year ended 30 June 2008							
8 January 2002	23 November 2011	1.32	1,750	0	0	(450)	1,300

9 Profit before taxation

(a) The following amounts have been charged in arriving at the profit before taxation:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Raw materials and consumables used	31,025	30,649	0	0
Sub- contract costs	28,262	15,040	0	0
Consultant costs	727	720	0	0
Development contribution and processing fees	896	860	0	0
Interest expense previously capitalised in property development costs	610	1,024	0	0
Land cost relating to property development	11,860	7,040	0	0
Cost of developed properties sold	2,412	5,478	0	0
Employee benefits costs	9,588	11,413	0	0
Utilities	1,831	1,662	0	0
Travelling and accommodation expenses	256	256	0	0
Changes in inventories of finished goods and work in progress	2,319	(135)	0	0
Expenditure for oil palm operations	428	367	0	0
Rental expenses of land and buildings	117	231	0	0
Upkeep, repairs and maintenance of assets	575	510	0	0
General maintenance of completed projects	879	986	0	0
Depreciation				
- property, plant and equipment	2,578	2,553	0	0
- investment properties	85	85	0	0

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2009

9 Profit before taxation (cont'd)

(a) The following amounts have been charged in arriving at the profit before taxation: (cont'd)

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Amortisation of biological assets	20	20	0	0
Amortisation of prepaid lease rentals	232	232	0	0
Loss on reversal of sale of land	0	1,174	0	0
Advertisement expenses	318	450	5	4
Telecommunication expenses	144	176	0	0
Hire of plant and machinery	766	561	0	0
Auditors' remuneration:				
- statutory audit	167	150	32	30
- other services	28	25	4	4
Property, plant and equipment written off	300	0	0	0
Allowance for doubtful debt	693	0	0	0
Developed properties written down to net realisable value	143	20	0	0
Inventories written down to net realisable value	250	0	0	0
Impairment loss on investment in subsidiaries	0	0	0	654
Loss on foreign exchange				
- realised	0	324	0	0
- unrealised	8	0	0	0
Freight charges	1,888	3,118	0	0
Claims for defect in products	14	347	0	0

Direct operating expenses from investment properties that generated rental income of the Group during the financial year amounted to RM140,000 (2008: RM258,000).

Property development costs of the Group recognised as an expense during the financial year amounted to RM64,958,000 (2008: RM47,216,000).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2009

9 Profit before taxation (cont'd)

(b) The following amounts have been credited in arriving at the profit before taxation:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Rental income	727	724	0	0
Interest income	1,602	1,899	708	896
Gross dividends income from subsidiaries (unquoted)	0	0	1,025	5,495
Gross dividend income from an associate (unquoted)	0	0	0	3,500
Gain on disposal of property, plant and equipment	88	2,173	0	0
Gain on foreign exchange				
- realised	434	75	0	0
- unrealised	0	26	0	0

10 Taxation

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
In respect of current financial year:				
- Malaysian income tax	3,613	2,416	1,143	1,216
- Deferred taxation	(1,250)	(332)	(783)	783
In respect of prior financial year:				
- Malaysian income tax	(368)	(120)	(98)	(62)
- Deferred taxation	451	(147)	0	0
	2,446	1,817	262	1,937
Current tax				
Current financial year	3,613	2,416	1,143	1,216
(Over)/under accrual in prior financial year	(368)	(120)	(98)	(62)
Deferred tax				
Origination and reversal of temporary differences	(1,250)	(332)	(783)	783
Under /(over) accrual in prior financial year	451	(147)	0	0
	2,446	1,817	262	1,937

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2009

10 Taxation (cont'd)

The reconciliation of income tax expense applicable to profit before taxation at the Malaysian income tax rate to taxation charge at the average effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2009 %	2008 %	2009 %	2008 %
Numerical reconciliation between the average effective tax rate and the Malaysian income tax rate				
Malaysian income tax rate	25.0	26.0	25.0	26.0
Tax effects of:				
- Expenses that are not deductible in determining taxable profit	3.1	5.0	12.2	2.6
- Income not subject to tax purpose	(0.3)	(0.5)	0.0	(6.2)
- Expenses eligible for double deduction	(4.0)	(8.0)	0.0	0.0
- Deferred tax assets not recognised	1.9	7.5	0.0	0.0
- Share of results of associates	(5.1)	(7.4)	0.0	0.0
- Change in tax rate	0.0	0.5	0.0	0.0
- Derecognised of tax recoverable on reversal of the sale of land	2.1	0.0	0.0	0.0
- Others	0.2	0.6	(0.5)	0.6
Average effective tax rate for the financial year	22.9	23.7	36.7	23.0
(Over)/under accrual of Malaysian income tax in respect of prior financial year	(5.9)	(1.2)	(10.0)	(0.7)
Under/(over) accrual of deferred taxation in respect of prior financial year	3.9	(1.5)	0.0	0.0
Reversal of sale of land	0.0	(2.5)	0.0	0.0
	20.9	18.5	26.7	22.3

As gazetted in the Finance Act 2003, the Malaysian income tax rate for the first chargeable income of RM0.5 million for small and medium scale companies with paid-up share capital of RM2.5 million and below is reduced to 20%. For chargeable income in excess of RM0.5 million, the income tax rate is 25% for Year of Assessment 2009 (2008: 26%) as gazetted in the Finance Act 2007.

10 Taxation (cont'd)

As gazetted in the Finance Act 2009, companies with a paid-up capital not exceeding RM2.5 million but are controlled by companies with more than RM2.5 million paid-up capital no longer qualify as small and medium scale companies from Year of Assessment 2009 onwards. Therefore, an income tax rate of 25% will be applicable to all chargeable income of the subsidiaries from Year of Assessment 2009 onwards.

A subsidiary of the Group has been granted pioneer status under the Promotion of Investments Act, 1986 to manufacture wooden furniture, wooden furniture parts and multi-ply parquet for a period of 5 years from 1 January 2004 to 31 December 2008. As a result of this tax incentive granted, 100% of the subsidiary adjusted income for this period will be exempted from income tax.

The Group has, subject to confirmation by the Inland Revenue Board, the following relief for which the related tax benefits have not been recognised:

	2009 RM'000	2008 RM'000
Tax losses carried forward	6,909	6,386
Unabsorbed capital allowances	2,603	138
Unabsorbed reinvestment allowances	1,646	1,894

11 Earnings per share

(a) Basic earnings per share

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

	2009	2008
Net profit attributable to shareholders for the financial year (RM' 000)	8,656	6,543
Weighted average number of ordinary shares in issue ('000)	90,545	90,543
Basic earnings per share (sen)	9.56	7.23

(b) Diluted earnings per share

In respect of the diluted earnings per share calculation, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Group only has one category of dilutive potential ordinary shares which is the share options granted to its employees.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2009

11 Earnings per share (cont'd)

(b) Diluted earnings per share (cont'd)

For the share options granted to employees, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average share price of the Company's shares during the financial year) based on the monetary value of the subscription rights 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 for the share options calculations.

	2009	2008
Net profit attributable to shareholders for the financial year (RM'000)	8,656	6,543
Weighted average number of ordinary shares in issue ('000)	90,545	90,543
Adjustment for share options ('000)	0*	429
	90,545	90,972
Diluted earnings per share (sen)	9.56	7.19

* No "unpurchased" shares to be added to the ordinary shares outstanding as the average share price of the Company has been below the share options' exercise price for the financial year ended 30 June 2009.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2009



12 Property, plant and equipment

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

Group

	Land and buildings, at cost/valuation RM'000	Plantation equipment, at cost RM'000	Furniture and fittings, office equipment and electrical installation, at cost RM'000	Plant and machinery, at cost RM'000	Motor vehicles, at cost RM'000	Site equipment, at cost RM'000	Office renovations, at cost RM'000	Total RM'000
2009								
Net book value								
At 1 July 2008	13,423	12	1,057	11,385	1,783	6	56	27,722
Additions	0	0	109	0	937	3	0	1,049
Disposals	0	0	(8)	0	(123)	0	0	(131)
Write off	0	0	(3)	0	(297)	0	0	(300)
Depreciation	(224)	(4)	(259)	(1,801)	(280)	(2)	(10)	(2,580)
At 30 June 2009	13,199	8	896	9,584	2,020	7	46	25,760
At 30 June 2009								
Cost/valuation	15,491	46	3,458	25,572	4,643	49	133	49,392
Accumulated depreciation	(2,292)	(38)	(2,562)	(15,988)	(2,623)	(42)	(87)	(23,632)
Net book value	13,199	8	896	9,584	2,020	7	46	25,760

The land and buildings of the Group comprise:

	Freehold land, at cost RM'000	Freehold land, at valuation RM'000	Freehold oil palm plantation land, at cost RM'000	Buildings, at cost RM'000	Building, at valuation RM'000	Factory buildings, at cost RM'000	Factory building, at valuation RM'000	Total RM'000
2009								
Net book value								
At 1 July 2008	1,324	1,302	3,760	2,819	308	619	3,291	13,423
Depreciation	0	0	0	(104)	(9)	(31)	(80)	(224)
At 30 June 2009	1,324	1,302	3,760	2,715	299	588	3,211	13,199
At 30 June 2009								
Cost/Valuation	1,324	1,302	3,760	3,318	427	860	4,500	15,491
Accumulated depreciation	0	0	0	(603)	(128)	(272)	(1,289)	(2,292)
Net book value	1,324	1,302	3,760	2,715	299	588	3,211	13,199

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2009

12 Property, plant and equipment (cont'd)

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

Group								
	Land and buildings, at cost/valuation RM'000	Plantation equipment, at cost RM'000	Furniture and fittings, office equipment and electrical installation, at cost RM'000	Plant and machinery, at cost RM'000	Motor vehicles, at cost RM'000	Site equipment, at cost RM'000	Office renovations, at cost RM'000	Total RM'000
2008								
Net book value								
At 1 July 2007	14,046	17	996	13,112	1,815	2	68	30,056
Additions	0	0	336	104	186	5	0	631
Disposals	(399)	0	(5)	0	0	0	0	(404)
Depreciation	(224)	(5)	(270)	(1,831)	(218)	(1)	(12)	(2,561)
At 30 June 2008	13,423	12	1,057	11,385	1,783	6	56	27,722
At 30 June 2008								
Cost/valuation	15,492	46	3,513	25,572	4,605	46	133	49,407
Accumulated depreciation	(2,069)	(34)	(2,456)	(14,187)	(2,822)	(40)	(77)	(21,685)
Net book value	13,423	12	1,057	11,385	1,783	6	56	27,722

The land and buildings of the Group comprise:

2008	Freehold land, at cost RM'000	Freehold land, at valuation RM'000	Freehold oil palm plantation land, at cost RM'000	Buildings, at cost RM'000	Building, at valuation RM'000	Factory buildings, at cost RM'000	Factory building, at valuation RM'000	Total RM'000
Net book value								
At 1 July 2007	1,324	1,302	4,159	2,923	317	650	3,371	14,046
Disposal	0	0	(399)	0	0	0	0	(399)
Depreciation	0	0	0	(104)	(9)	(31)	(80)	(224)
At 30 June 2008	1,324	1,302	3,760	2,819	308	619	3,291	13,423
At 30 June 2008								
Cost/Valuation	1,324	1,302	3,760	3,318	428	860	4,500	15,492
Accumulated depreciation	0	0	0	(499)	(120)	(241)	(1,209)	(2,069)
Net book value	1,324	1,302	3,760	2,819	308	619	3,291	13,423

The net book value of freehold land, building and factory building at valuation that would otherwise be stated in the financial statements had the assets been carried at cost less accumulated depreciation amounted to RM3,260,000 (2008: RM3,424,000).

Certain freehold land, building and factory building were revalued by the Directors during the financial year ended 30 June 1995 based on the open market value basis and approved by the Securities Commission.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2009

13 Land held for property development

Group only

At 1 July 2008/2007

Freehold land, at cost

Leasehold land, at cost

Related costs

Add: Movements in land

- reversal of the sales of land

- transfer to property development costs - freehold land

Add: Movements in related costs

- additions

- transfer to property development costs

At 30 June 2009/2008

At 30 June

Freehold land, at cost

Leasehold land, at cost

Related costs

	2009 RM'000	2008 RM'000
At 1 July 2008/2007		
Freehold land, at cost	5,839	8,942
Leasehold land, at cost	700	700
Related costs	2,689	2,910
	9,228	12,552
Add: Movements in land		
- reversal of the sales of land	0	43
- transfer to property development costs - freehold land	(74)	(3,146)
	(74)	(3,103)
Add: Movements in related costs		
- additions	29	230
- transfer to property development costs	(21)	(451)
	8	(221)
At 30 June 2009/2008	9,162	9,228
At 30 June		
Freehold land, at cost	5,765	5,839
Leasehold land, at cost	700	700
Related costs	2,697	2,689
	9,162	9,228

No interest on borrowings has been capitalised under land held for property development during the financial year.

14 Investment properties

Group only

Net book value

At 1 July 2008/2007

Depreciation

At 30 June 2009/2008

At 30 June

Cost

Accumulated depreciation

Net book value

	2009 RM'000	2008 RM'000
At 1 July 2008/2007		
Cost	3,342	3,427
Depreciation	(85)	(85)
At 30 June 2009/2008	3,257	3,342
At 30 June		
Cost	4,309	4,309
Accumulated depreciation	(1,052)	(967)
Net book value	3,257	3,342

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2009

14 Investment properties (cont'd)

The fair value of the investment properties is estimated at RM5,413,000 (2008: RM4,373,000) based on valuation by the Directors based on current market price. The Group uses assumptions that are mainly based on market conditions existing at each balance sheet date.

15 Biological assets

Group only

Net book value

At 1 July 2008/2007

Addition

Disposal

Amortisation

At 30 June 2009/2008

At 30 June

Cost

Accumulated amortisation

Net book value

Amortisation of biological assets will only commence upon maturity.

2009 RM'000	2008 RM'000
424	419
0	53
0	(28)
(20)	(20)
404	424
572	572
(168)	(148)
404	424

16 Prepaid lease rentals

Group only

Net book value

At 1 July 2008/2007

Amortisation

At 30 June 2009/2008

At 30 June

Cost

Accumulated impairment loss

Accumulated amortisation

Net book value

2009 RM'000	2008 RM'000
14,196	14,428
(232)	(232)
13,964	14,196
17,695	17,695
(2,338)	(2,338)
(1,393)	(1,161)
13,964	14,196

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2009

17 Investment in subsidiaries

The subsidiaries which are all incorporated in Malaysia are:

Name of company	Effective interest in equity Held by the Company		Held through subsidiary		Principal activities
	2009 %	2008 %	2009 %	2008 %	
Brilliant Development Sdn. Bhd.	100	100	0	0	Property development and oil palm cultivation
Semua Jadi Sdn. Bhd.	100	100	0	0	Property development and general construction
Cahajaya Timber Industries Sdn. Bhd.	100	100	0	0	Manufacture of kiln dried rubberwood, sawn timber, solid doors and moulded wood products
Pesaka Saujana Development Sdn. Bhd.	100	100	0	0	Property development
OIB Foods & Beverages Sdn. Bhd.	80	0	0	0	Investment holding
Brilliant Alliance Sdn. Bhd.	70	70	0	0	Investment holding
Aturan Cemerlang Sdn. Bhd.	51	51	0	0	Investment holding
Sungei Lalang Development Sdn. Bhd.	0	0	100	100	Property development
Pesaka Saujana (M) Sdn. Bhd.	0	0	100	100	Property development and oil palm cultivation
Maxilux Properties Sdn. Bhd.	0	0	100	100	Property development
Teguh Padu Development Sdn. Bhd.	0	0	100	100	Property development
Patriot Furniture Sdn. Bhd.	0	0	100	100	Manufacture and sales of wooden furniture, wooden furniture parts, and parquet
Guar Timber Industries Sdn. Bhd.	0	0	100	100	Dormant
OIB Recipe Sdn. Bhd.	0	0	80	0	Dormant
OIB Confectionery Sdn. Bhd.	0	0	80	0	Dormant
Yiked Alliance Sdn. Bhd.	0	0	56	56	Property development
Central Kedah Brick Kiln Sdn. Berhad	0	0	51	51	Property development
Yiked Brilliant Sdn. Bhd.	0	0	41	41	Property development
United Pearl Holdings Sdn. Bhd.	0	0	0	100	Members' voluntary liquidation was completed on 31 July 2008

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 30 June 2009

17 Investment in subsidiaries (cont'd)

	2009 RM'000	2008 RM'000
Unquoted shares, at cost	91,593	91,593
Impairment losses	(2,652)	(2,652)
	88,941	88,941
Amounts due from subsidiaries - advances	112,068	113,957
- dividend	0	2,317
	112,068	116,274

Related company balances are all denominated in Ringgit Malaysia.

In an Extraordinary General Meeting held on 12 May 2007, the members of a subsidiary, Brilliant Alliance Sdn. Bhd., approved the following resolutions:

- (a) that the existing issued and fully paid-up share capital of the subsidiary of RM17,000,000 comprising 17,000,000 ordinary shares of RM1 each be reduced to RM8,500,000 comprising 17,000,000 ordinary shares of RM0.50 each. The reduction will be effected by repaying to the members surplus cash in excess of the needs of the subsidiary of RM8,500,000; and
- (b) upon the aforementioned reduction taking effect, every 10 ordinary shares of RM0.50 each be consolidated into 5 ordinary shares of RM1 each. The effect will be that the 17,000,000 ordinary shares of RM0.50 each will be consolidated into 8,500,000 ordinary shares of RM1 each.

On 21 January 2008, the reduction and subsequent consolidation of the issued and fully paid-up share capital of the subsidiary was approved by the Kedah High Court.

The capital reduction was repaid to Oriental Interest Berhad by way of offsetting against the advances of RM5,000,000 given and the remaining amount of RM950,000 was paid in the previous financial year.

On 3 January 2006, the member of a subsidiary, United Pearl Holdings Sdn. Bhd., resolved that the company be wound up voluntarily. The voluntarily winding up was lodged with the Registrar of Companies on 12 July 2006 and was completed on 31 July 2008.

On 1 April 2009, the Company has acquired 80% of the issued and paid-up share capital of OIB Foods & Beverages Sdn. Bhd., a company incorporated in Malaysia for a total consideration of RM8 satisfied by cash.

OIB Food & Beverages Sdn. Bhd. has two wholly-owned dormant subsidiaries namely OIB Recipe Sdn. Bhd. and OIB Confectionery Sdn. Bhd., both incorporated in Malaysia. The intended principal activities of these subsidiaries are to operate in manufacturing for all kinds of consumer goods and retailing business.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2009



18 Investment in an associate

	2009 RM'000	2008 RM'000
Group		
Share of net assets of an associate	17,767	15,369
Company		
Unquoted shares, at cost	10,000	10,000

The Group's share of revenue, profit, assets and liabilities of the associate is as follows:

	2009 RM'000	2008 RM'000
Revenue	3,201	3,810
Profit after taxation	2,398	2,804
Non-current assets	8,832	8,788
Current assets	9,368	8,004
Non-current liabilities	(24)	(21)
Current liabilities	(409)	(1,402)
Net assets	17,767	15,369

The associated company is:

Name of company	Country of incorporation	Financial year-end	Interest in equity		Principal activity
			2009 %	2008 %	
Brilliant Delta (M) Sdn. Bhd.	Malaysia	30 June	43	43	Property development and oil palm plantation

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2009

19 Deferred taxation

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheet:

Group

	2008 RM'000	RM'000
Deferred tax assets	3,954	3,258
Deferred tax liabilities	(892)	(995)
	3,062	2,263
Movements in deferred taxation:		
At the beginning of the financial year	2,263	1,784
Credited/(charged) to income statement (note 9):		
- Unrealised profits and interest	132	(445)
- Tax losses	(709)	466
- Impairment loss	0	(47)
- Unrealised loss on foreign exchange	2	0
- Provisions	439	0
- Property development costs	904	0
- Property, plant and equipment	7	516
- Unrealised gain on foreign exchange	24	(21)
- Interest income accrued	0	10
	799	479
At the end of the financial year	3,062	2,263

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2009

19 Deferred taxation (cont'd)

	2009 RM'000	2008 RM'000
Subject to income tax:		
Deferred tax assets:		
- Unrealised profits and interest	1,778	1,646
- Tax losses	324	1,033
- Impairment loss	608	608
- Unrealised loss on foreign exchange	2	0
- Provisions	439	0
- Property development costs	904	0
	4,055	3,287
Offsetting	(101)	(29)
	3,954	3,258
Deferred tax liabilities:		
- Property, plant and equipment	(993)	(1,000)
- Unrealised gain on foreign exchange	0	(24)
	(993)	(1,024)
Offsetting	101	29
	(892)	(995)
Company		
	2009 RM'000	2008 RM'000
Deferred tax liabilities	0	(783)
Movements in deferred taxation:		
At the beginning of the financial year	(783)	0
Credited/(charged) to income statement (note 9):		
- Dividend receivable	783	(783)
At the end of the financial year	0	(783)
Subject to income tax:		
Deferred tax liabilities:		
- Dividend receivable	0	(783)

Deferred tax assets are recognised to the extent that realisation of the related tax benefits through future taxable profits is probable.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2009

20 Property development costs Group only

	2009 RM'000	2008 RM'000
At 1 July 2008/2007		
Freehold land - at cost	20,574	17,786
Leasehold land - at cost	56	4,046
Development costs	127,183	98,079
	147,813	119,911
Add/(less): Movements in land		
- Transfer from freehold land held for property development	74	3,146
- Disposals of freehold land	(33)	0
- Disposal of leasehold land	0	(3)
	41	3,143
Add/(less): Movements in development costs		
- Additions	76,144	55,998
- Transfer from freehold land held for property development	21	451
- Development costs in relation to freehold land disposed	(156)	0
	76,009	56,449
Less: Accumulated costs charged to income statement		
- Current financial year	(64,958)	(47,216)
- Prior financial years	(66,476)	(48,762)
	(131,434)	(95,978)
Transfer to developed properties	(2,532)	(2,188)
At 30 June 2009/2008	89,897	81,337
	2009 RM'000	2008 RM'000
At 30 June		
Freehold land - at cost	20,615	20,932
Leasehold land - at cost	56	4,043
Less: Land costs in respect of completed projects	(3,983)	(4,164)
Less: Land costs in respect of transfers to developed properties	(31)	(181)
	16,657	20,630
Development costs	203,192	154,528
Less: Development costs in respect of completed projects	(74,515)	(25,338)
Less: Development costs in respect of transfers to developed properties	(2,501)	(2,007)
	126,176	127,183

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2009

20 Property development costs (cont'd)

	2009 RM'000	2008 RM'000
Accumulated costs charged to income statement	(131,434)	(95,978)
Add: Accumulated costs charged to income statement in respect of completed projects	78,498	29,502
	(52,936)	(66,476)
	89,897	81,337

Included in property development costs, are cost of landowners' entitlement amounting to RM13,249,000 (2008: RM10,096,000) arising from agreements entered into between the subsidiaries and certain landowners to develop properties on land belonging to the landowners.

The following expenditure incurred during the financial year has been capitalised to property development costs:

	2009 RM'000	2008 RM'000
Depreciation	2	8
Hire of equipment	97	504

No interest on borrowings has been capitalised under property development costs during the financial year.

21 Inventories

Group only

	2009 RM'000	2008 RM'000
Developed properties	5,498	5,521
Raw materials	254	175
Work in progress	6,532	8,483
Finished goods	1,105	1,234
Consumables	418	270
Plantation supplies	11	82
	13,818	15,765

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2009

22 Trade and other receivables

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Trade receivables	38,999	41,742	0	0
Advances to landowners	22,322	26,396	0	0
Accrued billings in respect of property development	3,727	5,065	0	0
Other receivables	1,185	3,297	0	0
Deposits	1,274	1,081	2	2
Advances extended to subcontractors	233	174	0	0
Prepayments	134	120	0	0
	67,874	77,875	2	2
Allowance for doubtful debt	(693)	0	0	0
	67,181	77,875	2	2

The currency exposure profile of trade and other receivables (excluding prepayments) is as follows:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
- Ringgit Malaysia	63,083	74,090	2	2
- US Dollar	3,964	3,665	0	0
	67,047	77,755	2	2

The normal credit terms of trade receivables range from 14 days to 60 days (2008: 14 days to 60 days).

Advances to landowners arise when payments are made to the landowners before their entitlement crystallises in relation to the agreement entered into between the Group and the landowners to develop properties on land belonging to the landowners. The agreements provide that the Group will bear all the property development cost incurred and in return be entitled to the profits from the sales of properties developed, but subject a certain portion of the sales proceeds to the landowners as their entitlement in accordance with the agreement entered into between the Group and the landowners. On a yearly basis, the advances to landowners will be settled to the extent that the landowners' entitlement have crystallised.

In respect of the manufacturing division, as a large portion of the sales is on letter of credit, document against payment and document against acceptance terms, the Group is not exposed to significant credit risk.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2009



23 Deposits with licensed banks

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Fixed deposits with licensed banks	39,516	40,002	23,116	23,502
Fixed deposits held as security for banking facilities	218	18	0	0
	39,734	40,020	23,116	23,502

Fixed deposits with licensed banks are denominated in Ringgit Malaysia.

Fixed deposits bear the following range of effective annual interest rates:

	Group		Company	
	2009 %	2008 %	2009 %	2008 %
Fixed deposits with licensed banks	1.60 - 3.74	2.80 - 3.94	1.60 - 2.00	2.80 - 3.35
Fixed deposits held as security for banking facilities	2.00	3.60	0	0

Fixed deposits held as security amounting to RM218,000 (2008: RM18,000) were pledged to banks as security for bankers' guarantee facilities granted.

24 Cash and bank balances

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Cash and bank balances held under Housing Development Accounts pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966	13,743	9,761	0	0
Cash at bank and in hand	12,079	11,031	280	1,804
	25,822	20,792	280	1,804

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2009

24 Cash and bank balances (cont'd)

The interest rates per annum during the financial year and the effective interest rates per annum as at the end of the financial year for the Company are as follows:

	2009 %	2008 %
Interest rates during the financial year:		
Cash at bank held under Housing Development Accounts	0.20 – 2.00	2.00 - 2.15
Effective interest rates as at the end of the financial year:		
Cash at bank held under Housing Development Accounts	0.20 – 1.10	2.00 - 2.15

Withdrawals from the Housing Development Accounts are restricted under Section 7A of the Housing Development (Control and Licensing) Act 1966.

The currency exposure profile of cash and bank balances is as follows:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
- Ringgit Malaysia	21,785	19,855	280	1,804
- US Dollar	4,036	936	0	0
- Thai Baht	1	1	0	0
	25,822	20,792	280	1,804

Bank balances are deposits held at call with banks.

25 Share capital

Group and Company

	2009 RM'000	2008 RM'000
Authorised:		
Ordinary shares of RM1 each	200,000	200,000
Issued and fully paid:		
Ordinary shares of RM1 each		
At 1 July 2008/2007	90,545	90,539
Issue of shares from exercise of share options	0	6
At 30 June 2009/2008	90,545	90,545

25 Share capital (cont'd)

During the previous financial year, 6,000 new ordinary shares of RM1.00 each were issued by the Company for cash by virtue of the exercise of options pursuant to the Company's Employee Share Option Scheme ("ESOS") at an exercise price of RM1.32.

The new ordinary shares issued during the previous financial year rank *pari passu* in all respects with the existing ordinary shares of the Company.

Employee share option scheme

The Company's ESOS was approved by the shareholders at the Extraordinary General Meeting held on 25 October 2001. 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) Not more than 50% of the shares available under the ESOS should be allocated in aggregate, to Directors and senior management of the Group.
- (d) Not more than 10% of the shares available under the ESOS should be allocated to any individual Director or employee who, singly or collectively through his/her associates, holds 20% or more of the issued and paid-up share capital of the Company.
- (e) The option price for each of RM1 ordinary share shall be set at a discount of not more than 10% if deemed appropriate or such lower or higher limit as approved by the relevant authorities, from the weighted average market price of the shares of the Company, as quoted and stated in the daily official list issued by Bursa Securities, for the five trading days immediately prior to the respective dates of offer, or at the par value of the share, whichever is higher.
- (f) The ESOS shall be in force for a duration of ten years commencing from 24 November 2001 and expiring on 23 November 2011.
- (g) 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.
- (h) 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2009

25 Share capital (cont'd)

Employee share option scheme (cont'd)

- (i) The Option Committee may at any time and from time to time by resolution of the Board modify and/or vary all or any of the provisions of the ESOS provided any such modification/variation shall be in compliance with the guidelines of the Securities Commission, as amended from time to time, or shall not be to the advantage of the grantees without prior approval of the shareholders of the Company in a general meeting.
- (j) The basis on which the options may be exercised by virtue of By-Law 11(a) of the ESOS is as follows:
- | No. of years from date of offer | Percentage (%) of shares comprised in option |
|---------------------------------|--|
| (i) First year | 40% |
| (ii) Second year | 30% |
| (iii) Third year onwards | 30% |
- (k) The option holders of the ESOS shall not be eligible for any other employee share option scheme of any other company within the Group during the option period.

The movements during the financial year in the number of options over the shares of the Company are as follows:

Offer date	Exercise price RM	Number of ordinary shares of RM1 each under option				
		At 1 July	Granted	Exercised	Terminated	At 30 June
2009						
8 January 2002	1.32	4,225,000	0	0	(124,000)	4,101,000
24 August 2002	1.36	77,000	0	0	(3,000)	74,000
14 January 2004	1.36	402,000	0	0	(24,000)	378,000
Total		4,704,000	0	0	(151,000)	4,553,000
2008						
8 January 2002	1.32	5,565,000	0	(6,000)	(1,334,000)	4,225,000
24 August 2002	1.36	117,000	0	0	(40,000)	77,000
14 January 2004	1.36	442,000	0	0	(40,000)	402,000
Total		6,124,000	0	(6,000)	(1,414,000)	4,704,000

At the end of the financial year, there were 4,101,000 (2008: 4,225,000) unissued ordinary shares under option at an exercise price of RM1.32 and 452,000 (2008: 479,000) unissued ordinary shares under option at an exercise price of RM1.36. All shares under option granted under the ESOS will expire on 23 November 2011.

25 Share capital (cont'd)

Employee share option scheme (cont'd)

Details relating to options exercised during the previous financial year are as follows:

Exercise date	Fair value of shares at share issue date RM/share	Exercise price RM/share	Number of shares issued '000 units
2008 26 October 2007	1.480	1.320	6

	2009 RM'000	2008 RM'000
Ordinary shares at par value of RM1 each	0	6
Share premium	0	2
Proceeds received on exercise of share options	0	8
At dates of issue of shares by virtue of exercise of share options: - total fair value of shares issued	0	9

The fair value of shares issued by virtue of the exercise of share options is the average market price at which the Company's shares were traded on Bursa Securities at the respective dates of issue of the shares.

26 Reserves

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Share premium	186	186	186	186
Retained earnings	183,589	181,724	143,652	149,723
	183,775	181,910	143,838	149,909

Under the single-tier tax system which came into effect from the Year of Assessment 2008, companies are not required to have tax credits, under Section 108 of the Income Tax Act 1967 for dividend payment purposes. Dividends paid under this system are tax exempt in the hands of the shareholders.

Companies with Section 108 credits as at 31 December 2007 may continue to pay franked dividends until the Section 108 credits are exhausted or up to 31 December 2013, whichever is earlier unless they opt to disregard the Section 108 credits to pay single-tier dividends under the transitional provisions of the Finance Act, 2007.

The Company has not made this election. The Company has, subject to confirmation by the Inland Revenue Board, sufficient tax exempt account balance and tax credit under Section 108 of Income Tax Act 1967 to frank all of the retained earnings of the Company as franked dividend.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2009

27 Provision for property development

Provision for property development is recognised based on commitments made on enhancements to infrastructure facilities of township developments.

28 Trade and other payables

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Trade payables	13,675	15,535	0	0
Other payables	1,641	2,080	0	0
Accrued liabilities	1,888	1,939	235	236
	17,204	19,554	235	236

The currency exposure profile of trade and other payables is as follows:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
- Ringgit Malaysia	17,063	19,488	235	236
- Thai Baht	72	34	0	0
- US Dollar	69	1	0	0
- Euro	0	31	0	0
	17,204	19,554	235	236

Credit terms of trade payables granted to the Group vary from 7 to 60 days (2008: 7 to 60 days).

Included in trade payables are landowners' entitlement in respect of development projects as described in note 20 to the financial statements amounting to RM3,778,000 (2008: RM8,773,000). Payments are made to the landowners based on the collections received from the respective housing projects on a yearly basis. Also included in trade payables are subcontractors' retention sums amounting to RM3,814,000 (2008: RM3,095,000).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2009



29 Dividend

2009		2008	
Gross dividend of dividend, per share	Amount net of tax	Gross dividend of dividend, per share	Amount net of tax
Sen	RM'000	Sen	RM'000

Proposed/paid:

First and final dividend in respect of the financial year

10	6,791	10	6,791
----	-------	----	-------

At the forthcoming Annual General Meeting, a first and final gross dividend in respect of the financial year ended 30 June 2009 of 10 sen per share, less income tax, 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 2010.

30 Cash flow generated from operations

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Profit for the financial year before taxation but after minority interests	11,102	8,360	982	8,687
Adjustments for:				
Depreciation of property, plant and equipment	2,578	2,553	0	0
Amortisation of biological assets	20	20	0	0
Amortisation of prepaid lease rentals	232	232	0	0
Depreciation of investment properties	85	85	0	0
Dividend income	0	0	(1,025)	(8,995)
Gain on disposal of property, plant and equipment	(88)	(2,173)	0	0
Impairment losses on investment in a subsidiary	0	0	0	654
Minority interests	609	1,437	0	0
Interest income	(1,602)	(1,899)	(708)	(896)
Property, plant and equipment written off	300	0	0	0
Allowance for doubtful debt	693	0	0	0
Developed properties written down to net realisable value	143	20	0	0
Inventories written down to net realisable value	250	0	0	0
Interest expense	2	9	0	5
Unrealised loss/(gain) on foreign exchange	8	(26)	0	0
Share of results of an associate	(2,398)	(2,804)	0	0
	832	(2,546)	(1,733)	(9,232)
	11,934	5,814	(751)	(545)

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2009

30 Cash flow generated from operations (cont'd)

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Changes in working capital:				
Property development costs	(8,463)	(6,583)	0	0
Inventories	1,554	2,382	0	0
Receivables	8,089	17,744	0	0
Payables	(1,262)	(2,561)	(1)	35
Related company balances	0	0	717	3,700
	(82)	10,982	716	3,735
Cash flow generated from operations	11,852	16,796	(35)	3,190

31 Cash and cash equivalents

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

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Fixed deposits with licensed banks (note 23)	39,734	40,020	23,116	23,502
Cash and bank balances (note 24)	25,822	20,792	280	1,804
Fixed deposits held as security for banking facilities (note 23)	(218)	(18)	0	0
	65,338	60,794	23,396	25,306

32 Contingent liabilities

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Guarantee granted to relevant authorities on behalf of subsidiaries - unsecured	0	0	3,301	3,377
Guarantee granted to relevant authorities - unsecured	4,720	4,936	0	0

33 Related party disclosures

- (a) In addition to related parties mentioned elsewhere in the financial statements, other related parties having transactions with the Group are as follows:

Name of company	Relationship
First Light Industries Co. Ltd.	Enterprise in which a substantial interest is owned directly by a person connected with Mr. Goh Aik Keong, who is a substantial shareholder and a Director of the Company.
Teong Choon Enterprise (M) Sdn. Bhd.	Enterprise in which a substantial interest is owned directly by a person connected with Mr. Goh Chooi Eam, who is a Non-Independent Non-Executive Director of the Company.

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

Group

	2009 RM'000	2008 RM'000
Purchases of semi-produced timber from:		
- First Light Industries Co. Ltd.	0	1,716
Purchases of fertilizer and chemical products from:		
- Teong Choon Enterprise (M) Sdn. Bhd.	79	278
Management fees and sales commission receivable from:		
- Brilliant Delta (M) Sdn. Bhd.	164	135

The transactions with First Light Industries Co. Ltd. were carried out in accordance with the general mandate obtained from shareholders for recurrent related party transactions.

The transactions with Teong Choon Enterprise (M) Sdn. Bhd. were carried out on terms and conditions obtainable in transactions with unrelated parties.

Company

	2009 RM'000	2008 RM'000
Dividend income from:		
- Aturan Cemerlang Sdn. Bhd.	64	64
- Brilliant Development Sdn. Bhd.	67	1,329
- Brilliant Alliance Sdn. Bhd.	714	238
- Brilliant Delta (M) Sdn. Bhd.	0	3,500
- Cahajaya Timber Industries Sdn. Bhd.	0	2,062
- Semua Jadi Sdn. Bhd.	180	1,802

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2009

33 Related party disclosures (cont'd)

(b) Significant related party transactions during the financial year are as follows: (cont'd)

Company

	2009 RM'000	2008 RM'000
Management fees receivable from:		
- Brilliant Development Sdn. Bhd.	20	5
- Cahajaya Timber Industries Sdn. Bhd.	33	33
- Semua Jadi Sdn. Bhd.	32	32
Advances to:		
- Brilliant Development Sdn. Bhd.	1,100	1,646
- Maxilux Properties Sdn. Bhd.	200	845
- Pesaka Saujana (M) Sdn. Bhd.	4,500	3,609
- Pesaka Saujana Development Sdn. Bhd.	7	0
- Semua Jadi Sdn. Bhd.	16,790	28,367
- Sungei Lalang Development Sdn. Bhd.	350	308
- Teguh Padu Development Sdn. Bhd.	200	304
Repayment of advances from:		
- Brilliant Development Sdn. Bhd.	2,300	2,070
- Maxilux Properties Sdn. Bhd.	4,984	1,930
- Pesaka Saujana (M) Sdn. Bhd.	5,700	16,750
- Semua Jadi Sdn. Bhd.	13,097	18,584
Capital reduction proceeds received from:		
- Brilliant Alliance Sdn. Bhd.	0	950

Subsidiaries are charged management fees according to a predetermined scale based on their total revenue for the financial year. The management fees charged are payable on demand.

The above transactions were based on terms and rates as agreed between the Company and the related companies.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2009

33 Related party disclosures (cont'd)

(c) Significant related party balances

Significant related party balances as at financial year-end are as follows:

Company

	Nature	2009 RM'000	2008 RM'000
Amounts due from subsidiaries:			
- Semua Jadi Sdn. Bhd.	Advances	52,110	47,431
- Semua Jadi Sdn. Bhd.	Dividend	0	1,333
- Brilliant Development Sdn. Bhd.	Advances	8,451	9,643
- Brilliant Development Sdn. Bhd.	Dividend	0	984
- Pesaka Saujana (M) Sdn. Bhd.	Advances	26,953	28,140
- Teguh Padu Development Sdn. Bhd.	Advances	19,715	19,511
- Sungei Lalang Development Sdn. Bhd.	Advances	4,156	3,805
- Maxilux Properties Sdn. Bhd.	Advances	0	4,784
- Pesaka Saujana Development Sdn. Bhd.	Advances	650	643
- Cahajaya Timber Industries Sdn. Bhd.	Advances	33	0

Amounts due from subsidiaries are unsecured, interest free and are repayable on demand.

(d) Key management compensation during the financial year

The compensation for Directors and other members of key management during the financial year is analysed as follows:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Salaries and bonuses	2,251	2,636	126	94
Gratuity	0	300	0	0
Contributions to defined contribution retirement plan	255	305	0	0
Other employee benefits	126	157	0	0
	2,632	3,398	126	94

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2009

34 Group segmental information

(a) Primary reporting format – business segments

The Group is organised into two main business segments:

- Property development of residential and commercial units
- Manufacturing of kiln dried rubberwood, sawn timber, solid doors and moulded wood products

Other operations of the Group comprise mainly of investment holding and oil palm cultivation, none of which are of a sufficient size to be reported separately.

Inter-segment revenue comprises mainly of dividend income, interest income from advances to subsidiaries and management fees for management services provided to subsidiaries.

2009	Property development RM'000	Manufacturing RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue					
External revenue	78,174	26,773	1,167	0	106,114
Inter-segment revenue	0	0	632	(632)	0
Total revenue	78,174	26,773	1,799	(632)	106,114
Results					
Segment results	8,371	(434)	591	(105)	8,423
Unallocated income					1,029
Unallocated expenses					(137)
Finance cost					(2)
Share of results of an associate					2,398
Taxation					(2,446)
Profit for the financial year					9,265
Net assets					
Segment assets	218,046	42,561	246,180	(217,789)	288,998
Associate					17,767
Unallocated assets					7,501
Total assets					314,266
Segment liabilities	137,081	842	2,691	(122,323)	18,291
Unallocated liabilities					1,503
Total liabilities					19,794
Other information					
Capital expenditure	1,047	2	0	0	1,049
Depreciation and amortisation	625	2,250	40	0	2,915

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2009



34 Group segmental information (cont'd)

(a) Primary reporting format – business segments (cont'd)

2008	Property development RM'000	Manufacturing RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue					
External revenue	62,073	32,986	1,383	0	96,442
Inter-segment revenue	0	0	5,563	(5,563)	0
Total revenue	62,073	32,986	6,946	(5,563)	96,442
Results					
Segment results	7,432	(1,394)	5,762	(5,011)	6,789
Unallocated income					377
Unallocated expenses					(164)
Finance cost					(9)
Share of results of an associate					2,804
Taxation					(1,817)
Profit for the financial year					7,980
Net assets					
Segment assets	213,680	43,380	252,539	(218,898)	290,701
Associate					15,369
Unallocated assets					7,066
Total assets					313,136
Segment liabilities	144,953	1,189	537	(127,125)	19,554
Unallocated liabilities					1,252
Total liabilities					20,806
Other information					
Capital expenditure	476	155	53	0	684
Depreciation and amortisation	398	2,236	24	0	2,658

Unallocated income represents interest income received which is unallocated to the segments. Unallocated expenses represent corporate expenses which are incurred by the Group for the Group as a whole. Unallocated assets consist of tax recoverable and deferred tax assets. Unallocated liabilities comprise mainly current tax and deferred tax liabilities.

Capital expenditure comprises additions to property, plant and equipment, biological assets and land held for property development.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2009

34 Group segmental information (cont'd)

(b) Secondary reporting format – geographical segments

The Group's operations are located in Malaysia. The customers are located on a worldwide basis mainly in the following three geographical areas:

- Malaysia (mainly property development and housing activities)
- United States of America and European countries (mainly wood related products business)

	Revenue		Total assets		Capital expenditure	
	2009	2008	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Malaysia	82,429	68,312	296,499	297,767	1,049	684
United States of America	23,006	27,607	0	0	0	0
Europe	679	523	0	0	0	0
	106,114	96,442	296,499	297,767	1,049	684
Associate			17,767	15,369		
Total assets			314,266	313,136		

35 Approval of financial statements

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 9 October 2009.

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 Aik Keong, being two of the Directors of Oriental Interest Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 37 to 94 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 2009 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 MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the provisions of the Companies Act, 1965.

In accordance with a resolution of the Board of Directors dated 9 October 2009.



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



Goh Aik Keong
Managing Director

STATUTORY DECLARATION PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Khaw Eng Peng, being the Director primarily responsible for the financial management of Oriental Interest Berhad, do solemnly and sincerely declare that the financial statements set out on pages 37 to 94 are, in my opinion, 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.



Khaw Eng Peng
Executive Director

Subscribed and solemnly declared in Sungai Petani on 9 October 2009.
Before me



Commissioner for Oaths

ANALYSIS OF SHAREHOLDINGS

AS AT 18 SEPTEMBER 2009

Authorised share capital	: RM200,000,000/=
Issued and fully paid-up share capital	: RM90,545,002/=
Voting rights	: On a show of hands - 1 vote for every shareholder
	: On a poll - 1 vote for every one ordinary share held

Thirty Largest Shareholders as at 18 September 2009

Name	No. of Shares	% of Issued Share Capital
1 Thobrani Holdings Sdn. Bhd.	11,351,365	12.54
2 Goh Aik Lai Holdings Sdn. Bhd.	3,379,600	3.73
3 K T Ooi Holdings Sdn. Bhd.	3,300,749	3.65
4 Fortune Yields Sdn. Bhd.	3,119,029	3.45
5 Tow Hing Wa Holdings Sdn. Bhd.	2,509,182	2.77
6 Amanah Raya Nominees (Tempatan) Sdn. Bhd. Skim Amanah Saham Bumiputera	2,369,794	2.62
7 Yeap Peng Hean Holdings Sdn. Bhd.	2,335,182	2.58
8 Goh Aik Keong	2,211,800	2.44
9 DB (Malaysia) Nominee (Asing) Sdn. Bhd. Exempt an for British and Malayan Trustees Limited (YEOMAN 3-RIGHTS)	2,160,300	2.39
10 Daedalin Sdn. Bhd.	1,959,232	2.16
11 Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Thobrani Holdings Sdn. Bhd.	1,911,635	2.11
12 Goh Cheng Guan Holdings Sdn. Bhd.	1,769,291	1.95
13 Teong Choon Enterprise (Malaysia) Sdn. Bhd.	1,681,000	1.86
14 Goh Aik Lean Holdings Sdn. Bhd.	1,562,000	1.73
15 Chai Tin Kok Holdings Sdn. Bhd.	1,524,077	1.68
16 Lim Hai Hong @ Lim Hai Hak	1,490,000	1.65
17 Chua Ting San Holdings Sdn. Bhd.	1,279,096	1.41
18 Alliancegroup Nominees (Tempatan) Sdn. Bhd. PHEIM Asset Management Sdn. Bhd. for Employees Provident Fund	1,174,600	1.30
19 Fortune Yields Sdn. Bhd.	1,147,600	1.27
20 Teoh Peng Yeow	1,000,000	1.10
21 Teoh Aik Xiang	1,000,000	1.10
22 Teoh Aik Wei	1,000,000	1.10
23 Hoe Siew Mee	1,000,000	1.10
24 Goh Aik Lean	1,000,000	1.10
25 Goh Aik Keong	997,585	1.10
26 Yeoh Swee Seong Sdn. Bhd.	906,000	1.00
27 Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Goh Aik Lai Holdings Sdn. Bhd.	900,000	0.99
28 Citigroup Nominees (Asing) Sdn. Bhd. Citigroup GM Inc for SC Asian Opportunity Fund, L.P.	847,800	0.94
29 Yeoh Kooi Chuan Holdings Sdn. Bhd.	827,585	0.92
30 Teoh Aik Hwang	800,000	0.88
	58,514,502	64.62

ANALYSIS OF SHAREHOLDINGS (cont'd)

AS AT 18 SEPTEMBER 2009

Distribution Schedule

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	7	0.28	331	0.00
100 - 1,000	1,049	42.25	1,022,578	1.13
1,001 - 10,000	1,081	43.54	4,436,300	4.90
10,001 - 100,000	261	10.51	8,591,517	9.49
100,001 - 4,527,249	84	3.38	65,142,911	71.94
4,527,250 and above	1	0.04	11,351,365	12.54
TOTAL	2,483	100.00	90,545,002	100.00

Directors Shareholdings as per register as at 18 September 2009

No.	Name	Direct Interest No. of Shares	%	Deemed Interest No. of Shares	%
1	*Dato' Haji Thobrani Bin Haji Hanafi	453	0.00	\$13,592,000	15.01
2	^Goh Aik Keong	3,179,785	3.51	4,827,729	5.33
3	#Hazman Bin Thobrani	20,000	0.02	-	-
4	#Khaw Eng Peng	95,002	0.10	-	-
5	Goh Chooi Eam	203	0.00	1,726,191	1.91
6	Ahmad Bin Abdul Rashid	-	-	60,000	0.07
7	Chin Kuet Sen	2,000	0.00	-	-
8	Koay Chong Beng	-	-	©3,000	0.00

The deemed interests of Dato' Haji Thobrani Bin Haji Hanafi, Mr Goh Aik Keong, Mr Khaw Eng Peng and Mr Goh Chooi Eam in the related corporations are as disclosed in Pages 31 and 32 of the Annual Report.

* Option to subscribe for 450,000 shares in the Company pursuant to ESOS 2001.

^ Option to subscribe for 350,000 shares in the Company pursuant to ESOS 2001.

Option to subscribe for 250,000 shares in the Company pursuant to ESOS 2001.

§ Including 329,000 shares held in the name of spouse and children and are treated as interest of the Director as in accordance with Section 134(12)(c) of the Companies Act, 1965.

© These are shares held in the name of spouse and are treated as interest of the Director as in accordance with Section 134(12)(c) of the Companies Act, 1965.

Substantial Shareholders as per register as at 18 September 2009

No.	Name	Direct Interest No. of Shares	%	Deemed Interest No. of Shares	%
1	Dato' Haji Thobrani Bin Haji Hanafi	453	0.00	13,263,000	14.65
2	Datin Sharifah Mahiran Binti Syed Kechil	282,000	0.31	13,263,000	14.65
3	Thobrani Holdings Sdn. Bhd.	13,263,000	14.65	-	-
4	Goh Aik Keong	3,179,785	3.51	4,827,729	5.33

PROPERTIES OF THE GROUP

as at 30 June 2009

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, Sungai Petani, Kedah Darul Aman.	6 Storey Office Building/ 1993	25,255 sq.ft.	Freehold/13	2,243
7 & 8, Jalan Bank, Sungai Petani, Kedah Darul Aman.	3 Storey Office Building/ 1996 & 1993	12,861 sq.ft.	Freehold/6	1,385
Lot 96 & 97 & Plot 73A, Bakar Arang Industrial Estate, Sungai Petani, Kedah Darul Aman.	Industrial Land & Factory and Office Building/ 1993	10.25 acres	99 years lease expiring in 2088/21	5,942
Plot 75, Bakar Arang Industrial Estate, Sungai Petani, Kedah Darul Aman.	Industrial Land & Factory and Office Building/ 2007	4.00 acres	99 years lease expiring in 2083/3	2,860
Mukim Sungai Pasir, District of Kuala Muda, Kedah Darul Aman.	Development Land Approved for Housing	39.69 acres	Freehold	14,412
Mukim Teloi Kiri, District of Kuala Muda, Kedah Darul Aman.	Oil Palm Plantation for Future Development	244.15 acres	Freehold	3,759
Kulim				
343, Jalan Tunku Mohd. Asaad, Kulim, Kedah Darul Aman.	Sales Office (Bungalow)/1996	62,483 sq.ft.	Freehold/52	1,063
32-42, Lorong Semarak 2, Taman Semarak, Kulim, Kedah Darul Aman.	3 Storey Shophouses/1996	49,059 sq.ft.	Freehold/14	1,603
Bandar Kulim, District of Kulim, Kedah Darul Aman.	Development Land Approved for Housing	47.19 acres	Freehold	14,292

PROPERTIES OF THE GROUP (cont'd) as at 30 June 2009



Address / Location	Description / Year of Acquisition or Revaluation	Approximate Land/Floor Area	Tenure/Age of Buildings (years)	Net Book Value (RM'000)
Bandar Kulim, District of Kulim, Kedah Darul Aman.	Agriculture Land for Future Development	0.38 acres	Freehold	14
Kuala Lumpur / Sepang / Negeri Sembilan 61, Jalan Kg. Pandan, Taman Maluri, Kuala Lumpur.	4 Storey Office Building/ 1993	7,040 sq.ft.	99 years lease expiring in 2076/19	567
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 2092/13	134
No. 1, Jalan Dahlia 2/7, Taman Dahlia, Bandar Baru Salak Tinggi, Sepang, Selangor Darul Ehsan.	Double Storey Terrace/ 2007	3,175 sq.ft	Freehold/3	168
Mukim Dengkil, District of Sepang, Selangor Darul Ehsan.	Development Land Approved for Housing	24.47 acres	Freehold	6,612
Mukim Sepang, District of Kuala Langat, Selangor Darul Ehsan.	Development Land Approved for Housing	12.84 acres	Freehold	3,254
Mukim Dengkil, District of Sepang, Selangor Darul Ehsan.	Development Land Approved for Housing	2.75 acres	99 years lease expiring between 2094 - 2096	1,317
Mukim Setul, Seremban, Negeri Sembilan.	Oil Palm Plantation for Future Development	173.81 acres	99 years lease expiring in 2081	10,695



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixteenth Annual General Meeting of shareholders of the Company will be held at Serindit Room, Hotel Equatorial, No. 1, Jalan Bukit Jambul, 11900 Penang on Tuesday, 17 November 2009 at 10:00 a.m. for the following purposes: -

1. To receive the Audited Financial Statements for the year ended 30 June 2009 and the Reports of the Directors and Auditors thereon.
2. To re-elect the following Directors who retire pursuant to Article 80 of the Company's Articles of Association:-
 - i) Dato' Haji Thobrani Bin Haji Hanafi **Ordinary Resolution 1**
 - ii) Mr Goh Aik Keong **Ordinary Resolution 2**
 - iii) Mr Chin Kuet Sen **Ordinary Resolution 3**
3. To declare a First and Final Dividend of 10% less 25% tax for the year ended 30 June 2009. **Ordinary Resolution 4**
4. To approve Directors' fees for the year ended 30 June 2009. **Ordinary Resolution 5**
5. To re-appoint Messrs PricewaterhouseCoopers and to authorise the Directors to fix their remuneration. **Ordinary Resolution 6**
6. As Special Business

To consider and if thought fit, to pass with or without any modification, the following Ordinary Resolutions:

a) SECTION 132D OF THE COMPANIES ACT, 1965

"THAT pursuant to Section 132D of the Companies Act, 1965 ("the Act") and subject always to the approval of all the relevant regulatory authorities, the Board of Directors of the Company be and is hereby authorized 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 the Directors are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad ("Bursa Securities") AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting ("AGM") of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier."

Ordinary Resolution 7

b) PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR PROVISION OF FINANCIAL ASSISTANCE BETWEEN THE COMPANY AND ITS SUBSIDIARY COMPANIES ("Proposed Renewal of Shareholders' Mandate")

"THAT pursuant to paragraph 10.09 of the Main Market Listing Requirements of Bursa Securities ("Main LR") and paragraph 3.4 of the Practice Note 12, a general mandate of the Shareholders be and is hereby granted for the Company to provide financial assistance to its subsidiary companies as stated in Section 2.3 of the Circular to Shareholders dated 26 October 2009 ("Circular"), which are necessary for the Group' day to day operations and are carried out in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not detrimental to the minority shareholders; and that the approval shall continue to be in force until the conclusion of the next AGM of the Company at which time it will lapse unless the authority is renewed by a resolution passed at the meeting; or the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or revoked or varied by resolutions passed by the shareholders of the Company in a general meeting; whichever is the earlier."

Ordinary Resolution 8

c) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

"THAT the amendments to the Articles of Association of the Company contained in Appendix I be and are hereby approved."

Special Resolution 1

7. To transact any other business of which due notice shall have been given.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN that a First and Final Dividend of 10% less 25% tax for the year ended 30 June 2009, if approved by the shareholders at the AGM, will be paid on 10 December 2009 to the shareholders whose names appear in the Record of Depositors of the Company at the close of business on 26 November 2009.

A depositor shall qualify for entitlement to the dividend only in respect of:

- a. Shares transferred into the depositor' securities account before 4:00 p.m. on 26 November 2009 in respect of ordinary transfers; and
- b. Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.



NOTICE OF ANNUAL GENERAL MEETING (cont'd)

BY ORDER OF THE BOARD



LAM VOON KEAN
(MIA 4793)
Company Secretary

Penang, 26 October 2009

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. Where a member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. If the appointor is a corporation, the proxy form must be executed under its Common Seal or under the hand of its attorney.
5. To be valid, the proxy form duly completed must be deposited at the Company's Registered Office at Suite 2-1, 2nd Floor, Menara Penang Garden, 42A Jalan Sultan Ahmad Shah, 10050 Penang, not less than forty eight (48) hours before the time appointed for holding the meeting.
6. The details of the Directors standing for re-election as in Agenda 2 are as more particularly disclosed in Pages 5 and 6 of the Annual Report of the Company.

Explanatory Notes on Special Business:

1. The proposed Resolution 7, if passed, will give authority to the Board of Directors to issue and allot ordinary shares from the unissued capital of the Company at any time in their absolute discretion and that such authority shall continue in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last Annual General Meeting held on 30 October 2008 and which will lapse at the conclusion of the Sixteenth AGM.

The General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

2. The proposed Resolution 8, if passed, will approve the Proposed Renewal of Shareholders' Mandate and allow the Company to provide financial assistance to its subsidiary companies as stated in Section 2.3 of the Circular. This approval shall continue to be in force until the conclusion of the next AGM of the Company at which time it will lapse unless the authority is renewed by a resolution passed at the meeting; or the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or revoked or varied by resolution passed by the shareholders of the Company in a general meeting; whichever is the earlier.
3. The Special Resolution 1, if passed, will amend the Articles of Association of the Company to comply with the provisions of the Main LR which come into effect on 3 August 2009.

Statement Accompanying Notice of Annual General Meeting (Pursuant to Paragraph 8.27(2) of the Main LR)

1. No individual is seeking election as a Director at the forthcoming Sixteenth AGM of the Company.

SPECIAL RESOLUTION 1

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

Appendix I

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

Definitions

Article No. Existing Articles		Proposed Articles		
2	Words	Meanings	Words	Meanings
	-	-	CMSA	Capital Markets and Services Act 2007
	Central Depository	The Bursa Malaysia Depository Sdn. Bhd. (165570W)	Depository	Bursa Malaysia Depository Sdn. Bhd.
	Depositor	A holder of a Securities Account established by the Central Depository	Depositor	A holder of a securities account established by the Depository
	Deposited Security	A security as defined in Section 2 of Securities (Central Depositories) Act 1991	Deposited Security	A security standing to the credit of a securities account and includes a security in a securities account that is in suspense
	Market Days	Any day on which there is official trading on The Exchange	market days	A day on which the stock market of the Exchange is open for trading in securities
	member	Any person/persons for the time being holding shares in the Company and whose names appear in the Register of Members (except the Bursa Malaysia Depository Nominees Sdn. Bhd.) including depositors whose names appear on the Record of Depositors	member	A depositor who will be treated as if he were a member pursuant to section 35 of the Securities Industry (Central Depositories) Act 1991 but excludes the Depository in its capacity as a bare trustee
	Record of Depositors	A record provided by Central Depository to the Company under Chapter 24.0 of the Rules of the Central Depository	Record of Depositors	A record provided by the Depository to the Company under chapter 24.0 of the Rules of the Depository
	Rules	The Rules of the Central Depository and any appendices thereto as amended from time to time	Rules of the Depository	The Rules of Bursa Malaysia Depository Sdn. Bhd., including any amendment that may be made from time to time
Securities	The meaning given in Section 2 of the Securities Commission Act 1993	securities	Has the meaning given in section 2(1) of the CMSA	

SPECIAL RESOLUTION 1

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY (cont'd)



Definitions (cont'd)

Article No. Existing Articles			Proposed Articles	
2	Words	Meanings	Words	Meanings
	Securities Account	An account established by the Central Depository for a Depositor for the recording of deposit of securities and for dealing in such securities by the Depositor	securities account	An account established by the Depository for a depositor for the recording of deposit of securities and for dealing in such securities by the depositor
The all reference in the Company's Articles of Association to the existing definitions wherever the same may appear shall be substituted with these new definitions.				

Issue of Securities

Article No. Existing Articles		Proposed Articles
5A	All new issue of securities for which listing is sought are made by way of crediting the securities accounts of the allottees with such securities save and except where it is specifically excepted from compliance with Section 38 of the Securities Industry (Central Depositories) Act, 1991, in which event it shall so similarly be exempted from compliance with this Requirements. For this purpose, the Company must notify the Central Depository of the names of the allottees and all such particulars required by the Central Depository, to enable the Central Depository to make the appropriate entries in the securities accounts of such allottees.	Deleted.
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 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:-	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 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 financial statements and attending general meetings of the Company. Preference shareholders must be entitled to a right to vote in each of the following circumstances:-

SPECIAL RESOLUTION 1

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY (cont'd)

Appendix I

Issue of Securities (cont'd)

Article No.	Existing Articles	Proposed Articles
6	<p>(a) when the dividend or part of the dividend on the share is in arrears for more than 6 months;</p> <p>(b) on a proposal to reduce the Company's share capital;</p> <p>(c) on a proposal for the disposal of the whole of the Company's property, business and undertaking</p> <p>(d) on a proposal that affects rights attached to the share;</p> <p>(e) on a proposal to wind up the Company; and</p> <p>(f) during the winding up of the Company</p>	<p>(a) when the dividend or part of the dividend on the share is in arrears for more than 6 months;</p> <p>(b) on a proposal to reduce the Company's share capital;</p> <p>(c) on a proposal for the disposal of the whole of the Company's property, business and undertaking</p> <p>(d) on a proposal that affects rights attached to the share;</p> <p>(e) on a proposal to wind up the Company; and</p> <p>(f) during the winding up of the Company</p>

Certificates

Article No.	Existing Articles	Proposed Articles
13	The Company must allot securities and despatch notices of allotment to the allottees, within eight (8) Market Days after the final applications closing date for an issue of securities or such other period as may be prescribed or allowed by the Exchange.	The Company must issue and allot securities and despatch notices of allotment to the allottees, within eight (8) market days after the final applications closing date for an issue of securities or such other period as may be prescribed or allowed by the Exchange.

Company's lien on shares and dividends

Article No.	Existing Articles	Proposed 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.	The Company's lien on shares and dividends from time to time declared in respect of such shares, shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, and to such amounts as the Company may be called upon by law to pay and has paid in respect of the shares of the member or deceased member.

SPECIAL RESOLUTION 1

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY (cont'd)



Transfer of securities

Article No.	Existing Articles	Proposed Articles
27	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 Rule 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.	The transfer of any securities or class of securities of the Company, shall be by way of book entry by the Depository in accordance with the Rules of the Depository and, notwithstanding sections 103 and 104 of the Act , but subject to section 107C(2) of the Act and any exemption that may be made from compliance with section 107C(1) of the Act , the Company shall be precluded from registering and effecting any transfer of the securities .

Suspension of registration

Article No.	Existing Articles	Proposed Articles
31	The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine not exceeding in the whole thirty (30) days in any year. Ten (10) Market Days' notice of intention to close the said register shall be published in a daily newspaper circulating in Malaysia and shall also be given to The Exchange. The said notice shall state the purpose or purposes for which the register is being closed. At least three (3) market days prior notice shall be given to the Central Depository to enable the Central Depository to prepare the appropriate Record of Depositors.	The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine not exceeding in the whole thirty (30) days in any year. At least Ten (10) market days' notice of intention to close the said register shall be published in a daily newspaper circulating in Malaysia and shall also be given to The Exchange. The said notice shall state the reason for which the register is being closed. At least three (3) market days before the notice shall be given to the Depository to enable the Depository to prepare the appropriate Record of Depositors.

SPECIAL RESOLUTION 1

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY (cont'd)

Appendix I

Issue of new shares to members

Article No.	Existing Articles	Proposed Articles
50	<p>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.</p>	<p>Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities shall, before issue 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 also 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.</p>

Notice of meeting

Article No.	Existing Articles	Proposed Articles
57(a)	<p>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.</p>	<p>The notices convening meetings shall specify the place, day and hour of the meeting, and shall be given to all members 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 must be given by advertisement in at least 1 nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each stock exchange upon which the Company is listed.</p>

SPECIAL RESOLUTION 1

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY (cont'd)

Notice of meeting (cont'd)

Article No.	Existing Articles	Proposed Articles
57(c)	The Company shall also request the Central Depository in accordance with the Rules of the Central Depository, to issue a Record of Depositors, as at the latest date which is reasonably practicable which shall in any event be not less than three (3) Market Days before the general meeting (hereinafter referred to as "the General Meeting Record of Depositors").	The Company shall also request the Depository in accordance with the Rules of the Depository , to issue a Record of Depositors, as at the latest date which is reasonably practicable which shall in any event be not less than three (3) market days before the general meeting (" General Meeting Record of Depositors ").

Notice of candidate as a Director

Article No.	Existing Articles	Proposed Articles
82	No person not being a retiring Director shall be eligible for election to the office of Director at any general meeting unless some member intending to propose him has, at least eleven (11) clear days before the meeting, left at the office of the Company a notice in writing duly signed by the nominee, giving his consent to the nomination and signifying his candidature for the office, or the intention of such member to propose him, provided that in the case of a person recommended by the Directors for election, nine (9) clear days' notice only shall be necessary, and notice of each and every candidature for election to the Board of Directors shall be served on the registered holders of shares at least seven (7) days prior to the meeting at which the election is to take place	No person, not being a retiring Director, shall be eligible for election to the office of Director at any general meeting unless a member intending to propose him for election has, at least eleven (11) clear days before the meeting, left at the Office of the Company a notice in writing duly signed by the nominee, giving his consent to the nomination and signifying his candidature for the office, or the intention of such member to propose him for election, provided that in the case of a person recommended by the Directors for election, nine (9) clear days' notice only shall be necessary, and notice of each and every candidature for election to the Board of Directors shall be served on the registered holders of shares at least seven (7) days before the meeting at which the election is to take place

SPECIAL RESOLUTION 1

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY (cont'd)

Appendix I

When offices of Director deemed vacant

Article No.	Existing Articles	Proposed Articles
91(a)	becomes of bankrupt during his term of office;	becomes of unsound mind or bankrupt during his term of office;
91(d)	becomes of unsound mind during his term of office;	Deleted.
Accordingly the Article 91 be renumbered to read as follows:-		
“The office of Director shall become vacant if the Director:-		
(a) becomes of unsound mind or bankrupt during his term of office;		
(b) becomes prohibited from being a Director by reason of any order made under the Act or contravenes section 130 of the Act;		
(c) ceases to be a Director by virtue of the Act;		
(d) resigns his office by notice in writing to the Company and deposited at the registered address of the Company; or		
(e) is removed from his office of Director by resolution of the Company in general meeting of which special notice has been given.		

Tele-conferencing

Article No.	Existing Articles	Proposed Articles
105A	-	The Directors may participate in a meeting of the Directors by means of a conference telephone, video conference or similar electronic telecommunicating 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. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the Chairman of the meeting then is. For the purpose of recording attendance, the Chairman or Secretary shall mark on the attendance sheet that the Director was present and participating by telephone, video-conferencing or other electronic means.

SPECIAL RESOLUTION 1

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY (cont'd)



To whom copies of profit and loss account etc may be sent

Article No.	Existing Articles	Proposed Articles
131	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.	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 financial statements , the Directors' and auditors' reports shall not exceed four (4) months.

To whom copies of profit and loss account etc may be sent

Article No.	Existing Articles	Proposed Articles
131A	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.	A copy of every balance sheet and profit and loss account which is to be laid before the Company in general meeting (including every document required by law to be annexed thereto) together with a copy of the Auditors' report relating thereto and of the Directors report, either in printed form or in impact disc read-only memory ("CD-ROM") form or in such other form of electronic media, shall not less than twenty-one (21) days (or such other period as may be prescribed by the Exchange) before the dated of the meeting, be sent to every member of, and every holder of debentures (if any) of, the Company and to every other person who is entitled to receive notices from the Company under the provisions of the Act or of these Articles. The requisite number of copies of each such documents as may be required by the Exchange shall at the same time be likewise sent to the Exchange. Provided that this Article shall not require a copy of these documents to be sent to any person of whose name or address the Company is not aware of 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 to the Office. In the event that these documents are sent in CD-ROM form or in such other form of electronic media and a member requires a printed form of such documents, the Company shall send documents to the member within four (4) market days (or such other period as may be prescribed by the Exchange) from the date of receipt of the member's request.



SPECIAL RESOLUTION 1

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY (cont'd)

Appendix I

Voluntary liquidation

Article No.	Existing Articles	Proposed Articles
153	On the voluntary liquidation of the Company, no commission or fee shall be paid to the Liquidator unless it shall have been approved by members. The amount of such payment shall be notified to all members at least seven (7) days prior to the meeting at which it is to be considered.	On the voluntary liquidation of the Company, no commission or fee shall be paid to the Liquidator unless it shall have been approved by members. The amount of such payment shall be notified to all members at least seven (7) days before the meeting at which the commision or fee is to be considered.

Effect of the Listing Requirements

Article No.	Existing Articles	Proposed Articles
157(7)	For the purpose of this Articles, unless the context otherwise requires, "Listing Requirements" means the Listing Requirements of Bursa Malaysia Securities Berhad including any amendments to the Listing Requirements that may be made from time to time.	For the purpose of this Articles, unless the context otherwise requires, "Listing Requirements" means Bursa Malaysia Securities Berhad Main Market Listing Requirements 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. Shareholdings of those Directors standing for re-election at the forthcoming Annual General Meeting of the Company are disclosed in the Directors' Report on pages 32 to 34 of the Annual Report, while personal particulars for each of them are detailed in the Directors' Profile on pages 5 and 6 of the Annual Report.
2. Details of attendance of Directors at board meetings held during the financial year are disclosed in the Corporate Governance Statement on page 13 of the Annual Report.

3. **Other Information**

Share Buybacks

There were no share buybacks by the Company during the financial year.

Options Warrant or Convertible Securities

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

American Depository Receipt (ADR) or Global Depository 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 RM58,500 and RM80,000 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 during the financial year.

Material Contracts and Contracts Relating to Loans

During the financial year, there were no material contracts or contracts relating to loans entered into by the Company or its subsidiary companies 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.

This page has been left blank intentionally

PROXY FORM

ORIENTAL INTEREST BERHAD (272144-M) (Incorporated In Malaysia)

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 and on my/our behalf at the Sixteenth Annual General Meeting of the Company to be held at Serindit Room, Hotel Equatorial, No. 1, Jalan Bukit Jambul, 11900 Penang on Tuesday, 17 November 2009 at 10:00 a.m. and at any adjournment thereof.

RESOLUTIONS	FOR	AGAINST
Ordinary Resolution 1		
Ordinary Resolution 2		
Ordinary Resolution 3		
Ordinary Resolution 4		
Ordinary Resolution 5		
Ordinary Resolution 6		
Ordinary Resolution 7		
Ordinary Resolution 8		
Special 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)

In the case of more than one proxy is appointed, the proportions of my/our shareholding to be represented by my/our proxies are as follows:

First named Proxy	%
Second named Proxy	%
	<u>100%</u>

No. of Ordinary Shares Held

Signed this _____ day of _____ 2009.

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. Where a member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. If the appointor is a corporation, the proxy form must be executed under its Common Seal or under the hand of its attorney.
5. To be valid, the proxy form duly completed must be deposited at the Company's Registered Office at Suite 2-1, 2nd Floor, Menara Penang Garden, 42A Jalan Sultan Ahmad Shah, 10050 Penang, not less than forty eight (48) hours before the time appointed for holding the meeting.

1st fold

Affix
Stamp

ORIENTAL INTEREST BERHAD
(272144-M)

Suite 2-1, 2nd Floor,
Menara Penang Garden,
42A Jalan Sultan Ahmad Shah,
10050 Penang.

2nd fold