

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 makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are outlined below.

(a) Property development

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 19.

(b) (i) Inventories write down of Property Development Division

Inventories are stated at lower of cost and net realisable value. Net realisable value is the estimate of the selling price in the ordinary course of business, less cost to completion and selling expenses. The carrying amount of the Group's inventories for Property Development Division (i.e. developed properties) at 30 June 2011 is shown in Note 20 to the financial statements.

(ii) Inventories write down of Manufacturing Division/Cahajaya Group*

The Group has reviewed the inventories of Manufacturing Division/Cahajaya Group as at 30 June 2011 to be stated at lower of cost and net realisable value based on best estimates and judgements of the Directors as disclosed in Note 20 to the financial statements.

* Manufacturing Division/Cahajaya Group refers to Cahajaya Timber Industries Sdn Bhd and two of its wholly-owned subsidiaries, i.e. Patriot Furniture Sdn Bhd and Guar Timber Industries Sdn Bhd.

(c) (i) Impairment of property, plant and equipment and investments of Property Development Division

The Group reviews assets that are subject to amortisation/depreciation for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Recoverable amounts are determined based on the present value of the estimated future cash flows of the assets. In arriving at the recoverable amounts, management exercises judgement in estimating the future cash flows and discount rate.

(ii) Impairment of plant, machinery and equipment of Manufacturing Division/Cahajaya Group

The Group had impaired plant, machinery and equipment of Manufacturing Division/Cahajaya Group as at 30 June 2011 based on best estimates and judgements of the Directors as disclosed in Note 12(b) to the financial statements.

(d) Income taxes

The Group is subject to Malaysia income taxes. Judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2011

3 Critical accounting estimates and judgements (cont'd)

(e) Impairment of investments in subsidiaries

The Company assesses whether investments in subsidiaries are impaired whenever events or changes in circumstances indicate that their carrying amount may not be recoverable, i.e. the carrying amount of the assets is more than the recoverable amount. Recoverable amount is the higher of the fair value less cost to sell for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flows derived from the asset discounted at an appropriate discount rate. Significant judgement is required in estimating the cash flows and the discount rate used. While there are impairments recognised on plants, machinery and equipment and inventories of Cahaya Group, the Directors of the Company have assessed the Company's investment in Cahajaya Group and believe that no impairment is required to write down the Company's investment in Cahajaya Group taken into consideration of the recoverable amounts of other assets (including leasehold land and buildings) of these subsidiaries.

4 Financial risk management objectives and policies

4.1 Financial risk factors

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 flows 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 profit or loss 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.

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

4.1 Financial risk factors (cont'd)

Property development division (cont'd)

(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 reporting date, there was no significant concentration of credit risk.

(d) Liquidity and cash flows 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 flows risk

Prudent liquidity and cash flows 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 flows 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 2011

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

4.2 Capital risk management

The Group's objectives when managing capital is to ensure that an optimal capital structure is maintained to sustain future development of business and to provide fair returns for shareholders and benefits for other stakeholders.

In order to maintain an optimal capital structure, the Group may, from time to time, adjust the dividend payout to owners of the parent, return capital to owners of the parent, issue new shares, redeem debts or sell assets to reduce debts, where necessary. The Group's approach on managing capital is based on directives approved by the Board of Directors.

5 Revenue

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Property development revenue based on stage of completion	75,095	66,872	0	0
Sales of developed properties	1,206	5,122	0	0
Sales of vacant land	1,563	910	0	0
Sales of goods at invoiced value	12,261	20,915	0	0
Sales of fresh fruit bunches of oil palm	4,617	2,528	0	0
Dividend income	0	0	25	8,312
Management fees	0	0	77	95
	<u>94,742</u>	<u>96,347</u>	<u>102</u>	<u>8,407</u>

6 Finance cost

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Interest expense	<u>4</u>	<u>4</u>	<u>0</u>	<u>0</u>

7 Employee benefits cost

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Wages, salaries and bonuses	8,562	8,473	0	0
Contributions to defined contribution retirement plan	840	800	0	0
Other employee benefits	455	432	0	0
	<u>9,857</u>	<u>9,705</u>	<u>0</u>	<u>0</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2011

8 Directors' remuneration

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

Non-executive Directors

Tuan Haji Ahmad Bin Abdul Rashid

Goh Chooi Eam

Koay Chong Beng

Chin Kuet Sen

(resigned on 1 July 2011)

Executive Directors

Dato' Wira 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	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Non-executive Directors:				
- Fees receivable	120	120	120	120
- Allowances	35	38	35	38
Executive Directors:				
- Fees receivable	100	100	100	100
- Salaries and bonuses	1,740	1,751	0	0
- Contributions to defined contribution retirement plan	209	210	0	0
- Allowances	19	16	19	16
	<u>2,223</u>	<u>2,235</u>	<u>274</u>	<u>274</u>
Estimated monetary value of benefits otherwise than in cash	111	93	0	0
	<u>2,334</u>	<u>2,328</u>	<u>274</u>	<u>274</u>

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 24) 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 2011							
8 January 2002	23 November 2011	1.32	1,300	0	0	0	1,300
Financial year ended 30 June 2010							
8 January 2002	23 November 2011	1.32	1,300	0	0	0	1,300

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2011

9 (Loss)/Profit before taxation

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

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Amortisation of biological assets	23	20	0	0
Advertisement expenses	1,037	912	0	5
Auditors' remuneration:				
- statutory audit (current year)	194	179	32	32
- statutory audit (prior year)	15	0	0	0
- other services	38	30	4	4
Provision for impairment of receivables	759	230	0	0
Consultant costs	737	609	0	0
Cost of vacant land sold	176	26	0	0
Cost of developed properties sold	2,017	4,265	0	0
Changes in inventories of finished goods and work in progress	2,022	317	0	0
Development contribution and processing fees	448	372	0	0
Depreciation				
- property, plant and equipment	2,644	2,710	0	0
- investment properties	85	89	0	0
Employee benefits costs (Note 7)	9,857	9,705	0	0
Expenditure for oil palm operations	931	440	0	0
Freight charges	794	1,251	0	0
General maintenance of completed projects	1,043	322	0	0
Hire of plant and machinery	1,001	879	0	0
Interest expense previously capitalised in property development costs	32	95	0	0
Inventories written off	267	0	0	0
Inventories written down to net realisable value (Note 20)	2,066	0	0	0
Property, plant and equipment written off	1	3	0	0
Impairment loss of property, plant and equipment (Note 12)	4,033	1,221	0	0
Land cost relating to property development	7,719	8,688	0	0
Loss on foreign exchange				
- realised	185	473	0	0
- unrealised	0	4	0	0
Raw materials and consumables used	26,213	29,039	0	0
Rental expenses of land and buildings	199	126	0	0
Sub-contract costs	23,955	26,994	0	0
Sales tax	24	1,011*	0	0
Utilities	1,313	1,804	0	0
Upkeep, repairs and maintenance of assets	786	705	0	0

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2011

9 (Loss)/Profit before taxation (cont'd)

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

* Sales tax payable for the financial year ended 30 June 2010 of the Group represents sales tax attributable to local sales of a subsidiary company under licensed manufacturing warehouse, amounting to RM1,011,000 not paid to Custom Department due to omission. The said sales tax was without recourse against the local customers, therefore, was deemed irrecoverable and charged out under "Selling and Distribution Costs" during the financial year ended.

Direct operating expenses from investment properties that generated rental income of the Group during the financial year amounted to RM219,000 (2010: RM148,000).

Property development costs of the Group recognised as an expense during the financial year amounted to RM74,542,000 (2010: RM61,361,000).

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

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Rental income	610	730	0	0
Interest income	1,442	1,291	374	469
Gross dividends income from subsidiaries (unquoted)	0	0	25	6,572
Gross dividend income from an associate (unquoted)	0	0	0	1,740
Provision for impairment of receivables written back	300	0	0	0
Gain on disposal of property, plant and equipment	0	16	0	0
	<u>0</u>	<u>16</u>	<u>0</u>	<u>0</u>

10 Taxation

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
In respect of current financial year:				
- Malaysian income tax	2,021	2,739	11	815
- Deferred taxation	(560)	(135)	0	0
In respect of prior financial year:				
- Malaysian income tax	(461)	32	(15)	(6)
- Deferred taxation	6	(4)	0	0
	<u>1,006</u>	<u>2,632</u>	<u>(4)</u>	<u>809</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2011

10 Taxation (cont'd)

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current tax:				
Current financial year	2,021	2,739	11	815
(Over)/Under accrual in prior financial year	(461)	32	(15)	(6)
Deferred tax:				
Origination and reversal of temporary differences	(560)	(135)	0	0
(Under)/Over accrual in prior financial year	6	(4)	0	0
	<u>1,006</u>	<u>2,632</u>	<u>(4)</u>	<u>809</u>

The reconciliation of income tax expense applicable to (loss)/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	
	2011 %	2010 %	2011 %	2010 %
Numerical reconciliation between the average effective tax rate and the Malaysian income tax rate				
Malaysian income tax rate	(25.0)	25.0	(25.0)	25.0
Tax effects of:				
- Expenses that are not tax deductible	58.1	5.8	30.5	0.8
- Income not subject to tax	0.0	0.0	0.0	(16.0)
- Expenses eligible for double deduction	(5.0)	(6.7)	0.0	0.0
- Temporary differences not recognised	50.3	39.3	0.0	0.0
- Share of profit of associate	0.0	(3.2)	0.0	0.0
- Group relief on utilisation of tax losses	(33.9)	(10.7)	0.0	0.0
- Recognition of previously unrecognised tax losses	(8.6)	0.0	0.0	0.0
- Others	1.5	0.8	(0.3)	0.2
Average effective tax rate for the financial year	<u>37.4</u>	<u>50.3</u>	<u>5.2</u>	<u>10.0</u>
(Over)/Under accrual of Malaysian income tax in respect of prior financial year	(11.8)	0.7	(7.2)	(0.1)
Under/(Over) accrual of deferred taxation in respect of prior financial year	0.2	(0.1)	0.0	0.0
	<u>25.8</u>	<u>50.9</u>	<u>(2.0)</u>	<u>9.9</u>

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2011

10 Taxation (cont'd)

The Group has, subject to confirmation by the Inland Revenue Board, the following carry forward tax balances:

	Group 2011 RM'000	2010 RM'000
Tax losses carried forward	15,823	12,097
Unutilised capital allowances	10,046	8,694
Unutilised reinvestment allowances	1,646	1,646

11 (Loss)/Earnings per share

(a) Basic (loss)/earnings per share

Basic (loss)/earnings per share of the Group is calculated by dividing the net (loss)/profit attributable to owners of the parent for the financial year by the weighted average number of ordinary shares in issue during the financial year:

	2011	2010
Net (loss)/profit attributable to owners of the parent (RM'000)	(7,044)	1,245
Weighted average number of ordinary shares in issue ('000)	90,545	90,545
Basic (loss)/earnings per share (sen)	(7.78)	1.38

(b) Diluted (loss)/earnings per share

In respect of the diluted (loss)/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.

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 (loss)/profit attributable to owners of the parent for the share options calculations.

	2011	2010
Net (loss)/profit attributable to owners of the parent (RM'000)	(7,044)	1,245
Weighted average number of ordinary shares in issue ('000)	90,545	90,545
Adjustment for share options ('000)	0*	0*
	90,545	90,545
Diluted (loss)/earnings per share (sen)	(7.78)	1.38

* No "unpurchased" shares to be added to the ordinary shares outstanding as the average share price of the Company for the financial year ended 30 June 2011 has been below the share options' exercise price.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2011

12 Property, plant and equipment

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

Group only										
	Land and buildings, at cost/valuation RM'000	Estate infrastructure at cost 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	Capital work in progress RM'000	Total RM'000
2011										
Net book value										
At 1 July 2010	55,309	0	7	789	7,147	2,282	5	43	115	65,697
Additions	797	0	1	227	62	591	1	28	44	1,751
Transfer from investment property	216	0	0	0	0	0	0	0	0	216
Reclassification	0	588	0	(5)	(488)	0	5	18	(118)	0
Disposals	0	0	0	0	0	0	0	0	0	0
Write off	0	0	0	(1)	0	0	0	0	0	(1)
Depreciation	(457)	(37)	(4)	(238)	(1,594)	(352)	(3)	(15)	0	(2,700)
Impairment loss	0	0	0	(358)	(3,627)	(18)	0	0	0	(4,003)
At 30 June 2011	55,865	551	4	414	1,500	2,503	8	74	41	60,960
At 30 June 2011										
Cost/valuation	62,888	818	96	3,725	25,634	5,976	62	188	41	99,428
Accumulated depreciation	(4,685)	(267)	(92)	(2,953)	(19,286)	(3,455)	(54)	(114)	0	(30,906)
Accumulated impairment loss	(2,338)	0	0	(358)	(4,848)	(18)	0	0	0	(7,562)
Net book value	55,865	551	4	414	1,500	2,503	8	74	41	60,960

The land and buildings of the Group comprise:

	Freehold land, at cost RM'000	Freehold land, at valuation RM'000	Leasehold land, at cost 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
2011									
Net book value									
At 1 July 2010	1,324	13,310	13,732	20,351	2,902	0	559	3,131	55,309
Additions	0	0	797	0	0	0	0	0	797
Transfer from investment property	0	0	0	0	216	0	0	0	216
Depreciation	0	0	(235)	0	(117)	0	(25)	(80)	(457)
At 30 June 2011	1,324	13,310	14,294	20,351	3,001	0	534	3,051	55,865
At 30 June 2011									
Cost/Valuation	1,324	13,310	18,492	20,351	4,050	0	861	4,500	62,888
Accumulated depreciation	0	0	(1,860)	0	(1,049)	0	(327)	(1,449)	(4,685)
Accumulated impairment loss	0	0	(2,338)	0	0	0	0	0	(2,338)
Net book value	1,324	13,310	14,294	20,351	3,001	0	534	3,051	55,865

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2011

12 Property, plant and equipment (cont'd)

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

Group only									
	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	Capital work in progress RM'000	Total RM'000
2010									
Net book value									
At 1 July 2009	13,199	8	896	9,584	2,020	7	46	0	25,760
Effect of adopting FRS 117	13,964	0	0	0	0	0	0	0	13,964
At 1 July 2009, restated	27,163	8	896	9,584	2,020	7	46	0	39,724
Additions	0	0	106	0	555	0	9	115	785
Disposals	0	0	(4)	0	(110)	0	0	0	(114)
Write off	0	0	(3)	0	0	0	0	0	(3)
Depreciation	(453)	(5)	(233)	(1,723)	(308)	(2)	(12)	0	(2,736)
Impairment loss	0	0	0	(1,221)	0	0	0	0	(1,221)
Acquisition of subsidiary (Note 33)	28,599	4	27	507	125	0	0	0	29,262
At 30 June 2010	55,309	7	789	7,147	2,282	5	43	115	65,697
At 30 June 2010									
At cost/valuation									
At 30 June 2010	44,090	95	3,541	26,291	5,385	49	142	115	79,708
Effect of adopting FRS117	17,695	0	0	0	0	0	0	0	17,695
At 30 June 2010, restated	61,785	95	3,541	26,291	5,385	49	142	115	97,403
Accumulated depreciation									
At 30 June 2010	(2,513)	(88)	(2,752)	(17,923)	(3,103)	(44)	(99)	0	(26,522)
Effect of adopting FRS117	(1,625)	0	0	0	0	0	0	0	(1,625)
At 30 June 2010, restated	(4,138)	(88)	(2,752)	(17,923)	(3,103)	(44)	(99)	0	(28,147)
Accumulated impairment loss									
At 30 June 2010	0	0	0	(1,221)	0	0	0	0	(1,221)
Effect of adopting FRS117	(2,338)	0	0	0	0	0	0	0	(2,338)
At 30 June 2010, restated	(2,338)	0	0	(1,221)	0	0	0	0	(3,559)
Net book value	55,309	7	789	7,147	2,282	5	43	115	65,697

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2011

12 Property, plant and equipment (cont'd)

The land and buildings of the Group comprise:

2010	Freehold land, at cost RM'000	Freehold land, at valuation RM'000	Leasehold land, at cost 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 2009	1,324	1,302	0	3,760	3,014	0	588	3,211	13,199
Effect of adopting FRS117	0	0	13,964	0	0	0	0	0	13,964
At 1 July 2009, restated	1,324	1,302	13,964	3,760	3,014	0	588	3,211	27,163
Depreciation	0	0	(232)	0	(112)	0	(29)	(80)	(453)
Acquisition of subsidiary (Note 33)	0	12,008	0	16,591	0	0	0	0	28,599
At 30 June 2010	1,324	13,310	13,732	20,351	2,902	0	559	3,131	55,309
At 30 June 2010									
At cost/valuation									
At 30 June 2010	1,324	13,310	0	20,351	3,745	0	860	4,500	44,090
Effect of adopting FRS117	0	0	17,695	0	0	0	0	0	17,695
At 30 June 2010, restated	1,324	13,310	17,695	20,351	3,745	0	860	4,500	61,785
Accumulated depreciation									
At 30 June 2010	0	0	0	0	(843)	0	(301)	(1,369)	(2,513)
Effect of adopting FRS117	0	0	(1,625)	0	0	0	0	0	(1,625)
At 30 June 2010, restated	0	0	(1,625)	0	(843)	0	(301)	(1,369)	(4,138)
Accumulated impairment loss									
At 30 June 2010	0	0	0	0	0	0	0	0	0
Effect of adopting FRS117	0	0	(2,338)	0	0	0	0	0	(2,338)
At 30 June 2010, restated	0	0	(2,338)	0	0	0	0	0	(2,338)
Net book value	1,324	13,310	13,732	20,351	2,902	0	559	3,131	55,309

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2011

12 Property, plant and equipment (cont'd)

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

Group only

	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	Capital work in progress RM'000	Total RM'000
At 1 July 2009									
Cost/Valuation	33,186	46	3,458	25,572	4,643	49	133	0	67,087
Accumulated depreciation	(3,685)	(38)	(2,562)	(15,988)	(2,623)	(42)	(87)	0	(25,025)
Accumulated impairment loss	(2,338)	0	0	0	0	0	0	0	(2,338)
Net book value	27,163	8	896	9,584	2,020	7	46	0	39,724

The land and buildings of the Group comprise:

	Freehold land, at cost RM'000	Freehold land, at valuation RM'000	Leasehold land, at cost 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
At 1 July 2009									
Cost/Valuation	1,324	1,302	17,695	3,760	3,318	427	860	4,500	33,186
Accumulated depreciation	0	0	(1,393)	0	(603)	(128)	(272)	(1,289)	(3,685)
Accumulated impairment loss	0	0	(2,338)	0	0	0	0	0	(2,338)
Net book value	1,324	1,302	13,964	3,760	2,715	299	588	3,211	27,163

- (a) 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. The leasehold land 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 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 RM2,932,000 (2010: RM3,096,000 and 2009: RM3,260,000).

- (b) For the financial year ended 30 June 2011, total impairment loss on “Plant and machinery” and “Furniture, fittings, office equipment and electrical installation” and “Motor vehicle” (herein after referred to as “plant, machinery and equipment”) of Cahajaya Group amounting to RM4,003,000 has been recognised due to the circumstances as described below:

- On 4 August 2011, the following subsidiaries (referred to as “Cahajaya Group”) had individually filed winding up petition at the Penang High Court:
 - Cahajaya Timber Industries Sdn Bhd
 - Patriot Furniture Sdn Bhd
 - Guar Timber Industries Sdn Bhd

The hearing of the winding up is pending disposal of an application by Cahajaya Group management to intervene the winding up which will be heard on 9 November 2011.

- Since it is the intention of the Directors of the Company to wind up Cahajaya Group, the financial statements of Cahajaya Group had been prepared on the basis that Cahajaya Group is not a going concern and its plant, machinery and equipment is reviewed for impairment.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2011

12 Property, plant and equipment (cont'd)

(b) For the financial year ended 30 June 2011, total impairment loss on “Plant and machinery” and “Furniture, fittings, office equipment and electrical installation” and “Motor vehicle” (herein after referred to as “plant, machinery and equipment”) of Cahajaya Group amounting to RM4,003,000 has been recognised due to the circumstances as described below: (cont'd)

- The Directors of the Company had appointed an independent valuer in order to determine the recoverable amount of the plant, machinery and equipment. However the independent valuer was denied access by Cahajaya Group management.
- As advised by the lawyers, the Directors of the Company decided not to further pursue the valuation pending the resolution of on going legal disputes with Cahajaya Group management.
- However, the Directors of the Company have carried out Directors’ valuation based on market value for comparable assets within the same industry of Cahajaya Group as best estimates. The estimated recoverable amount of the plant, machinery and equipment is approximately RM1,651,000. Consequently, the carrying amount of the plant, machinery and equipment of Cahajaya Group was written down to RM1,651,000 as at 30 June 2011 by recognising an impairment loss of RM4,003,000.

(c) For the financial year ended 30 June 2010, the Group recognised an impairment loss on property, plant and equipment of the Cahajaya Group amounting to RM1,221,000 as the carrying amount exceeded estimated recoverable amounts based on projection of future cash flows derived from continuing use of these assets.

The key assumptions used in estimating the recoverable amounts were as follows:

- projection of future cash inflows are mainly derived from external export sales which are not expected to change significantly;
- projection of future cash outflows consists mainly raw materials (which are mainly wood-based materials and chemical) and labour cost which are not expected to fluctuate significantly ; and
- a pre-tax discount rate of 9.74% p.a. is used to determine the present value of the projected cash flows. This discount rate used reflects specific risks relating to the relevant industry.

13 Land held for property development

Group only

At 1 July 2010/2009

Freehold land, at cost

Leasehold land, at cost

Related costs

Add: Movements in land

- additions

- transfer to property development costs - freehold land (Note 19)

Add: Movements in related costs

- additions

- transfer to property development costs (Note 19)

At 30 June 2011/2010

	2011 RM'000	2010 RM'000
At 1 July 2010/2009		
Freehold land, at cost	4,872	5,765
Leasehold land, at cost	700	700
Related costs	2,572	2,697
	8,144	9,162
Add: Movements in land		
- additions	10,453	0
- transfer to property development costs - freehold land (Note 19)	(1,335)	(893)
	9,118	(893)
Add: Movements in related costs		
- additions	65	61
- transfer to property development costs (Note 19)	(820)	(186)
	(755)	(125)
At 30 June 2011/2010	16,507	8,144

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2011

13 Land held for property development

Group only

At 30 June

Freehold land, at cost

Leasehold land, at cost

Related costs

2011 RM'000	2010 RM'000
13,990	4,872
700	700
1,817	2,572
16,507	8,144

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 2010/2009

Additions

Transfer from property development costs

Transfer to property, plant and equipment

Depreciation

At 30 June 2011/2010

At 30 June

Cost

Accumulated depreciation

Net book value

2011 RM'000	2010 RM'000
3,409	3,257
0	241
893	0
(216)	0
(85)	(89)
4,001	3,409
5,139	4,550
(1,138)	(1,141)
4,001	3,409

The fair value of the investment properties is estimated at RM6,549,000 (2010: RM5,655,000) 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 reporting date.

Included in investment properties is a work in progress amounted to RM893,000 (2010: Nil) of which depreciation will only commence when this asset is ready for its intended use.

15 Biological assets

Group only

Net book value

At 1 July 2010/2009

Additions

Amortisation

At 30 June 2011/2010

At 30 June

Cost

Accumulated amortisation

Net book value

2011 RM'000	2010 RM'000
648	404
43	264
(23)	(20)
668	648
879	836
(211)	(188)
668	648

Amortisation of biological assets will only commence upon maturity.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2011

16 Interest in subsidiaries

The subsidiaries which are all incorporated in Malaysia are:

Name of company	Effective interest in equity				Principal activities
	Held by the Company		Held through subsidiary		
	2011 %	2010 %	2011 %	2010 %	
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
Pesaka Saujana Development Sdn Bhd	100	100	0	0	Property development
OIB Foods & Beverages Sdn Bhd	100	100 #	0	0	Investment holding
Brilliant Alliance Sdn Bhd	70	70	0	0	Investment holding
Brilliant Delta (M) Sdn Bhd	51	51 *	0	0	Property development and oil palm cultivation
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
OIB Recipe Sdn Bhd	0	0	100	100 #	Dormant
OIB Confectionery Sdn Bhd	0	0	100	100 #	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
<u>Cahajaya Group</u>					
Cahajaya Timber Industries Sdn Bhd	100 ^	100	0	0	Manufacture of kiln dried rubberwood, sawn timber, solid doors and moulded wood products. See Note 16 (c)
Patriot Furniture Sdn Bhd	0	0	100 ^	100	Manufacture and sales of wooden furniture, wooden furniture parts, and parquet. See Note 16 (c)
Guar Timber Industries Sdn Bhd	0	0	100 ^	100	Dormant. See Note 16 (c)

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2011

16 Interest in subsidiaries (cont'd)

- (a) # On 8 January 2010, the Company acquired the balance of 2 ordinary shares of RM1 each, representing 20% of the total issued and paid-up share capital in OIB Foods & Beverages Sdn Bhd at par value for cash of RM2. OIB Recipe Sdn Bhd and OIB Confectionery Sdn Bhd are wholly owned subsidiaries of OIB Food & Beverages Sdn Bhd
- (b) * On 10 February 2010, the Company acquired additional equity interest of 7.72% in Brilliant Delta (M) Sdn Bhd (see Note 33).
- (c) ^ On 4 August 2011, the subsidiaries had individually filed winding up petition at the Penang High Court. For further details, please refer to Note 36 on subsequent events.

The auditors' reports on the financial statements of Cahajaya Timber Industries Sdn Bhd and Patriot Furniture Sdn Bhd were qualified on an "except for" basis as the auditors were unable to obtain sufficient appropriate evidence about the carrying amount of the following items:

- (i) plant, machinery and equipment (Note 12(b)); and
- (ii) inventories (Note 20).

Company only

	30.6.2011 RM'000	Restated 30.6.2010 RM'000	Restated 1.7.2009 RM'000
Unquoted shares, at cost	106,566	106,566	91,593
Impairment losses	(2,652)	(2,652)	(2,652)
	103,914	103,914	88,941
Amounts due from subsidiaries			
Semua Jadi Sdn Bhd	41,978	41,035	52,110
Pesaka Saujana (M) Sdn Bhd	25,000	30,803	26,953
Maxilux Properties Sdn Bhd	4,953	0	0
Teguh Padu Development Sdn Bhd	21,509	21,247	19,715
Sungei Lalang Development Sdn Bhd	12,577	5,367	4,156
OIB Foods & Beverages Sdn Bhd	6	4	0
OIB Confectionery Sdn Bhd	6	3	0
OIB Recipe Sdn Bhd	6	3	0
Pesaka Saujana Development Sdn Bhd	11,163	697	650
	117,198	99,159	103,584
Interest in subsidiaries	221,112	203,073	192,525

Related company balances are all denominated in Ringgit Malaysia.

The amounts due from subsidiaries are classified as non-current as the Company treats these amount as a long term source of capital to the subsidiary companies.

17 Investment in an associate

Group only

	2011 RM'000	2010 RM'000
Unquoted shares, at cost	3,149	0
Acquisition of a subsidiary (Note 33)	0	3,149
Share of post acquisition profits	10	2
	3,159	3,151

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2011

17 Investment in an associate (cont'd)

The Group's share of assets and liabilities of associates is as follows:

	2011 RM'000	2010 RM'000
Revenue	0	1,154
Profit before taxation	8	574
Non-current assets	2,239	2,239
Current assets	922	914
Current liabilities	(2)	(2)
Non-current liabilities	0	0
Net assets	3,159	3,151

The associated company is:

Name of company	Country of incorporation	Financial year-end	Interest in equity		Principal activity
			2011 %	2010 %	
Held by Brilliant Delta (M) Sdn Bhd					
Prestasi Raya Sdn Bhd	Malaysia	30 June	44	44	Property development

18 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 statements of financial position:

	Group	
	2011 RM'000	2010 RM'000
Deferred tax assets		
- Deferred tax asset to be recovered after more than 12 months	3,670	3,585
- Deferred tax asset to be recovered within 12 months	519	284
	4,189	3,869
Deferred tax liabilities		
- Deferred tax liability to be settled after more than 12 months	(441)	(558)
- Deferred tax liability to be settled within 12 months	(117)	(234)
	(558)	(792)
Deferred tax assets (net)	3,631	3,077

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2011

18 Deferred taxation (cont'd)

Movements in deferred taxation:

At the beginning of the financial year

Credited/(charged) to profit or loss (Note 10):

- Unrealised profits and interest
- Tax losses
- Unrealised loss on foreign exchange
- Provisions
- Property development costs
- Property, plant and equipment

Charged to equity

Acquisition of subsidiary (Note 33)

At the end of the financial year

	Group 2011 RM'000	2010 RM'000
	3,077	3,062
	27	189
	251	(246)
	0	(2)
	6	(91)
	0	0
	270	289
	554	139
	0	(68)
	0	(56)
	3,631	3,077

Subject to income tax:

Deferred tax assets:

- Unrealised profits and interest
- Tax losses
- Provisions
- Property development costs
- Property, plant and equipment

Offsetting

Deferred tax liabilities:

- Property, plant and equipment
- Property development costs

Offsetting

	Group 2011 RM'000	2010 RM'000
	1,994	1,967
	937	686
	354	348
	904	904
	0	1,221
	4,189	5,126
	0	(1,257)
	4,189	3,869
	(490)	(1,981)
	(68)	(68)
	(558)	(2,049)
	0	1,257
	(558)	(792)

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2011

18 Deferred taxation (cont'd)

The amounts of tax losses carried forward, unutilised capital allowances and utilised reinvestment allowance for which no deferred tax asset is recognised in the statements of financial position are as follows:

	Group	
	2011 RM'000	2010 RM'000
Tax losses carried forward	10,845	9,355
Unutilised capital allowances	10,046	8,694
Unutilised reinvestment allowance	1,646	1,646
	<u>22,537</u>	<u>19,695</u>
Deferred tax assets not recognised at 25% (2010: 25%)	<u>5,634</u>	<u>4,924</u>

19 Property development costs

Group only

At 1 July 2010/2009

Freehold land - at cost

Leasehold land - at cost

Development costs

Add/(less): Movements in land

- Additions

- Transfer freehold land held to investment property

- Freehold land from acquisition of subsidiary*

- Transfer of freehold land from land held for property development (Note 13)

- Disposals of freehold land

Add/(Less): Movements in development costs

- Additions

- Transfer development costs to investment property

- Development costs from acquisition of subsidiary*

- Transfer of development cost from land held for property development (Note 13)

Less: Accumulated costs charged to profit or loss

- Current financial year

- Prior financial years

- Acquisition of subsidiary*

Transfer to developed properties

At 30 June 2011/2010

	2011 RM'000	2010 RM'000
At 1 July 2010/2009		
Freehold land - at cost	36,329	16,601
Leasehold land - at cost	10	56
Development costs	130,165	126,176
	<u>166,504</u>	<u>142,833</u>
Add/(less): Movements in land		
- Additions	607	58
- Transfer freehold land held to investment property	(299)	0
- Freehold land from acquisition of subsidiary*	0	19,505
- Transfer of freehold land from land held for property development (Note 13)	1,335	893
- Disposals of freehold land	(148)	(26)
	<u>1,495</u>	<u>20,430</u>
Add/(Less): Movements in development costs		
- Additions	79,295	69,494
- Transfer development costs to investment property	(594)	0
- Development costs from acquisition of subsidiary*	0	11,028
- Transfer of development cost from land held for property development (Note 13)	820	186
	<u>79,521</u>	<u>80,708</u>
Less: Accumulated costs charged to profit or loss		
- Current financial year	(74,542)	(61,361)
- Prior financial years	(51,920)	(59,226)
- Acquisition of subsidiary*	0	(7,306)
	<u>(126,462)</u>	<u>(127,893)</u>
Transfer to developed properties	<u>(2,469)</u>	<u>(1,494)</u>
At 30 June 2011/2010	<u>118,589</u>	<u>114,584</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2011

19 Property development costs (cont'd)

* Acquisition of subsidiary (Note 33):

	2011 RM'000	2010 RM'000
Freehold land	0	19,505
Development costs	0	11,028
Charges to profit or loss	0	(7,306)
	<u>0</u>	<u>23,227</u>

	2011 RM'000	2010 RM'000
At 30 June		
Freehold land - at cost	37,824	37,031
Leasehold land - at cost	10	56
Less: Land costs in respect of completed projects	(1,457)	(748)
Less: Land costs in respect of transfers to developed properties	(65)	0
	<u>36,312</u>	<u>36,339</u>
Development costs	209,686	206,884
Less: Development costs in respect of completed projects	(37,983)	(76,587)
Less: Development costs in respect of transfers to developed properties	(2,404)	(132)
	<u>169,299</u>	<u>130,165</u>
Accumulated costs charged to profit or loss	(126,462)	(127,893)
Add: Accumulated costs charged to profit or loss in respect of completed projects	39,440	75,973
	<u>(87,022)</u>	<u>(51,920)</u>
	<u>118,589</u>	<u>114,584</u>

Included in property development costs, are cost of landowners' entitlement amounting to RM13,078,000 (2010: RM9,891,000) 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:

	2011 RM'000	2010 RM'000
Depreciation	49	26
Hire of equipment	469	439

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2011

20 Inventories

Group only

At cost:

- Developed properties
- Consumables
- Plantation supplies
- Inventories of Cahajaya Group:
 - Raw materials
 - Work in progress
 - Finished goods

	2011 RM'000	2010 RM'000
	3,547	2,744
	0	306
	28	37
	0	330
	0	3,520
	0	1,285
	3,575	8,222
At net realisable value:		
- Developed properties	260	330
- Inventories of Cahajaya Group:		
- Raw materials	70	0
- Work in progress	1,956	2,515
- Finished goods	57	0
	2,343	2,845
	5,918	11,067

For the financial year ended 30 June 2011, inventories of Cahajaya Group have been written down by RM2,066,000 due to the circumstances as described below:

- On 4 August 2011, the following subsidiaries (referred to as “Cahajaya Group”) had individually filed winding up petition at the Penang High Court:
 - Cahajaya Timber Industries Sdn Bhd
 - Patriot Furniture Sdn Bhd
 - Guar Timber Industries Sdn Bhd

The hearing of the winding up is pending disposal of an application by Cahajaya Group management to intervene the winding up which will be heard on 9 November 2011.

- Since it is the intention of the Directors of the Company to wind up Cahajaya Group, the financial statements of Cahajaya Group had been prepared on the basis that Cahajaya Group is not a going concern and the inventories are assessed to be stated at the lower of cost and net realisable value.
- The Directors of Company had appointed an independent valuer in order to determine the net realisable value of the inventories. However the independent valuer was denied access by Cahajaya Group management.
- As advised by the lawyers, the Directors of the Company decided not to further pursue the valuation pending the resolution of on going legal disputes with Cahajaya Group management.
- However, the Directors of the Company have carried out Directors' valuation based on past transacted sales of certain inventories during the current financial year as best estimates. The estimated carrying amount, being the lower of cost and net realisable value, of the inventories is approximately RM2,083,000 as at 30 June 2011.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2011

21 Trade and other receivables

	Group			Company Restated	Restated
	30.6.2011 RM'000	30.6.2010 RM'000	30.6.2011 RM'000	30.6.2010 RM'000	1.7.2009 RM'000
Trade receivables	23,777	36,161	0	0	0
Less: provision for impairment	(1,050)	(757)	0	0	0
	22,727	35,404	0	0	0
Other receivables	2,493	1,010	7	0	0
Less: provision for impairment	(331)	(165)	0	0	0
	2,162	845	7	0	0
Advances to landowners	31,578	25,412	0	0	0
Accrued billings in respect of property development	13,490	1,644	0	0	0
Amounts due from subsidiaries	0	0	245	10,546	8,484
Deposits	1,014	1,451	2	2	2
Advances to subcontractors	0	226	0	0	0
Prepayments	123	108	0	0	0
	71,094	65,090	254	10,548	8,486

The normal credit terms of trade receivables range from 14 days to 60 days (2010: 14 days to 60 days).

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

- Ringgit Malaysia	69,796	61,613	254	10,548
- US Dollar	1,175	3,369	0	0
	70,971	64,982	254	10,548

The maximum exposure to credit risk at 30 June 2011 is the carrying value of each class of receivables mentioned above.

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2011

21 Trade and other receivables (cont'd)

Past due but not impaired

The aging analysis of the Group and Company's trade receivables which are past due but not impaired is as follows:

	Group RM'000	Company RM'000
1 to 30 days	4,711	0
31 to 90 days	4,171	0
More than 90 days	7,709	0
	<u>16,591</u>	<u>0</u>

Trade receivables that are past due but not impaired relate to a number of independent customers for whom there is no recent history of default and are monitored on an on-going basis.

As at 30 June 2011, none of the other receivables was past due but not impaired.

Impaired

As at 30 June 2011, trade receivables of RM1,050,000 (2010: RM757,000) and other receivables of RM332,000 (2010: RM165,000) were impaired. It was assessed that the entire portion of that particular trade and other receivables are not expected to be recovered.

Movements of the provision for impairment of trade and other receivables are as follow:

	Group 2011 RM'000
<u>Trade receivables</u>	
At 1 July 2010/2009	757
Impairment loss charged to profit or loss	593
Provision for impairment of receivables written back	(300)
At 30 June	<u>1,050</u>
<u>Other receivables</u>	
At 1 July 2010/2009	165
Impairment loss charged to profit or loss	166
At 30 June	<u>331</u>

Company only

Amounts due from subsidiaries

Cahajaya Timber Industries Sdn bhd
Brilliant Development Sdn Bhd

30.6.2011 RM'000	Restated 30.6.2010 RM'000	Restated 1.7.2009 RM'000
215	6,212	33
30	4,334	8,451
<u>245</u>	<u>10,546</u>	<u>8,484</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2011

22 Deposits with licensed banks

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Fixed deposits with licensed banks	29,258	47,836	6,558	21,378
Fixed deposits held as security for banking facilities	438	427	0	0
	<u>29,696</u>	<u>48,263</u>	<u>6,558</u>	<u>21,378</u>

Fixed deposits with licensed banks are denominated in Ringgit Malaysia.

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

	Group		Company	
	2011 %	2010 %	2011 %	2010 %
Fixed deposits with licensed banks	2.20 - 3.15	1.50 - 2.67	2.00 - 3.15	1.50 - 2.60
Fixed deposits held as security for banking facilities	3.15	2.60	N/A	N/A

Fixed deposits held as security amounting to RM438,000 (2010: RM427,000) were pledged to banks as security for bankers' guarantee facilities granted.

23 Cash and bank balances

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Cash and bank balances held under Housing Development Accounts pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966	6,925	11,157	0	0
Cash at bank and in hand	15,429	13,079	177	141
	<u>22,354</u>	<u>24,236</u>	<u>177</u>	<u>141</u>

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 Group are as follows:

Group

Interest rates during the financial year:

Cash at bank held under Housing Development Accounts

1.25 - 2.05 0.20 - 1.50

Effective interest rates as at the end of the financial year:

Cash at bank held under Housing Development Accounts

2.05 - 2.10 0.20 - 1.50

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2011

23 Cash and bank balances (cont'd)

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

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
- Ringgit Malaysia	22,074	22,272	177	141
- US Dollar	279	1,963	0	0
- Thai Baht	1	1	0	0
	<u>22,354</u>	<u>24,236</u>	<u>177</u>	<u>141</u>

Bank balances are deposits held at call with banks.

24 Share capital

Group and Company

Authorised:

Ordinary shares of RM1 each

200,000 200,000

Issued and fully paid:

Ordinary shares of RM1 each

90,545 90,545

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:

- 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.
- 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.
- Not more than 50% of the shares available under the ESOS should be allocated in aggregate, to Directors and senior management of the Group.
- 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.
- 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.
- The ESOS shall be in force for a duration of ten years commencing from 24 November 2001 and expiring on 23 November 2011.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2011

24 Share capital (cont'd)

Employee share option scheme (cont'd)

- (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.
- (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
2011						
8 January 2002	1.32	4,014,000	0	0	(128,000)	3,886,000
24 August 2002	1.36	34,000	0	0	0	34,000
14 January 2004	1.36	378,000	0	0	(16,000)	362,000
	Total	4,426,000	0	0	(144,000)	4,282,000
2010						
8 January 2002	1.32	4,101,000	0	0	(87,000)	4,014,000
24 August 2002	1.36	74,000	0	0	(40,000)	34,000
14 January 2004	1.36	378,000	0	0	0	378,000
	Total	4,553,000	0	0	(127,000)	4,426,000

At the end of the financial year, there were 3,886,000 (2010: 4,014,000) unissued ordinary shares under option at an exercise price of RM1.32 and 396,000 (2010: RM1.32 and 412,000) 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2011

25 Reserves

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Retained earnings	164,208	178,043	137,183	144,182
Revaluation reserves*	10,974	10,974	0	0
	<u>175,182</u>	<u>189,017</u>	<u>137,183</u>	<u>144,182</u>

* Revaluation reserves relate to fair value adjustment to previously held equity interest in piecemeal acquisition of subsidiary (Note 33).

Company only

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.

26 Provision for property development

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

27 Trade and other payables

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Trade payables	14,319	11,587	0	0
Sales tax payable	1,011	1,011	0	0
Other payables	2,689	3,025	0	0
Accrued liabilities	1,587	1,568	271	265
	<u>19,606</u>	<u>17,191</u>	<u>271</u>	<u>265</u>

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2011

27 Trade and other payables (cont'd)

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

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
- Ringgit Malaysia	19,456	17,080	271	265
- Thai Baht	41	0	0	0
- US Dollar	109	111	0	0
	<u>19,606</u>	<u>17,191</u>	<u>271</u>	<u>265</u>

Credit terms of trade payables granted to the Group vary from 7 to 60 days (2010: 7 to 60 days).

Included in trade payables are landowners' entitlement in respect of development projects as described in Note 19 to the financial statements amounting to RM3,985,000 (2010: RM1,383,000). 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 RM4,393,000 (2010: RM4,186,000).

28 Dividend

	2011		2010	
	Gross dividend per share Sen	Amount of dividend, net of tax RM'000	Gross dividend per share Sen	Amount of dividend, net of tax RM'000

Proposed/paid:

First and final dividend in respect of the financial year

<u>10</u>	<u>6,791</u>	<u>10</u>	<u>6,791</u>
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At the forthcoming Annual General Meeting, a first and final gross dividend in respect of the financial year ended 30 June 2011 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 2012.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2011

29 Cash flow generated from/(used in) operations

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
(Loss)/Profit for the financial year before taxation but after non-controlling interests	(6,038)	3,877	(212)	8,130
Adjustments for:				
Depreciation of property, plant and equipment	2,656	2,710	0	0
Amortisation of biological assets	23	20	0	0
Depreciation of investment properties	85	89	0	0
Dividend income	0	0	(25)	(8,312)
Gain on disposal of property, plant and equipment	0	(16)	0	0
Non-controlling interests	2,144	652	0	0
Interest income	(1,442)	(1,291)	(374)	(469)
Property, plant and equipment written off	1	3	0	0
Provision for impairment of receivables	759	230	0	0
Provision for impairment of receivables written back	(300)	0	0	0
Inventories written down to net realisable value	2,066	0	0	0
Inventories written off	267	0	0	0
Impairment loss of property, plant and equipment	4,003	1,221	0	0
Interest expense	4	4	0	0
Unrealised loss on foreign exchange	0	4	0	0
Share of profit of associate	(8)	(574)	0	0
	10,258	3,052	(399)	(8,781)
	4,220	6,929	(611)	(651)
Changes in working capital:				
Property development costs	(2,187)	(356)	0	0
Inventories	2,816	2,769	0	0
Receivables	(6,431)	2,807	0	0
Payables	1,905	(1,677)	7	30
Related company balances	0	0	0	369
	(3,897)	3,543	7	392
Cash flows generated from/(used in) operations	323	10,472	(604)	(259)

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2011

30 Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Deposits with licensed banks (Note 22)	29,696	48,263	6,558	21,378
Cash and bank balances (Note 23)	22,354	24,236	177	141
Fixed deposits held as security for banking facilities (Note 22)	(438)	(427)	0	0
Bank overdrafts	0	(10)	0	0
	<u>51,612</u>	<u>72,062</u>	<u>6,735</u>	<u>21,519</u>

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 bank overdrafts of the Group are as follows:

	Group	
	2011 %	2010 %
Interest rates during the financial year:		
Bank overdrafts	6.25 - 7.50	7.30 - 7.55
Effective interest rates as at the end of the financial year:		
Bank overdrafts	<u>N/A</u>	<u>7.55</u>

Bank overdrafts are secured by corporate guarantee given by the Company and are denominated in Ringgit Malaysia.

31 Contingent liabilities

	Company	
	2011 RM'000	2010 RM'000
Corporate guarantee issued to financial institution for banking facilities granted to certain subsidiaries (unsecured)		
- Limit	6,650	7,000
- Utilised as at 30 June	905	1,005
Bankers' guarantee issued to third party in favour of subsidiaries	3,722	3,310

32 Related party disclosures

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

<u>Name of company</u>	<u>Relationship</u>
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.
Hijaujaya Estate 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2011

32 Related party disclosures (cont'd)

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

<u>Name of company</u>	<u>Relationship</u>
Ladang Sin Hock 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.
Silver Sparkle Sdn Bhd	Enterprise controlled by Mr. Goh Aik Keong, who is an executive Director of the Company.
Fortune Yields Sdn Bhd	Enterprise in which Mr. Goh Aik Keong, an executive Director of the Company has significant influence.

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

	Group	
	2011	2010
	RM'000	RM'000
Purchases of fertilizer and chemical products from Teong Choon Enterprise (M) Sdn Bhd	315	280
Services rendered payable to Hijaujaya Estate Sdn Bhd	41	0
Services rendered payable to Ladang Sin Hock Sdn Bhd	61	68
Acquisition of shares from Silver Sparkle Sdn Bhd	0	2,884
Acquisition of shares from Fortune Yields Sdn Bhd	0	2,089

The above transaction were carried out on terms and rates as agreed between the Group and the related parties.

	Company	
	2011	2010
	RM'000	RM'000
Gross dividend income from:		
- Brilliant Development Sdn Bhd	7	7
- Brilliant Delta (M) Sdn Bhd	0	1,740
- Cahajaya Timber Industries Sdn Bhd	0	6,547
- Semua Jadi Sdn Bhd	18	18
Management fees receivable from:		
- Brilliant Development Sdn Bhd	30	33
- Cahajaya Timber Industries Sdn Bhd	15	30
- Semua Jadi Sdn Bhd	32	32

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2011

32 Related party disclosures (cont'd)

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

	Company	
	2011 RM'000	2010 RM'000
Advances to:		
- Brilliant Development Sdn Bhd	180	351
- Cahajaya Timber Industries Sdn Bhd	215	0
- Maxilux Properties Sdn Bhd	903	1,000
- Pesaka Saujana (M) Sdn Bhd	2,507	3,350
- Pesaka Saujana Development Sdn Bhd	10,466	47
- Semua Jadi Sdn Bhd	14,583	8,490
- Sungei Lalang Development Sdn Bhd	7,210	1,310
- Teguh Padu Development Sdn Bhd	262	1,580
Repayment of advances from:		
- Brilliant Development Sdn Bhd	4,484	4,500
- Maxilux Properties Sdn Bhd	1,150	0
- Pesaka Saujana (M) Sdn Bhd	7,200	4,725
- Semua Jadi Sdn Bhd	9,550	15,390
- Sungei Lalang Development Sdn Bhd	0	110
- Teguh Padu Development Sdn Bhd	0	50
Dividend received from:		
- Brilliant Development Sdn Bhd	7	7
- Brilliant Delta (M) Sdn Bhd	0	1,305
- Cahajaya Timber Industries Sdn Bhd	6,212	0
- Semua Jadi Sdn Bhd	18	18

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.

(c) Significant related party balances

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

		Company	
	Nature	2011 RM'000	2010 RM'000
Amounts due from subsidiaries:			
- Semua Jadi Sdn Bhd	Advances	41,978	41,035
- Brilliant Development Sdn Bhd	Advances	30	4,334
- Pesaka Saujana (M) Sdn Bhd	Advances	25,000	30,803
- Teguh Padu Development Sdn Bhd	Advances	21,509	21,247
- Sungei Lalang Development Sdn Bhd	Advances	12,577	5,367
- Pesaka Saujana Development Sdn Bhd	Advances	11,163	697
- Maxilux Properties Sdn Bhd	Advances	4,953	0

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2011

32 Related party disclosures (cont'd)

(c) Significant related party balances (cont'd)

Significant related party balances as at financial year end are as follows: (cont'd)

	Nature	Company	
		2011 RM'000	2010 RM'000
- Cahajaya Timber Industries Sdn Bhd	Advances	215	0
- Cahajaya Timber Industries Sdn Bhd	Dividend	0	6,212

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	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Salaries and bonuses	2,653	2,426	274	274
Contributions to defined contribution retirement plan	311	272	0	0
Other employee benefits	160	118	0	0
	<u>3,124</u>	<u>2,816</u>	<u>274</u>	<u>274</u>

33 Acquisition of subsidiary (2010 only)

The Company entered into a sale and purchase agreement on 10 February 2010 to acquire additional equity interest of 7.72% in Brilliant Delta (M) Sdn Bhd ("Brilliant Delta") for a purchase consideration to be settled in cash of RM4,973,000. As a result of the additional acquisition on 10 February 2010, Brilliant Delta, previously an associate, became a subsidiary of the Company. The Company's shareholding in Brilliant Delta increased from 43.48% to 51.2%.

Details of net assets acquired are as follows:

	Note	Acquiree's carrying value RM'000	Fair Value RM'000
Property, plant and equipment	12	17,253	29,262
Investment in associate	17	3,149	3,149
Property development costs	19	9,929	23,227
Inventories		18	18
Trade and other receivables		214	214
Tax recoverable		367	367
Deposits with licensed banks		8,000	8,000
Cash and bank balances		755	755
Trade and other payables		(453)	(453)
Deferred taxation		(56)	(124)
Net assets		<u>39,176</u>	<u>64,415</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2011

33 Acquisition of subsidiary (2010 only) (cont'd)

	Note	Acquiree's carrying value RM'000	Fair Value RM'000
Less: Non-controlling interests			(31,434)
Less: Amount accounted for as an associate			(17,034)
Less: Fair value adjustment attributable to previously held equity interest, net of tax (Note 25)			(10,974)
Net assets acquired			<u>4,973</u>

Details of cash flows arising from the acquisition of subsidiary are as follows:

	Group RM'000
Cash and cash equivalents of subsidiary acquired	8,755
Less: Purchase consideration settled in cash	(4,973)
Net cash inflows to the Group on acquisition of subsidiary	<u>3,782</u>

The acquired subsidiary contributed revenue of RM1,658,000 and profit after tax of RM725,000 to the Group for the period from 10 February 2010 to 30 June 2010. Had the acquisition took effect at the beginning of the financial year, the revenue and profit after tax of the Group would have increased by RM2,654,000 and RM1,316,000 respectively for the financial year ended 30 June 2010.

34 Group segmental information

The Group is organised into four main business segments:

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

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

2011	Property development RM'000	Manufacturing RM'000	Investment holding RM'000	Oil Palm RM'000	Group RM'000
Revenue					
Total segment revenue	77,864	12,261	605	4,617	95,347
Inter-segment revenue	0	0	(605)	0	(605)
Revenue from external customers	<u>77,864</u>	<u>12,261</u>	<u>0</u>	<u>4,617</u>	<u>94,472</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2011

34 Group segmental information (cont'd)

2011	Property development RM'000	Manufacturing RM'000	Investment holding RM'000	Oil Palm RM'000	Group RM'000
Profit/(loss)					
Reportable segment profit/(loss)	9,690	(16,926)	15	3,319	(3,902)
Share of results of an associate	0	0	8	0	8
Profit before taxation					(3,894)
Net assets					
Total segment assets	295,150	13,824	238,427	21,291	568,692
Inter-segment assets	(5,861)	0	(224,746)	0	(230,607)
Associate	0	0	3,159	0	3,159
Total assets per statements of financial position					341,244
Total segment liabilities	147,007	1,876	300	0	149,183
Inter-segment liabilities	(127,985)	(215)	(18)	0	(128,218)
Total liabilities per statement of financial position					20,965
Other information					
Capital expenditure	1,669	81	0	1	1,751
Interest revenue	676	63	703	0	1,442
Interest expenses	4	0	0	0	4
Tax expense/(income)	455	(362)	83	830	1,006
Impairment loss on property, plant and equipment	0	4,003	0	0	4,003
Write down of inventories to net realisable value	0	2,066	0	0	2,066
Inventories written off	0	267	0	0	267
Depreciation and amortisation	756	1,973	0	23	2,752
2010	Property development RM'000	Manufacturing RM'000	Investment holding RM'000	Oil Palm RM'000	Group RM'000
Revenue					
Total segment revenue	72,904	20,915	8,447	2,528	104,794
Inter-segment revenue	0	0	(8,447)	0	(8,447)
Revenue from external customers	72,904	20,915	0	2,528	96,347
Profit/(loss)					
Reportable segment profit/(loss)	9,128	(6,833)	(52)	1,712	3,955
Share of results of an associate	0	0	574	0	574
Profit before taxation					4,529

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2011

34 Group segmental information (cont'd)

2010	Property development RM'000	Manufacturing RM'000	Investment holding RM'000	Oil Palm RM'000	Group RM'000
Net assets					
Total segment assets	288,638	37,093	259,683	648	586,062
Inter-segment assets	(9,254)	(6,517)	(222,735)	0	(238,506)
Associate	0	0	3,151	0	3,151
Total assets per statements of financial position					350,707
Total segment liabilities	134,069	8,676	3,335	0	146,080
Inter-segment liabilities	(120,018)	(6,627)	(706)	0	(127,351)
Total liabilities per statement of financial position					18,729
Other information					
Capital expenditure	777	8	0	0	785
Interest revenue	445	162	684	0	1,291
Interest expenses	4	0	0	0	4
Tax expense/(income)	1,541	(210)	872	429	2,632
Impairment loss on property, plant and equipment	0	1,221	0	0	1,221
Depreciation and amortisation	688	2,111	0	20	2,819

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

Geographical information

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	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Malaysia	83,163	77,044	336,631	344,187	1,751	785
United States of America*	9,983	18,592	1,454	3,369	0	0
Others	1,596	711	0	0	0	0
	94,742	96,347	338,085	347,556	1,751	785
Associate			3,159	3,151		
Total assets			341,244	350,707		

* Include revenue of RM5,997,000 (2010: RM11,419,000) derived from a single external customer pertaining to manufacturing segment.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2011

35 Comparatives

- (a) The following are effects arising from the adoption of improvement to FRS117 "Leases" impacting the Group:

Impact on the Group's Statement of financial position:

	Balances as at 30 June 2009 As previously reported RM'000	FRS 117 RM'000	Balances as at 1 July 2009 As restated RM'000
Property, plant and equipment	25,760	13,964	39,724
Prepaid lease rentals	13,964	(13,964)	0

	Balances as at 30 June 2010 As previously reported RM'000	FRS 117 RM'000	Balances as at 30 June 2010 As restated RM'000
Property, plant and equipment	51,965	13,732	65,697
Prepaid lease rentals	13,732	(13,732)	0

Impact on the Group's Statement of comprehensive income:

	For the financial year ended 30 June 2009 As previously reported RM'000	FRS 117 RM'000	For the financial year ended 30 June 2009 As restated RM'000
Depreciation of property, plant and equipment	2,578	232	2,810
Amortisation of prepaid land lease payments	232	(232)	0

	For the financial year ended 30 June 2010 As previously reported RM'000	FRS 117 RM'000	For the financial year ended 30 June 2010 As restated RM'000
Depreciation of property, plant and equipment	2,478	232	2,710
Amortisation of prepaid land lease payments	232	(232)	0

	Increase/(Decrease) for the financial year ended 30 June 2011	
	FRS 117 RM'000	Total RM'000
Depreciation of property, plant and equipment	232	232
Amortisation of prepaid land lease payments	(232)	(232)

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2011

35 Comparatives (cont'd)

(b) During the financial year, the Company reclassified the following comparatives.

Impact on the Company's Statement of financial position:

	Balances as at 30 June 2009 As previously reported RM'000	Reclassification RM'000	Balances as at 1 July 2009 As restated RM'000
Amounts due from subsidiary companies (included in trade and other receivables)	112,068	(103,584)	8,484
Investment in subsidiaries	88,941	103,584	192,525

	Balances as at 30 June 2010 As previously reported RM'000	Reclassification RM'000	Balances as at 30 June 2010 As restated RM'000
Amounts due from a subsidiary companies (included in trade and other receivables)	109,705	(99,159)	10,546
Investment in subsidiaries	103,914	99,159	203,073

The Directors are of the opinion that the reclassification will result in a more appropriate presentation as the Company treats these amount as a long term source of capital to the subsidiary companies as disclosed in Note 16 to the financial statements.

36 Subsequent events

On 4 August 2011, the following subsidiaries (referred to as "Cahajaya Group") had individually filed winding up petition at the Penang High Court:

- Cahajaya Timber Industries Sdn Bhd
- Patriot Furniture Sdn Bhd
- Guar Timber Industries Sdn Bhd

Cahajaya Group have been incurring losses and the Directors of the Company are of the view that there is no reasonable hope that the object of trading at a profit could be attained and the application to Court to wind up these companies will be in the best interest of the Company. The winding up petition was fixed for case management on 12 September 2011 and hearing on 10 October 2011.

The Penang High Court had on 6 October 2011 vacated the hearing of the winding up petition fixed on 10 October 2011 pending disposal of an application by Cahajaya Group management to intervene in the proceeding. The application to intervene will be heard on 9 November 2011 and the hearing date of the winding up petition will only be fixed at a later date after the disposal of the said application to intervene.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 30 June 2011

37 Supplementary information disclosed pursuant to Bursa Malaysia Securities Berhad Listing Requirements

The following analysis of realised and unrealised retained profits at the legal entity level is prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants whilst the disclosure at the group level is based on the prescribed format by the Bursa Malaysia Securities Berhad.

	2011 RM'000
Total retained earnings of parent and its subsidiaries:	
- realised	167,693
- unrealised	1,880
	<hr/> 169,573
Total share of retained earnings of associate:	
- realised	10
- unrealised	0
	<hr/> 169,583
Less: consolidation adjustments	(5,375)
Total Group retained earnings	<hr/> 164,208

The disclosure of realised and unrealised earnings above is solely for compliance with the directive issued by the Bursa Malaysia Securities Berhad and should not be used for any other purpose.

STATEMENT BY DIRECTORS PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Dato' Wira 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 36 to 104 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 2011 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.

The information set out in Note 37 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

In accordance with a resolution of the Board of Directors dated 31 October 2011.



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



Goh Aik Keong
Managing Director

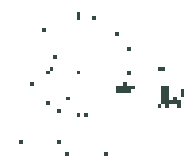
STATUTORY DECLARATION PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

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 36 to 104 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 31 October 2011.
Before me



Commissioner for Oaths

ANALYSIS OF SHAREHOLDINGS

as at 30 September 2011

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 30 September 2011

No.	Name	Number of Shares	% of Shares
1	Thobrani Holdings Sdn Bhd	11,351,365	12.54
2	AK Goh Holdings Sdn Bhd	5,142,731	5.68
3	Goh Aik Lai Holdings Sdn Bhd	3,395,600	3.75
4	K.T. Ooi Holdings Sdn Bhd	3,300,749	3.65
5	Tow Hing Wa Holdings Sdn Bhd	2,509,182	2.77
6	Yeap Peng Hean Holdings Sdn Bhd	2,335,182	2.58
7	Goh Aik Keong	2,300,800	2.54
8	DB (Malaysia) Nominee (Asing) Sdn Bhd Exempt An For British And Malayan Trustees Limited (Yeoman 3-Rights)	2,160,300	2.39
9	Daedalin Sdn Bhd	1,959,232	2.17
10	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Thobrani Holdings Sdn Bhd	1,911,635	2.11
11	Goh Cheng Guan Holdings Sdn Bhd	1,769,291	1.96
12	Amanahraya Trustees Berhad Skim Amanah Saham Bumiputera	1,693,494	1.87
13	Teong Choon Enterprise (Malaysia) Sdn Bhd	1,681,000	1.86
14	Chai Tin Kok Holdings Sdn Bhd	1,592,077	1.76
15	Goh Aik Lean Holdings Sdn Bhd	1,562,000	1.73
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	Teoh Peng Yeow	1,000,000	1.10
19	Teoh Aik Xiang	1,000,000	1.10
20	Teoh Aik Wei	1,000,000	1.10
21	Hoe Siew Mee	1,000,000	1.10
22	Goh Aik Lean	1,000,000	1.10
23	Goh Aik Keong	997,585	1.10
24	Yeoh Swee Seong Sdn Bhd	906,000	1.00
25	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Goh Aik Lai Holdings Sdn Bhd	900,000	0.99
26	Yeoh Kooi Chuan Holdings Sdn Bhd	827,585	0.91
27	Teoh Aik Hwang	800,000	0.88
28	Wai Lok Holding Sdn Bhd	764,000	0.85
29	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Perfect Scores Sdn Bhd	700,000	0.77
30	Teoh Aik Jim	697,741	0.77
		59,026,645	65.19

ANALYSIS OF SHAREHOLDINGS (cont'd) as at 30 September 2011

Distribution of Shareholders as at 30 September 2011

Size of Shareholders	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	8	0.34	363	0.00
100 -1,000	972	41.57	939,878	1.04
1,001 - 10,000	973	41.62	4,005,600	4.42
10,001 - 100,000	301	12.87	10,290,612	11.37
100,001 - 4,527,249	82	3.51	58,814,453	64.95
4,527,250 and above	2	0.09	16,494,096	18.22
TOTAL	2,338	100.00	90,545,002	100.00

Directors' Shareholdings as per register as at 30 September 2011

No.	Name	Direct Interest		Deemed Interest	
		No. of Shares	%	No. of Shares	%
1	*Dato' Wira Haji Thobrani Bin Haji Hanafi	453	0.00	\$13,827,000	15.27
2	^Goh Aik Keong	3,318,785	3.67	5,142,731	5.68
3	#Hazman Bin Thobrani	20,000	0.02	-	-
4	#Khaw Eng Peng	95,002	0.10	-	-
5	Goh Chooi Eam	203	0.00	1,769,291	1.95
6	Ahmad Bin Abdul Rashid	-	-	60,000	0.07
7	Koay Chong Beng	-	-	© 17,200	0.02

The deemed interests of Dato' Wira Haji Thobrani Bin Haji Hanafi, Mr Goh Aik Keong and Mr Goh Chooi Eam in the related corporations are as disclosed under Directors' Report in this 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 364,000 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 30 September 2011

No.	Name	Direct Interest		Deemed Interest	
		No. of Shares	%	No. of Shares	%
1	Dato' Wira Haji Thobrani Bin Haji Hanafi	453	0.00	13,463,000	14.87
2	Datin Sharifah Mahiran Binti Syed Kechil	282,000	0.31	13,463,000	14.87
3	Thobrani Holdings Sdn Bhd	13,463,000	14.87	-	-
4	Goh Aik Keong	3,318,785	3.67	5,142,731	5.68
5	AK Goh Holdings Sdn Bhd	5,142,731	5.68	-	-

PROPERTIES OF THE GROUP

as at 30 June 2011

Address/Location	Description/Year of Acquisition or Revaluation	Approximate Land/Floor Area	Tenure/Age of Building (years)	Net Book Value (RM'000)
Sungei Petani				
1 & 2 Jalan Bank Sungei Petani Kedah Darul Aman	6 Storey Office Building/ 1993	25,255 sq.ft.	Freehold/15	2,170
7 & 8 Jalan Bank Sungei Petani Kedah Darul Aman	3 Storey Office Building/ 2004	12,861 sq.ft.	Freehold/8	1,359
Lot 96 & 97 & Plot 73A Bakar Arang Industrial Estate Sungei Petani Kedah Darul Aman	Industrial Land & Factory and Office Building/ 1993	10.25 acres	99 years lease expiring in 2088/23	5,628
Plot 75 Bakar Arang Industrial Estate Sungei Petani Kedah Darul Aman	Industrial Land & Factory and Office Building/ 2007	4.00 acres	99 years lease expiring in 2083/5	2,632
Mukim Sungai Pasir District of Kuala Muda Kedah Darul Aman	Development Land Approved for Housing	39.69 acres	Freehold	14,808
Mukim Teloi Kiri District of Kuala Muda Kedah Darul Aman	Agriculture Land for Oil Palm Cultivation	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/54	1,056
32 - 42 Lorong Semarak 2 Taman Semarak Kulim Kedah Darul Aman	3 Storey Shophouses/ 1996	49,059 sq.ft.	Freehold/16	1,514
Bandar Kulim District of Kulim Kedah Darul Aman	Development Land Approved for Housing	44.33 acres	Freehold	22,089
Bandar Kulim District of Kulim Kedah Darul Aman	Agriculture Land for Future Development	0.38 acres	Freehold	14
Mukim Sidam Kanan District of Kulim Kedah Darul Aman	Development Land Approved for Housing	212.91 acres	Freehold	9,774
Mukim Sidam Kanan District of Kulim Kedah Darul Aman	Agriculture Land for Oil Palm Cultivation	582.11 acres	Freehold	16,591

PROPERTIES OF THE GROUP (cont'd) as at 30 June 2011

Address/Location	Description/Year of Acquisition or Revaluation	Approximate Land/Floor Area	Tenure/Age of Building (years)	Net Book Value (RM'000)
Mukim Sidam Kanan District of Kulim Kedah Darul Aman	11/2 Storey Detached Supermarket In progress	73,761 sq.ft.	Freehold	894
Prai				
Mukim 15 Seberang Prai Selatan Penang	First Grade Land for Future Development	20.88 acres	Freehold	10,453
Kuala Lumpur / Sepang / Negeri Sembilan				
61 Jalan Kampung Pandan Taman Maluri Kuala Lumpur	4 Storey Office Building/ 1993	7,040 sq.ft.	99 years lease expiring in 2076/21	542
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 2092/15	127
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/5	161
No. 20 Jalan Seroja 6 Taman Seroja Bandar Baru Salak Tinggi Sepang Selangor Darul Ehsan	Double Storey Shop/ 2009	3,080 sq.ft.	99 years lease expiring 2094/2	236
Mukim Dengkil District of Sepang Selangor Darul Ehsan	Development Land Approved for Housing	19.88 acres	Freehold	6,137
Mukim Sepang District of Sepang Selangor Darul Ehsan	Development Land Approved for Housing	2.22 acres	Freehold	505
Mukim Dengkil District of Sepang Selangor Darul Ehsan	Development Land Approved for Housing	2.75 acres	99 years lease expiring between 2094 - 2096	1,374
Mukim Setul Seremban Negeri Sembilan Darul Khusus	Agriculture Land for Oil Palm Cultivation	173.81 acres	99 years lease expiring in 2081	10,398
Mukim Ampang Kuala Lumpur Wilayah Persekutuan KL	Development Land Approved for Housing	0.24 acres	99 years lease expiring in 2091	833

DEVELOPMENT LAND UNDER JOINT VENTURE AGREEMENT

as at 30 June 2011

Address/Location	Approximate Land/Floor Area	Tenure/Age of Building (years)	Advances to Landowner (RM'000)
Kulim			
Mukim Keladi, District of Kulim Kedah Darul Aman	1.74 acres	Freehold	70
Kuala Lumpur / Sepang			
Mukim Labu District of Sepang Selangor Darul Ehsan	5.19 acres	Freehold	1,100
Mukim Setapak District of Gombak Selangor Darul Ehsan	19.17 acres	99 years lease expiring in 2094	4,418
Mukim Bukit Katil District of Melaka Tengah Melaka	150.40 acres	99 years lease expiring between 2105 - 2110	2,000
Mukim Dengkil District of Sepang Selangor Darul Ehsan	6.02 acres	99 years lease expiring in 2093	1,197
Mukim Dengkil District of Sepang Selangor Darul Ehsan	35.78 acres	Freehold	9,606

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eighteenth Annual General Meeting of shareholders of the Company will be held at Serindit Room, Hotel Equatorial, No. 1 Jalan Bukit Jambul, 11900 Penang on Friday, 02 December 2011 at 10:00 am for the following purposes:

1. To receive the Audited Financial Statements for the year ended 30 June 2011 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:
 - a) En Hazman Bin Thobrani **Ordinary Resolution 1**
 - b) Tuan Haji Ahmad Bin Abdul Rashid **Ordinary Resolution 2**
3. To declare a First and Final Dividend of 10% per share less 25% tax for the year ended 30 June 2011. **Ordinary Resolution 3**
4. To approve Directors' fees for the year ended 30 June 2011. **Ordinary Resolution 4**
5. To re-appoint Messrs PricewaterhouseCoopers and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**

As Special Business

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

6. **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 6**
7. **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 10 November 2011 ("Circular"), which **Ordinary Resolution 7**

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

are necessary for the Group's 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

- a) 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
- b) 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
- c) revoked or varied by resolutions passed by the shareholders of the Company in a general meeting; whichever is the earlier."

8 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% per share less 25% tax for the year ended 30 June 2011, if approved by the shareholders at the AGM, will be paid on 22 December 2011 to the shareholders whose names appear in the Record of Depositors of the Company at the close of business on 13 December 2011.

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

- a) Shares transferred into the depositor's securities account before 4:00 p.m. on 13 December 2011 in respect of ordinary transfers; and
- b) Shares bought on the Bursa Securities on a cum entitlement basis according to the Rules of the Bursa Securities.

BY ORDER OF THE BOARD

Tai Yit Chan (MAICSA 7009143)

Tan Ai Ning (MAICSA 7015852)

Joint Company Secretaries

Kuala Lumpur

10 November 2011

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

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 Lot 6.05 Level 6 KPMG Tower, 8 First Avenue Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, not less than forty eight (48) hours before the time appointed for holding the meeting.

Explanatory Notes on Special Business:

1. The proposed Ordinary Resolution 6 is for granting of a general mandate ("General Mandate") and 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 12 November 2010 and which will lapse at the conclusion of the Eighteenth AGM.

This 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 Ordinary Resolution 7, 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.

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 Eighteenth AGM of the Company.

STATEMENT ACCOMPANYING ADDITIONAL COMPLIANCE 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 Depositary Receipt (ADR) or Global Depositary Receipt (GDR) Programme

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

Imposition of Sanctions and/or Penalties

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

Non-audit Fees

The amount of non-audit fees incurred by the Company and the Group to external auditors for the financial year amounted to RM3,500 and RM33,000 respectively.

Variation in results

In compliance with Paragraph 9.19(35) of the Listing Requirements of Bursa Securities, there is a deviation of 38.29% between the Group's loss after tax stated in the unaudited 4th quarter results ended 30 June 2011 announced on 22 August 2011 and the Group's loss after tax stated in audited financial statements for the financial year ended 30 June 2011 which have been reconciled and are explained below:

Item	Unaudited RM'000	Audited RM'000	Variance RM'000	Note
Loss before tax	(6,356)	(3,894)	2,462	(a)
Taxation	(1,584)	(1,006)	578	(b)
Loss after tax for the financial year	(7,940)	(4,900)	3,040	

Note:

- (a) The decrease in loss before tax for the financial year of RM2.462million is mainly due to the following reasons:
- increase in cost of sales relating to changes in closing inventories for Manufacturing Division of RM1.592million;
 - reversal of impairment loss on plant, machinery and equipment for Manufacturing Division of RM1.482million; and
 - reversal of impairment loss on inventories of Manufacturing Division of RM2.572million
- (b) The decrease in tax expense of RM0.578million is mainly due to the reversal of deferred tax previously provided on re-valued properties for Manufacturing Division.

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.

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 Eighteenth Annual General Meeting of the Company to be held at Serindit Room, Hotel Equatorial, No. 1, Jalan Bukit Jambul, 11900 Penang on Friday, 02 December 2011 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		

(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
CDS Account No.

Signed this _____ day of _____ 2011.

Signature of Shareholder(s)

Company Seal is to be affixed
here if member is a corporation

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 Lot 6.05 Level 6 KPMG Tower, 8 First Avenue Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, not less than forty eight (48) hours before the time appointed for holding the meeting.

1st fold

Affix
Stamp

ORIENTAL INTEREST BERHAD
(272144-M)

Lot 6.05, Level 6, KPMG Tower
8 First Avenue Bandar Utama
47800 Petaling Jaya
Selangor

2nd fold

fold this flap for sealing

