OIB

A Step Beyond Development

Oriental Interest Berhad

(272144-M)

ANNUAL REPORT 2014

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CORPORATE INFORMATION

Board of Directors

Independent Non-Executive Chairman
Dato' Wira Lim Teong Kiat, JP

Managing Director
Mr. Low Kok Aun

Executive Director
Mr. Low Kok Kean

Executive Director
Mr. Low Ping Kun

Non-Independent Non-Executive Director
Mr. Low Kok Horng

Independent Non-Executive Director
Tunku Mohamad Zulkifli Bin Osman

Audit & Risk Management Committee ("ARMC")

Chairman
Dato' Wira Lim Teong Kiat, JP

Member
Mr. Low Kok Horng
Tunku Mohamad Zulkifli Bin Osman

Remuneration Committee

Chairman
Dato' Wira Lim Teong Kiat, JP

Member
Mr. Low Kok Kean
Tunku Mohamad Zulkifli Bin Osman

Nominating Committee

Chairman
Dato' Wira Lim Teong Kiat, JP

Member
Mr. Low Kok Horng
Tunku Mohamad Zulkifli Bin Osman

Joint Company Secretaries

Ms. Tai Yit Chan (MAICSA 7009143)
Ms. Ong Tze-En (MAICSA 7026537)

Corporate Head Office

34 & 35, Lengkok Cempaka 2, Bandar Amanjaya,
08000 Sungai Petani, Kedah Darul Aman
Tel: 04-448 1018 Fax: 04-448 1016

Registered Office

Lot 6.05, Level 6, KPMG Tower,
8, First Avenue, Bandar Utama,
47800 Petaling Jaya, Selangor Darul Ehsan
Tel: 03-7720 1188 Fax: 03-7720 1111

Registrar

Boardroom Corporate Services (KL) Sdn Bhd
Lot 6.05, Level 6, KPMG Tower,
8, First Avenue, Bandar Utama,
47800 Petaling Jaya, Selangor Darul Ehsan
Tel: 03-7720 1188 Fax: 03-7720 1111

Auditors

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

Principal Bankers

RHB Bank Berhad
Malayan Banking Berhad
CIMB Bank Berhad

Stock Exchange Listing

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

Official Website

www.oibgroup.com

GROUP STRUCTURE

100% OIB Properties (K) Sdn Bhd
(formerly known as Brilliant Development Sdn Bhd)

100% Sungei Lalang Development Sdn Bhd

100% OIB Properties (KV) Sdn Bhd
(formerly known as Pesaka Saujana Development Sdn Bhd)

100% OIB Services Sdn Bhd
(formerly known as Semua Jadi Sdn Bhd)

100% OIB Properties (CV) Sdn Bhd
(formerly known as Pesaka Saujana (M) Sdn Bhd)

100% OIB Properties (C) Sdn Bhd
(formerly known as Teguh Padu Development Sdn Bhd)

100% Maxilux Properties Sdn Bhd

100% OIB Resort Sdn Bhd
(formerly known as OIB Foods & Beverages Sdn Bhd)

100% Cahajaya Timber Industries Sdn Bhd
(In member's voluntary winding up)

100% Patriot Furniture Sdn Bhd
(In member's voluntary winding up)

100% Guar Timber Industries Sdn Bhd
(In member's voluntary winding up)

100% OIB Properties (PRV) Sdn Bhd

90% OIB Construction Sdn Bhd
(formerly known as OIB Confectionery Sdn Bhd)

87% Brilliant Alliance Sdn Bhd

80% Yiked Alliance Sdn Bhd

80% OIB Marketing Sdn Bhd
(formerly known as OIB Recipe Sdn Bhd)

73% Aturan Cemerlang Sdn Bhd

100% Central Kedah Brick Kiln Sdn Berhad
(In member's voluntary winding up)

80% Yiked Brilliant Sdn Bhd

51% OIB Properties (SW) Sdn Bhd
(formerly known as Brilliant Delta (M) Sdn Bhd)

45% Prestasi Raya Sdn Bhd

Subsidiary Company
Associated Company

CORPORATE PROFILE

Incorporation

Oriental Interest Berhad ("OIB" or "the Company") was incorporated in Malaysia on 3 August 1993 under the Companies Act, 1965 as a private limited company under the name of Oriental Interest Sdn. Bhd. The Company was converted to a public limited company on 22 December 1993 and adopted its present name. The principal activities of the Company are investment holding and provision of management services.

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

Business

The Company is an investment holding company for the OIB Group. The OIB Group, which comprises of OIB, 11 subsidiary companies and 9 sub-subsidiary companies, is actively involved in the businesses of commercial and residential property development, and general construction.

Property Development

Over the past 29 years, OIB Group has established itself as a leading housing developer, having completed numerous construction and property development projects totalling over RM1.9billion and delivered more than 22,000 development units.

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

Oil Palm Cultivation

Meanwhile, OIB Group carries on its oil palm cultivation activities through two of its subsidiary companies, namely OIB Properties (K) Sdn Bhd (formerly known as Brilliant Development Sdn Bhd) and OIB Properties (SW) Sdn Bhd (formerly known as Brilliant Delta (M) Sdn Bhd), on 826.26 acres of agriculture land. The results of oil palm cultivation are expected to contribute positively to the performance of OIB Group.

Latest Corporate Development

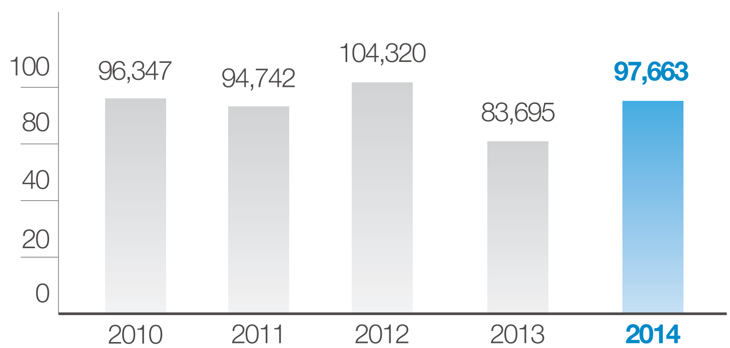
Following the conclusion of a Mandatory General Offer exercise ("MGO") towards end of 2013, a new controlling shareholder, Jupiter Sunrise Sdn Bhd, emerged.

Among the new measures introduced by the new Board and management include a re-branding journey by adoption of a brand new corporate logo, internal reorganisation to streamline group structure and standardisation of names for most of its active subsidiaries. OIB further increased its stakes in two of its subsidiary companies, namely Aturan Cemerlang Sdn Bhd and Brilliant Alliance Sdn Bhd, by accepting the offer for sales of shares by some of the minority shareholders. Not only that these shares were acquired at a discount, they were considered sound investment, with expectation of good return contributing to the financial results of OIB Group in the future.

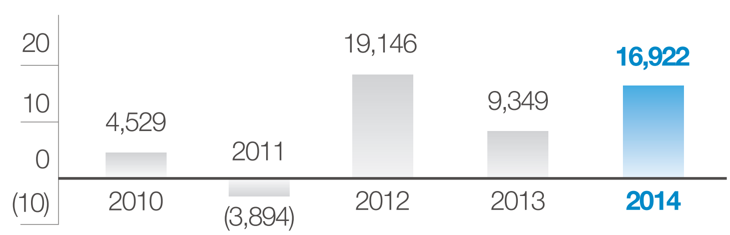
FINANCIAL HIGHLIGHTS

5 Years Results (RM'000)	Year ended 30 June 2014	2013	2012	2011	2010
Revenue	97,663	83,695	104,320	94,742	96,347
Profit/(Loss) before taxation	16,922	9,349	19,146	(3,894)	4,529
Taxation	(3,975)	(2,361)	(5,339)	(1,006)	(2,632)
Loss from discontinued operations	0	(1,035)	0	0	0
Profit/(Loss) for the financial year	**12,947**	**5,953**	**13,807**	**(4,900)**	**1,897**
Attributable to:					
Owners of the parent	9,210	3,812	9,068	(7,044)	1,245
Non-controlling interest	3,737	2,141	4,739	2,144	652
Profit/(Loss) for the financial year	**12,947**	**5,953**	**13,807**	**(4,900)**	**1,897**

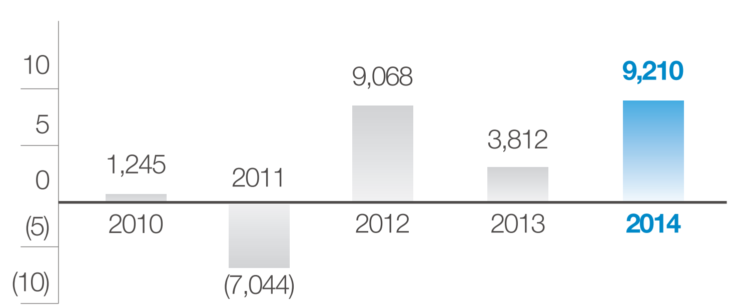
REVENUE
(RM'000)



PROFIT/ (LOSS) BEFORE TAXATION
(RM'000)



PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT
(RM'000)



PROFILE OF DIRECTORS

Dato' Wira Lim Teong Kiat, JP

Malaysian, aged 67, was appointed to the Board of OIB on 13 December 2013 as an Independent and Non-Executive Chairman. Dato' Wira Lim is a Fellow Member of Institute of Chartered Accountants in England and Wales and has more than 40 years of working experience as a Partner in Kiat & Associates. Dato' Wira Lim is also Chairman of Risk Management and Audit Committee, Nominating Committee and Remuneration Committee of OIB.

Mr. Low Kok Aun

Malaysian, aged 42, joined the Board of OIB on 13 December 2013 and was appointed as Managing Director of OIB Group. Mr. Low KA graduated from University of Toledo, USA with a Bachelor of Science degree in Civil Engineering. Upon returning to Malaysia after graduation, Mr. Low KA has been involved in managing the day-to-day operations of his family business for over 18 years. He has extensive working experience, principally in property development and manufacturing of construction and building materials and was instrumental in the successful completion of many property development projects in Kedah. Mr. Low KA also sits on the board of all companies within OIB Group and several private limited companies.

Mr. Low Kok Kean

Malaysian, aged 49, joined the Board of OIB as Executive Director on 13 December 2013. Mr. Low KK graduated from University of Toledo, USA with a Bachelor of Science degree in Civil Engineering in 1988, and he has been in business ever since returning to Malaysia in that same year. Mr. Low KK has over 25 years of working experience in many businesses in diverse industries. He is currently managing his family business, particularly in identifying new business, strategic planning and business development. He has an extensive experience spanning various industries including property development. Mr. Low KK also sits on the board of certain companies within OIB group and several private limited companies.

Mr. Low Ping Kun

Malaysian, aged 58, joined the Board of OIB as Executive Director on 13 December 2013. Mr. Low PK ventured into business upon completion of his secondary education and possesses over 40 years of entrepreneurship experience. Over the years, he has been successfully developing and managing diverse businesses from start-up and spanning various industries from property development, manufacturing of building materials to rubber processing and plantation. Mr. Low PK also sits on the board of certain companies within OIB Group and several private limited companies.

Mr. Low Kok Horng

Malaysian, aged 44, was appointed to the Board of OIB as Non-Independent and Non-Executive Director on 4 April 2014. Mr. Low KH graduated from University of Toledo, USA with a Bachelor of Business Administration degree in 1992 and has been involved in family business ever since then. Mr. Low KH has vast experience in different industries ranging from manufacturing to property investment and development. He also sits on the board of several private limited companies.

Tunku Mohamad Zulkifli Bin Osman

Malaysian, aged 50, was appointed to the Board of OIB as an Independent and Non-Executive Director on 13 December 2013. Tunku obtained his Diploma in Law and Advanced Diploma in Law from MARA Institute of Technology (now known as UiTM). Tunku has 24 years experience in the legal profession as an active practicing lawyer.

Notes:

- *Other than Mr. Low Ping Kun, Mr. Low Kok Kean and Mr. Low Kok Aun who are substantial shareholders of OIB, none of the Directors has any direct or indirect shareholding in OIB.*
- *Other than Mr. Low Kok Kean and Mr. Low Kok Aun are siblings of Mr. Low Kok Shyan and Ms. Low Peik Shin, both of whom are substantial shareholders of OIB; none of the Directors has any family relationship, as defined under Main Market Listing Requirements, with any other Directors and/or substantial shareholders of the Company.*
- *None of the Directors has any conflict of interest with OIB Group.*
- *None of the Directors holds any directorship in other public companies.*
- *None of the Directors has been convicted of any offences within the past 10 years.*

CHAIRMAN'S STATEMENT

Together with my fellow Board members, it gives me great pleasure to present to you the Twenty-First Annual Report of Oriental Interest Berhad ("OIB") in respect of financial year ended 30 June 2014.

Financial Results

OIB Group reported RM97.663million in revenue and profit before taxation of RM16.922million for the reporting financial year, representing 17% and 81% increase respectively compared with the results of the preceding financial year.

Should the sale of land of RM12.731million, with gain of RM2.257million, transacted and gain on revaluation reserve of RM0.608million, in respect of available-for-sale assets, realised during the reporting financial year together with reversal of impairment loss on leasehold lands of RM0.905million recognised in the preceding financial year be excluded as non-recurrent items, revenue and profit before taxation of OIB Group would still be higher by 2% and 67% respectively between the 2 comparable financial years.

Property Development

As property development activities being the core business of OIB Group, Property Division had similarly reported a 17% rise in revenue, resulting in 102% jump in profit before taxation compared with preceding financial years. Again, should the relevant non-recurrent items mentioned above be excluded, revenue and profit before taxation for the reporting financial year would still be 2% and 96% higher for the same comparable financial years. Overall, results of the Group were significantly better mainly due to improved contribution margin from property development activities, with its contribution almost doubled in the reporting financial year.

Oil Palm Cultivation

For oil palm cultivation activities, revenue and profit before taxation dropped by 22% and 17% respectively compared with the preceding financial year, mainly due to lower yield rate.

Associated Company

Share of results from the only associated company, Prestasi Raya Sdn Bhd, during the reporting financial year remained insignificant because it has yet to launch its development project.

Financial Position

Total equity of the Group contracted slightly from RM327.102million to RM324.401million over the reporting financial year, mainly due to utilisation of RM8.949million for the acquisition of additional 22% and 17% stake in Aturan Cemerlang Sdn Bhd ("ACSB") and Brilliant Alliance Sdn Bhd ("BASB") respectively from the existing minority shareholders. Despite the outflow of fund for the aforesaid acquisition, the liquidity position of the Group had improved significantly from RM46.027million to RM57.890million during the reporting financial year, mainly attributed to successful conversion of development in-progress into cash and distribution of fund from liquidators of subsidiary companies placed under member's voluntary winding up.

Corporate Development

OIB underwent a Mandatory General Offer exercise ("MGO") during the reporting financial year. Upon conclusion of the MGO, a new controlling shareholder emerged, with a smooth Board reshuffle and management change-over taken place in an orderly and professional manner simultaneously. Subsequently, the new Board was also successful in compliance with the public shareholding spread requirements prescribed under the Listing Requirements to avoid suspension in trading of its securities.

Ever since coming into office, the Board and management team had been formulating new business strategies and direction, with the aim of improving the performance of OIB Group, while keeping in mind the ultimate objective of further enhancing shareholders' value. Among the many new measures introduced, OIB Group embarked on a rebranding journey by adopting a brand new logo and streamlining its group structure through internal reorganisation and standardisation of names for most of its active subsidiary companies.

As mentioned above, OIB further increased its stakes in two of its subsidiary companies, namely ACSB and BASB, by accepting the offer for sales of shares by some of the minority shareholders in these subsidiary companies. Not only that these shares were acquired at a discount, they were considered sound investment, with expectation of good return contributing to the financial results of OIB Group in the future.

Dividend

The Directors are of the view that shareholders should be rewarded justly for their support and faithful confidence in the Board and the management; hence, we are pleased to recommend, subject to shareholders' approval at the forthcoming Annual General Meeting, a first and final single-tier tax exempt dividend of 5% in respect of the financial year ended 30 June 2014.

Corporate Governance

We at the Board are taking a firm stand in placing utmost importance in having a sound corporate governance framework. The Board manages its business and operational activities of the Group, through observing high degree of principles and practices adopted. With this fundamental concept in mind, the Board, with the assistance of its various Board committees, practices a more transparent and accountable reporting system with the operational management team; which is conducive to more interaction and constructive suggestion and discussion. In so doing, this effort will continue to sustain the business growth of the Group and enhance shareholders' value in the long term; and these endeavours were illustrated in more detail in the Statement of Corporate Governance enclosed in this Annual Report.

Corporate Social Responsibility ("CSR")

OIB Group, through concerted effort of its Board and management, is committed to continue playing its role as a responsible corporate citizen, based fundamentally around the values of integrity and partnership. Although OIB Group does not formally establish a CSR framework, the Board is always on the lookout at the best possible ways to fulfill its CSR by aligning and embedding its core value with authenticity, transparence and relevance in order to be responsive to meet distinct needs of the workplace, markets and communities

CSR contributions in 2014
- Contributing to local charitable organisations.
- Contributing to construction of public amenities.
- Participating in and supporting schemes and activities promoted by local government.
- Encouraging employees pursue further skills development and career advancement through various financial aids.
- Continuing improvement to working environment and staff welfare.

Prospects

With the decision of Bank Negara Malaysia to raise the Overnight Policy Rate ("OPR") by 25 basis points in July 2014, all financial institutions had promptly followed by increasing their Base Lending Rate with similar margin. Although the hike was considered negligible for now, anticipation by many of another revision in OPR probably in 2015 would surely have an impact to the sentiment in property market, no matter how minimal it might be. Coupled with the much awaited implementation of Goods and Services Tax ("GST") by 1 April 2015, it was generally perceived to have an inflationary ripple effect to the nation's economy as a whole, and inevitably property market would also be facing a challenging time ahead. Hopefully, the Government is able to propose some new measures in its 2015 Budget, to be tabled in Parliament next month, to alleviate the present anxiety and bring more stability to our economy.

Nevertheless, OIB Group is now in the steady hand of the new controlling shareholder, who has given absolute support to the Board and management team in discharging our duties. With that trust place upon us, the Board is taking all foreseeable factors into consideration in formulating its business strategy and direction; hence, the management team and the Board of Directors are confident to steer OIB Group through any potential difficult path ahead and produce a profitable results for the forthcoming financial year.

Appreciation

Last but not least, allow me, on behalf of the Board, to express our sincere appreciation to the management and staff for their determined effort and great teamwork in executing their duties and responsibilities. We also would like to thank our shareholders, customers, business trade partners and the regulatory authorities for the confidence and support extended to OIB Group. On a personal note, I would like to extend my heartfelt gratitude to my fellow Board members for their cooperation and professionalism in discharging our stewardship to the Company and shareholders.

Dato' Wira Lim Teong Kiat, JP
Independent Non-Executive Chairman
Date: 23 September 2014

CORPORATE GOVERNANCE STATEMENT

The Board of Directors (the "Board") of Oriental Interest Berhad recognises the importance of maintaining high standards of corporate governance in managing its business affairs so as to build a sustainable business capable of enhancing shareholder value.

The Board upholds the Principles and Recommendations as promulgated by the Malaysian Code on Corporate Governance 2012 (the "MCCG 2012" or the "Code"). This statement sets out how the Company has applied the 8 Principles of the MCCG 2012 during the financial year following the release of the MCCG 2012 by the Securities Commission in late March 2012 within Oriental Interest Berhad (the "Company") and its subsidiary companies (the "Group"). Where a specific Recommendation of the MCCG 2012 has not been observed during the financial year under review, the non-observation, including the reasons thereof, is included in this statement.

Principle 1 - Establish clear roles and responsibilities of the Board and Management

The Board acknowledges its key role in setting the strategic direction of the Company and has assumed the following principal responsibilities in discharging its fiduciary and leadership functions:

- to review and adopt a strategic plan for the Group including setting performance objectives and approving operating budgets to ensure the strategies promote sustainability;
- to oversee the conduct of the Group's businesses and build sustainable value for shareholders;
- to review procedures to identify principal risks and ensure the implementation of appropriate internal controls and mitigating measures to manage these risks;
- to implement succession planning, including appointing, training, fixing the compensation of and, where appropriate, replacing Executive Directors and Senior Management;
- to develop and implement a Corporate Disclosure Policy (including an investor relations programme or shareholder communications policy) for the Group;
- to review the adequacy and the integrity of the Group's internal control system and management information systems;
- to monitor and review management processes aimed at ensuring the integrity of financial and other reporting to ensure that the Group's financial statements are true and fair as well as conform with the accounting standards;
- to monitor and review policies and procedures relating to occupational health and safety and compliance with relevant laws and regulations; and
- to ensure that the Group adheres to high standards of ethics and corporate behaviour.

To ensure the proper discharge of its stewardship role, the Board has established Board Committees, namely the ARMC, Remuneration Committee and Nominating Committee and further entrusted to them, specific responsibilities to oversee the Group's affairs and authority to act on the Board's behalf in accordance with their respective terms of reference. The Chairmen of the relevant Board Committees also report to the Board on key issues deliberated at their respective meetings. The ultimate responsibility for decision making, however, lies with the Board.

Board Charter

The roles and functions of the Board as well as roles delegated to Management are clearly delineated in the Board Charter. Whilst the Board retains full and effective control in directing and supervising the business and affairs of the Company, Management is responsible for day to day operations instituting compliance with laws, regulations, rules, directives and guidelines, including the achievement of the Group's corporate objectives. Such demarcation of roles is clearly set out in the Board Charter which complements and reinforces the supervisory role of the Board.

The Board has formalised its Board Charter according to the latest developments in the Group as well as regulatory requirements. The Board Charter has been published on the Company's website at **www.oibgroup.com**.

Principle 1 - Establish clear roles and responsibilities of the Board and Management (continued)

Code of Ethics and Whistle Blower Policy

The Board has also formalised in writing the Code of Ethics and Code of Conduct in early 2013, setting out the standards of ethics and conduct expected from its Directors, Management and Officers to enhance the standards of corporate governance and corporate behaviour.

The Company has also put in place a whistle blower policy which allows the whistle blower to raise concerns about actual or potential corporate fraud or breach of ethics involving any employee, Senior Management or Director of the Group. Whistle blowing reports are addressed to Designated Officers of the Company, its Senior Independent Director or the Chairman of the ARMC following the form and specific conditions as prescribed under the policy. The policy also affirms that the identity of the whistle blower will be kept confidential and protection will be accorded to the whistleblower against any form of reprisal or retribution.

The Board has the overall responsibility of overseeing the execution of the whistle blower policy and recognises the importance of adhering to the Code of Ethics and Code of Conduct by all Directors, Management and Officers.

Whistle Blower Policy is available for viewing at the Company's website at **www.oibgroup.com**.

Sustainability of Business

The Board is mindful of the importance of business sustainability and has incorporated the Sustainability Policy into its corporate strategy, considering its impacts on environmental, social and governance aspects. Additionally, the Company's activities on corporate social responsibilities are disclosed on page 10 of this Annual Report.

Supply of, and access to, Information

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

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

Prior to the Board and Board Committees meeting, appropriate documents, which include the agenda and reports relevant to the issues of financial, operational, and regulatory compliance matters, are circulated to all Directors. This enables the Directors to obtain further explanation, where necessary, in order to be properly briefed before the meeting.

Every Director has unrestricted access to the advice and services of the Company Secretaries, who ensure that the Board receives appropriate and timely information for its decision-making to ensure that Board procedures are followed and all the statutory and regulatory requirements are met. The Company Secretaries ensure that all Board meetings are properly convened and that accurate and proper records of the proceedings and resolutions passed are recorded and maintained. The Board believes that the current Company Secretaries are capable of carrying out their duties to ensure the effective functioning of the Board.

Principle 1 - Establish clear roles and responsibilities of the Board and Management (continued)

Supply of, and access to, Information (continued)

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

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

Principle 2 - Strengthen Composition of the Board

Before the successful acquisition of a controlling stake in the Company by Jupiter Sunrise Sdn Bhd on 31 October ("Acquisition") and completion of Mandatory General Offer exercise on 12 December 2013 ("MGO"), the Board consists of seven (7) members, comprising four (4) Executive Directors and three (3) Non-Executive Directors, two (2) of whom are Independent.

Subsequent to the Acquisition and MGO, all the above mentioned Directors resigned from the Board on 13 December 2013 and the following new Directors were appointed:

Dato' Wira Lim Teong Kiat *Independent Non-Executive Chairman*	*[Appointed on 13 December 2013]*
Low Kok Aun *Managing Director*	*[Appointed on 13 December 2013]*
Low Kok Kean *Executive Director*	*[Appointed on 13 December 2013]*
Low Ping Kun *Executive Director*	*[Appointed on 13 December 2013]*
Low Kok Horng *Non-Independent Non-Executive Director*	*[Appointed on 4 April 2014]*
Tunku Mohamad Zulkifli Bin Osman *Independent Non-Executive Director*	*[Appointed on 13 December 2013]*
Chuah Seong Tat @ Chuah Chee Tat *Non-Independent Non-Executive Director*	*[Appointed on 13 December 2013 and resigned on 21 February 2014]*

The new composition fulfills the requirements set out under the Listing Requirements of Bursa Securities, which stipulate that at least two (2) Directors or one-third of the Board, whichever is higher, must be Independent. The profile of each Director is set out on pages 6 and 7 of this Annual Report.

The Board has delegated certain responsibilities to Board Committees, which operate within clearly defined terms of references as follows:

ARMC

The ARMC was established to assist the Board in the effective discharge of its fiduciary responsibilities for corporate governance, timely and accurate financial reporting and development of sound internal controls.

The composition and summary of the terms of reference together with its report are presented in pages 21 to 25 of this Annual Report.

Principle 2 - Strengthen Composition of the Board (continued)

Nominating Committee - Selection and Assessment of Directors

As at the date of this Statement, the members of the Nominating Committee, which comprise wholly of Non-Executive Directors, with a majority being Independent are as follows:

Directors		Number of meetings attended
Dato' Wira Lim Teong Kiat *(Chairman)* *Independent Non-Executive Chairman*	*[Appointed on 13 December 2013]*	1/1
Low Kok Horng *Non-Independent Non-Executive Director*	*[Appointed on 4 April 2014]*	N/A
Tunku Mohamad Zulkifli Bin Osman *Independent Non-Executive Director*	*[Appointed on 13 December 2013]*	1/1
Tuan Haji Ahmad Bin Abdul Rashid *(Chairman)* *Senior Independent Non-Executive Director*	*[Resigned on 13 December 2013]*	2/3
Goh Chooi Eam *Non-Independent Non-Executive Director*	*[Resigned on 13 December 2013]*	2/3
Aswandi Bin Mohamed *Independent Non-Executive Director*	*[Resigned on 13 December 2013]*	1/3

The Nominating Committee is empowered by the Board through clearly defined terms of reference to oversee the assessment of the Board as a whole, Board Committees and each individual Director, nominate to the Board the candidature of Directors and Board Committees' members as well as review the Board's succession plans and training programs.

Appointment and annual assessment processes

In discharging its responsibilities, the Nominating Committee has developed, maintained and reviewed the criteria to be used in the recruitment and annual assessment of Directors. The suitability of candidates is evaluated for recommendation to the Board and the Nominating Committee takes into consideration, interalia, the competency, commitment (including time commitment), contribution and performance of the candidates, including, where appropriate, the criteria on assessing the independence of candidates' appointment as Independent Non-Executive Directors.

Following the appointment of new Directors, the Committee shall facilitate an induction programme to provide Directors with a rapid and clear insight into the Group as well as keeping them abreast with development in the market place pertaining to the oversight function of directors. This will enable the Directors to discharge their duties and responsibilities effectively. The necessary information for a better understanding of the business may include, e.g. board minutes, the business/ strategic plan, pertinent management reports, profile of key competitors and significant reports by management consultants on areas of board responsibilities and arranging visits to key sites.

The Committee reviews annually the required mix of skills and experience for Directors and assesses annually the contributions of each individual Director and the effectiveness of the Board Committees and the Board as a whole. Furthermore, the Nominating Committee reviews the size and composition of the Board with particular consideration on the impact on the effective functioning of the Board. In so far as board diversity is concerned, the Board does not have a specific policy on setting targets for women candidates. The evaluation of the suitability of candidates is solely based on the candidates' competency, character, time commitment, integrity and experience in meeting the needs of the Company. The results of the assessment would also be used to indicate potential trainings to be provided in the future for enhancement to the Directors' capabilities.

Principle 2 - Strengthen Composition of the Board (continued)

Re-election

During the year until date of this Statement, the Committee carried out the following activities:

- Reviewed and assessed the mix of skills, expertise, composition, size and experience of the Board, contribution of each Director, the effectiveness of the Board as a whole, Board Committees and the re-election of Directors who retire by rotation.
- Assessed and recommended the appointment of a new Director.

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

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

The election of each Director is voted on separately. To assist shareholders in their decision, personal profile and shareholding information of each Director standing for election are presented in this Annual Report under Profile of Directors and Analysis of Shareholdings respectively.

Directors' Training

The Board, through the Nominating Committee, ensures that it recruits to the Board only individuals of sufficient calibre, knowledge and experience to fulfill the duties of a Director appropriately. All Directors have attended and successfully completed the Mandatory Accreditation Programme within the time frame stipulated in the Listing Requirements. The Directors continue to undergo various courses, programs and briefings to keep them updated on latest regulatory changes and enhance their skills and knowledge, where relevant.

The following are the courses and training programs attended by the Directors for the financial year ended 30 June 2014:

Details of training	Directors	Date
Mandatory Accreditation Programme for Directors of Public Listed Companies	Dato' Wira Lim Teong Kiat	15 & 16 January 2014
	Low Kok Kean	05 & 06 March 2014
	Low Ping Kun	
	Tunku Mohamad Zulkifli Bin Osman	
	Low Kok Aun	02 & 03 April 2014
	Low Kok Horng	
In-house training programme: - 1) Corporate Governance Guide; 2) Roles and Responsibilities as a Director of a Public Listed Company; 3) Key Provisions under the Proposed Companies Bill; and 4) Understanding and Scrutinising the Financial Statements.	Full Board of Directors	09 May 2014

Principle 2 - Strengthen Composition of the Board (continued)

Directors' Training (continued)

The Board encourages its Directors to attend relevant training programmes, seminars and forums to enhance their skills and knowledge on relevant new laws and regulations, changing commercial risk to keep abreast with the development in the economy, industry, technology and business environment within which the Group operates.

Remuneration Committee - Directors' Remuneration

As at the date of this Statement, the members of the Remuneration Committee, which comprise wholly of Non-Executive Directors, with a majority being Independent are as follows:

Directors		Number of meetings attended
Dato' Wira Lim Teong Kiat *(Chairman)* *Independent Non-Executive Chairman*	*[Appointed on 13 December 2013]*	1/1
Low Kok Kean *Executive Director*	*[Appointed on 13 December 2013]*	1/1
Tunku Mohamad Zulkifli Bin Osman *Independent Non-Executive Director*	*[Appointed on 13 December 2013]*	1/1
Goh Chooi Eam (Chairman) *Non-Independent Non-Executive Director*	*[Resigned on 13 December 2013]*	1/1
Tuan Haji Ahmad Bin Abdul Rashid *Senior Independent Non-Executive Director*	*[Resigned on 13 December 2013]*	1/1
Aswandi Bin Mohamed Hashim *Independent Non-Executive Director*	*[Resigned on 13 December 2013]*	1/1

The Remuneration Committee is responsible for recommending and putting in place a structured remuneration framework for all Executive Directors to the Board and to review the remuneration policies and procedures.

The policy adopted by the Committee on Directors' remuneration is to structure remuneration packages necessary to attract, retain and motivate Directors to effectively manage the business of the Group.

The determination of remuneration packages of Non-Executive Directors shall be a matter for the Board as a whole, with individual Directors abstaining from decisions in respect of their individual remuneration.

The Directors' remuneration should be aligned with the business strategy of the company and market rates within the industry and in comparable companies, and to reflect the Board's responsibilities, experience, contributions, ethical values as well as corporate and individual performance. Details of Directors' remuneration for the financial year ended 30 June 2014 are as follows:

Principle 2 - Strengthen Composition of the Board (continued)

Remuneration Committee - Directors' Remuneration (continued)

Categories	Executive Directors RM'000	Non-Executive Directors RM'000	Total RM'000
Fees	86	87	173
Allowances	26	46	72
Salaries	1,361	0	1,361
Bonuses	0	0	0
Employees' Provident Fund	163	0	163
Estimated Value of Benefits-in-Kind	138	0	138
Total	**1,774**	**133**	**1,907**

Directors' Remuneration in Bands of RM50,000

Categories	Executive Directors	Non-Executive Directors
RM50,000 and below	0	7
RM200,001 - RM250,000	4	0
RM250,001 - RM300,000	2	0
RM400,001 - RM450,000	1	0

Principle 3 - Reinforce Independence of the Board

There is clear division of responsibilities between the Chairman and the Managing Director ("MD") to engender accountability and facilitate the division of responsibility, such that no one individual has unfettered powers over decision making. The Independent and Non-Executive Chairman is responsible for ensuring the adequacy and effectiveness of the Board's governance process and acts as a facilitator at Board meetings to ensure that contributions by Directors are forthcoming on matters being deliberated and that no Board member dominates discussion. On the other hand, the MD is responsible for the executive management of the Group's business covering, inter alia, the development of a long-term strategic and short-term profit plans, annual operating plan and budget, to ensure that the Group's requirements for growth, profitability and return on capital are achieved. He is supported by the Executive Directors and Management team in implementing the Group's strategic plan and overseeing the operations and business development of the Group.

The Board also believes that the current Directors has a balanced mix of skills, experience, expertise and competency to bring the Group forward while discussions are always carried out with candour and vigour, allowing all Directors to express their opinions regardless of their position. The Independent Non-Executive Directors bring to bear objective and independent judgment to the decision-making of the Board and provide a review and challenge on the performance of Management. The Non-Executive Directors contribute in areas such as policy and strategy, performance monitoring as well as improving governance and controls. Together with the Executive Directors who have intimate knowledge of the business, the Board is constituted of individuals who have proper understanding of and competence to deal with, current and emerging business issues.

During the financial year under review, the Nominating Committee has concluded that the Independent Directors have complied with the criteria of independence as set out in the Directors' Assessment Policy, taking into consideration the definition under Paragraph 1.01 of Bursa Securities' Main Market Listing Requirements, the Companies Act 1965 and the MCCG 2012.

Principle 3 - Reinforce Independence of the Board (continued)

The Board Charter and Directors' Assessment Policy have incorporated the requirement as set in the Code restricting the tenure of an Independent Director to a cumulative term of nine (9) years. However, while an Independent Director may continue to serve the Board after having reached the 9-year limit, he or she may be subjected to re-designation as a Non-Independent Non-Executive Director. Further, if the Board intends to retain the Director as Independent after the latter has exceeded the tenure, the Board shall justify the decision and seek shareholders' approval at a general meeting.

Principle 4 - Foster commitment of Directors

The Board shall meet regularly, at least on a quarterly basis with additional meetings to be held as and when required. Prior notice of meetings will be given to all who are required to attend the meetings. Board Meetings shall be conducted in a business-like manner where all Directors are encouraged to share their views and partake in discussions. All pertinent issues discussed at Board meetings in arriving at the decisions and conclusions are properly recorded by the Company Secretary by way of minutes of meetings.

It is the policy of the Company for Directors to devote sufficient time and effort in carrying out their responsibilities. The Directors have to attend at least half of the meetings held for each financial year in accordance with Bursa Securities' Main Market Listing Requirements.

During the financial year under review, nine (9) Board meetings were held and details of Directors' attendance are as follows:

Position	Directors	Attendance
Executive	Low Kok Aun (Managing Director) [Appointed on 13 December 2013]	4/4
	Low Kok Kean [Appointed on 13 December 2013]	4/4
	Low Ping Kun [Appointed on 13 December 2013]	4/4
	Dato' Wira Haji Thobrani Bin Haji Hanafi (Chairman) [Resigned on 13 December 2013]	5/5
	Goh Aik Keong (Managing Director) [Resigned on 13 December 2013]	5/5
	Hazman Bin Thobrani [Resigned on 13 December 2013]	4/5
	Khaw Eng Peng [Resigned on 13 December 2013]	5/5
Non-Independent Non-Executive	Low Kok Horng [Appointed on 4 April 2014]	1/1
	Chuah Seong Tat @ Chuah Chee Tat [Appointed on 13 December 2013 and resigned on 21 February 2014]	1/1
	Goh Chooi Eam [Resigned on 13 December 2013]	5/5
Independent Non-Executive	Dato' Wira Lim Teong Kiat (Chairman) [Appointed on 13 December 2013]	4/4
	Tunku Mohamad Zulkifli Bin Osman [Appointed on 13 December 2013]	4/4
	Tuan Haji Ahmad Bin Abdul Rashid [Resigned on 13 December 2013]	5/5
	Aswandi Bin Mohamed Hashim [Resigned on 13 December 2013]	4/5

The Board is satisfied with the level of time commitment given by the Directors in fulfilling their roles and responsibilities.

Principle 5 - Uphold integrity in financial reporting
The Board is responsible for ensuring that the financial statements give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year, primarily through the annual financial statements and quarterly announcements of results to Bursa Securities. The Board is assisted by the ARMC to oversee the Group's financial reporting processes and the quality of its financial reporting. This shall include the Group's financial results and cash flows for the year then ended as well. In preparing the financial statements, the Directors have selected and applied consistently suitable accounting policies and made reasonable and prudent judgments as well as estimates in accordance with the applicable approved Financial Reporting Standards for entities other than private entities issued by the Malaysian Accounting Standards Board and the provisions of the Companies Act, 1965.

Key features underlying the relationship of the ARMC with the internal and external auditors are included in the ARMC terms of reference as detailed under ARMC Report in this Annual Report. A summary of the activities of the ARMC during the financial year, including the evaluation of the independent audit process, are set out in the ARMC Report in this Annual Report.

The ARMC shall assess the suitability and independence of the external auditors before deciding to recommend their re-appointment to the Board. This includes reviewing the contracts for provision of non-audit services and the professional fees, so as to ensure a proper balance between objectivity and value for money. Forbidden contracts include management consulting, strategic decision, internal audit and standard operating policies and procedures documentation. In addition, the ARMC also receives confirmation from external auditors on their independence annually. During the financial year under review, the External Auditor confirmed their independence as the external auditor in the ARMC meeting.

Details of the fees paid/payable in respect of the financial year under review to the external auditors are as set out below:

	Company (RM'000)	Group (RM'000)
Statutory financial audit	41	269
Limited review on quarterly results	20	20
Independent scrutineers	5	5
Review of various statements by Directors	4	4
Housing Development Authority audit	0	41
Total	**70**	**339**

Principle 6 - Recognise and manage risks
Recognising the importance of risk management, the Board has in the past years formalised a structured Enterprise Risk Management framework to identify, evaluate, control, monitor and report the principal business risks faced by the Group on an ongoing basis. The key features of the Enterprise Risk Management framework are set out in the Statement on Risk Management and Internal Control of the Group on page 26 of this Annual Report.

In line with the Listing Requirements of Bursa Securities and MCCG 2012, the Group has established its internal audit function by outsourcing to an independent firm of consultants to carry out internal audit of the Group. Details of the Company's internal control system and internal audit's scope of work during the financial year under review is provided in the Statement on Risk Management and Internal Control of the Group set out on pages 26 to 28 of this Annual Report.

Principle 7 - Ensure timely and high quality disclosure
The Board recognises the need for comprehensive, timely and accurate disclosures of all material Company information to the public so as to ensure a credible and responsible market in which participants conduct themselves with the highest standards of due diligence and investors have access to timely and accurate information to facilitate the evaluation of securities.

During the financial year under review, the Board has formalised its Investor Relations Policy to comply with the disclosure requirements as stipulated in the Listing Requirements of Bursa Securities, but also in setting out the protocols for disclosing material information to shareholders and stakeholders.

To ensure thorough public dissemination, the Company has leveraged on information technology including making announcements via Bursa Securities and establishing a dedicated section for corporate information on the Company's website where information on the Company's announcements, financial information, stock information, and the Company's quarterly and annual reports may be accessed.

Principle 8 - Strengthen relationship between Company and shareholders

Shareholder participation at general meeting
The Annual General Meeting **("AGM")**, which is the principal forum for shareholders' dialogue, allows shareholders to review the Group's performance via the Company's annual report and pose questions to the Board for clarification. At the AGM, shareholders participate in deliberating on proposed resolutions as well as the Group's operations in general. In the last AGM, a question & answer session was held where the Chairman invited shareholders to raise questions with responses from the Board.

The Company dispatches its notice of AGM to shareholders at least twenty one (21) days before the date of the meeting to enable shareholders to go through the annual report and papers supporting the resolutions proposed. Shareholders are invited to ask questions regarding the resolutions being proposed before putting a resolution to vote as well as matters relating to the Group's operations in general. The Board had introduced poll voting for substantive resolutions, or any other resolutions which were deemed necessary, at the AGM, for which notice or circulars have been issued to shareholders, as well as announcing detailed results showing the number of votes cast for and against each resolution.

Communication and engagement with shareholders
The Company recognises the importance of being transparent and accountable to its investors and, as such, has maintained an active and constructive communication policy that enables the Board and Management to communicate effectively with investors, the financial community, and the public generally. The various channels of communications are through the quarterly announcements of financial results to Bursa Securities, relevant announcements and circulars when necessary, Annual General Meeting, and through the Group's website at www.oibgroup.com where shareholders can access corporate information, press releases, and company announcements.

This Statement is issued in accordance with a resolution of the Board dated 23 September 2014.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

As at date of this Report, the members of the ARMC, which comprise wholly of Non-Executive Directors, with a majority being Independent are as follows:

Directors		Number of meetings attended
Dato' Wira Lim Teong Kiat *(Chairman)* *Independent Non-Executive Chairman*	*[Appointed on 13 December 2013]*	3/3
Low Kok Horng *Non-Independent Non-Executive Director*	*[Appointed on 04 April 2014]*	1/1
Tunku Mohamad Zulkifli Bin Osman *Independent Non-Executive Director*	*[Appointed on 13 December 2013]*	3/3
Tuan Haji Ahmad Bin Abdul Rashid *(Chairman)* *Senior Independent Non-Executive Director*	*[Resigned on 13 December 2013]*	4/4
Goh Chooi Eam *Non-Independent Non-Executive Director*	*[Resigned on 13 December 2013]*	4/4
Aswandi Bin Mohamed Hashim *Independent Non-Executive Director*	*[Resigned on 13 December 2013]*	4/4
Chuah Seong Tat @ Chuah Chee Tat *Non-Independent Non-Executive Director*	*[Appointed on 13 December 2013 and resigned on 21 February 2014]*	1/1

Summary of activities during the financial year

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

- Reviewed the external auditors' scope of work and audit plan for the year. Prior to the audit, representatives from the external auditors presented their audit strategy and plan;
- Reviewed with the external auditors the results of the audit and significant audit/accounting issues;
- Reviewed and approved the internal audit plan to ensure the adequacy of the scope and comprehensive coverage of the activities of the Group;
- Reviewed the reports on internal audit, carried out by an independent firm of consultants, which highlighted the audit issues, recommendations and Management's response, including the implementation status of Management agreed actions to address findings highlighted in previous cycles of internal audit;
- Reviewed the Company's compliance, in particular the quarterly and year end financial statements, with the Listing Requirements of Bursa Securities and other relevant legal and regulatory requirements, before recommending them for the Board's approval; and
- Reviewed related party transactions and conflict of interest situation that may arise within the Group.

Internal audit function

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

Internal audit function (continued)

During the financial year under review, 3 cycles of internal audit have been carried out on Property Division based on internal audit plan duly approved by the ARMC. The findings of the internal audit function, including its recommendations and Management's responses, were reported to the ARMC in September 2013 (1 cycle) and August 2014 (2 cycles). In addition, the internal audit function also followed up on the implementation of recommendations from previous cycles of internal audit and updated the ARMC on the status of Management-agreed action plan implementation.

Terms of reference of the ARMC

Objectives

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

- in complying with specified accounting standards and required disclosure as administered by Bursa Securities, relevant accounting standards bodies, and any other laws and regulations as amended from time to time;
- in presenting a balanced and understandable assessment of the Company's position and prospects;
- in establishing a formal and transparent arrangement for maintaining an appropriate relationship with the Company's auditors; and
- in maintaining a sound system of internal controls and risk management to safeguard shareholders' investment and the Company's assets.

Powers

In carrying out its duties and responsibilities, the ARMC shall have the following rights:

- the explicit authority to investigate any matter within its Terms of Reference;
- access to the resources which are required to perform its duties;
- full, free and unrestricted access to any information, records, properties and personnel of the Company;
- direct communication channels with the external and internal auditors;
- ability to obtain independent professional or other advice at the Company's costs, and to invite external parties with relevant experience to attend the ARMC meetings, if required, and to brief the ARMC thereof;
- ability to convene meetings with external and internal auditors, or both, whenever deemed necessary, excluding the attendance of other Directors and employees of the Company;
- promptly report to Bursa Securities where a matter reported by the ARMC to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements; and
- the attendance of any particular ARMC meeting by other Directors and employees of the Company shall be at the ARMC's invitation and discretion, and specific to that relevant meeting only.

Composition

The ARMC shall be appointed by the Board from among its members who fulfill the following requirements:-

- the ARMC must be composed of not fewer than three (3) members;
- all the members must be Non-Executive Directors, with a majority of them being Independent Non-Executive Directors;
- the members of ARMC shall elect a Chairman from among their number who shall be an Independent Non-Executive Director;
- all members of the ARMC shall be financially literate and at least one member of the ARMC:-
  - must be a member of the Malaysian Institute of Accountants; or
  - if he/she is not a member of the Malaysian Institute of Accountants, he/she must have at least three (3) years' working experience; and must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
  - fulfills such other requirements as prescribed or approved by Bursa Securities.

Terms of reference of the ARMC (continued)

Composition (continued)

- no alternate Director shall be appointed as a member of the ARMC; and
- subject to any regulatory disqualification, members of the ARMC shall not be removed except by the Board. In the event of any vacancy in the ARMC, the Board shall within three (3) months fill the same so as to comply with all regulatory requirements. In any event the Board shall review the term of office and performance of the ARMC and each of its members at least once every three (3) years.

Secretary

The Secretary of the Company shall be the Secretary of the ARMC.

Meetings

- The minimum number of ARMC meetings to be held in a financial year is four (4) meetings. Additional meetings may be called at any time, at the discretion of the Chairman of the ARMC.
- The Managing Director and other appropriate officer(s) may be invited to attend where their presence is considered appropriate as determined by the ARMC Chairman.
- The internal auditors have the right to appear and be heard at any meeting of the ARMC and are recommended to attend each ARMC meeting.
- Upon the request of the internal auditors and/or external auditors, the ARMC Chairman shall also convene a meeting of the ARMC to consider any matter the auditor(s) believes should be brought to the attention of the Board or the shareholders.
- Other Board members, employees of the Company and representatives of the external auditors may attend meetings upon the invitation of the ARMC.
- The ARMC shall meet at least twice a year with the external and internal auditors without the presence of executive Board members and the Management.
- The ARMC shall meet regularly, with due notice of issues to be discussed and shall record its conclusions accordingly.
- The Company Secretary or his/her representative shall be in attendance at each ARMC meeting and record the proceedings of the meeting thereat.
- The quorum for a meeting shall be two members of the ARMC, who are both Independent Directors; and
- Subject to first paragraph above, in appropriate circumstances, the ARMC may deal with matters by way of circular reports and resolutions in lieu of convening a formal meeting. A resolution in writing signed by all members in lieu of convening a formal meeting shall be as valid and effectual as it had been passed at a meeting of the ARMC duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more members.

Chairman

The duties and responsibilities of the Chairman of the ARMC are to:-

- Steer the ARMC to achieve the goals it sets;
- Consult the Secretary of the Company for guidance on matters related to the ARMC's responsibilities under the applicable rules and regulations, to which they are subject;
- Organise and present the agenda for ARMC meetings based on input from members of the ARMC for discussion on matters raised;
- Provide leadership to the ARMC and ensure proper flow of information to the ARMC by reviewing the adequacy and timing of documentation;
- Ensure that all members are encouraged to play their role in its activities;
- Ensure that consensus is reached on every ARMC resolution and where considered necessary, call for a vote;
- Manage the processes and working of the ARMC and ensure that the ARMC discharges its responsibilities without interference from the Management; and
- Engage on a regular basis with senior management, the internal and external auditors in order to be kept informed of matters affecting the Company.

Members

Each ARMC member shall be expected to:

- Provide individual external independent opinions to the fact-finding, analysis and decision making process of the ARMC;
- Consider view points from the other ARMC members in making decisions and recommendation for the best interest of the Board collectively;
- Keep abreast of the latest corporate governance guidelines in relation to the ARMC and the Board as a whole; and
- Continuously seek out best practices in terms of processes utilised by the ARMC, following which these should be discussed with the rest of the ARMC members for possible adoption.

Duties and Responsibilities

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

External Audit

- Nominate and recommend the external auditors for appointment, to consider the adequacy of experience, resources, audit fee and any issue regarding resignation or dismissal of the external auditors;
- Review with the external auditors, the nature, scope and plan of the audit before the audit commences and report the same to the Board;
- Ensure co-ordination if more than one audit firm is involved in the audit;
- Review with the external auditors, their audit report and report the same to the Board;
- Review with the external auditors, their evaluation of the system of internal controls and report the same to the Board and risk management;
- Review the assistance given by the employees of the Company to the external auditors and report the same to the Board;
- Review any letter of resignation from the external auditors and report the same to the Board;
- Review whether there is reason, supported by grounds, to believe that the external auditors are not suitable for reappointment and report the same to the Board;
- Discuss problems and reservations, if any, arising from the interim and final audits, and any matter which the external auditors wish to discuss in the absence of the Management, where necessary;
- Discuss and review the external auditor's management letter and management response (if any); and
- Discuss the contracts for the provision of non-audit services which can be entered into and procedures that must be followed by the external auditors. The contracts cannot be entered into should include management consulting, policy and standard operating procedures documentation, strategic decision and internal audit.

Internal Audit

- Review and report the same to the Board on the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;
- Review and report the same to the Board on the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken, and whether or not appropriate action is taken on the recommendations of the internal audit function;
- Ensure that appropriate action is taken on the recommendations of the internal auditors, where necessary;
- Review the assistance and co-operation given by the employees of the Company to the internal auditors;
- Review any appraisal or assessment of the performance of the internal auditors;
- Approve any appointment or termination of the internal auditors; and
- Review any letter of resignation of internal auditors and request the resigning firm to submit its reasons for resigning.

Risk Management

- Review the adequacy of Group's risk management framework and assess the resources and knowledge of the Management and employee involved in the risk management process;
- Review the effectiveness of internal control systems deployed by the Management to address those risks;

Duties and Responsibilities (continued)

Risk Management (continued)

- Review and recommend corrective measures undertaken to remedy failings and/or weaknesses;
- Review and further monitor principal risks that may affect the Group directly or indirectly that if deemed necessary, recommend additional course of action to mitigate such risks;
- Communication and monitoring of risk assessment results to the Board; and
- Actual and potential impact of any failing or weakness, particularly those related to financial performance or conditions affecting the Company.

Others

- Prior to the approval of the Board, review the quarterly and year-end financial statements and report the same to the Board, focusing particularly on:
  - any major changes in accounting policies and practices;
  - significant and unusual events;
  - the going concern assumption; and
  - compliance with accounting standards and other statutory requirements.
- Review any related party transactions and conflict of interest situation that may arise within the Company including any transaction, procedure or course of conduct that raises questions of management integrity and report the same to the Board;
- Discuss and review the major findings of any internal investigations and the Management's response;
- Review the statement with regard to the state of internal controls and risk management of the Group for inclusion in the Annual Report and report the same to the Board;
- Oversee the Company's internal control structure to ensure operational effectiveness and efficiency, reduce risk of inaccurate financial reporting, protect the Company's assets from misappropriation and encourage legal and regulatory compliance;
- Submit recommendations, where necessary, to the Board for approval;
- Perform any other work that it is required or empowered to do by statutory legislation or guidelines as prepared by the relevant government authorities; and
- Consider other topics as defined by the Board.

Disclosure

The ARMC is required to prepare an Audit Report at the end of each financial year to be included and published in the Annual Report of the Company. The ARMC Report shall include the following:

- Composition of the ARMC, including the name, designation (indicating the Chairman) and directorship of the members (indicating whether the Directors are independent or otherwise);
- A summary of the Terms of Reference of the ARMC;
- Number of ARMC meetings held during the financial year and details of attendance of each ARMC member;
- Summary of the activities carried out by the ARMC in the discharge of its functions and duties for that financial year of the Company; and
- Summary of the activities carried out by the internal auditors.

The ARMC shall assist the Board in making the following additional statements in the Company's Annual Report:

- Statement explaining the Board's responsibility for preparing the annual audited financial statements of the Group; and
- Statement about the state of internal controls and risk management of the Group.

Revision of the Terms of Reference

- Any revision or amendment to this Terms of Reference, as proposed by the ARMC or any third party, shall first be presented to the Board for its approval; and
- Upon the Board's approval, the said revision or amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised or amended.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Introduction

Paragraph 15.26(b) of the Main Market Listing Requirements (the “Listing Requirements”) of Bursa Securities requires the Board of Directors of listed issuers to include in its Annual Report a “statement about the state of internal control of the listed issuer as a group”.

The Board of Directors of Oriental Interest Berhad (the “Board”) is committed to maintaining a sound system of risk management and internal control in the Group and presents the following Statement on Risk Management and Internal Control (the “Statement”), which outlines the nature and scope of risk management and internal control prevailing in the Group during the financial year ended 30 June 2014 under review. The associated company has not been considered for the purpose of this statement.

Board’s Responsibility

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

Following the publication of Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (the “Guidelines”) in January 2013, the Board confirms that there is an on-going process for identifying, evaluating and managing the significant risks faced by the Group. The Board, through its ARMC, regularly reviews the results of this process, including mitigating measures taken by Management, to address areas of key risks as identified. This process has been in place for the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report of the Company.

Risk Management

The Board fully supports the contents of the Guidelines and also Recommendation 6.1 of the Malaysian Code on Corporate Governance (“MCCG 2012”) which recommends the establishment of a sound framework to manage risks.

Management is responsible for identifying, evaluating, monitoring and reporting of risks and internal control as well as providing assurance to the Board that it has done so in accordance with the policies adopted by the Board.

The Board believes that maintaining a sound system of risk management and internal control is founded on a clear understanding and appreciation of the following key elements of the Group’s risk management framework:

- A risk management structure which outlines the lines of reporting and establishes the responsibility at different levels, i.e. the Board, ARMC and Management;
- On-going identification and management of principal business risks (present and potential) faced by each business segments in the Group. The risk responses and internal controls that Management has taken and/or is taking are discussed at ARMC meetings;
- Risk appetite and parameters (qualitative and quantitative) for the Group and individual business segments have been articulated so as to gauge acceptability of risk exposure; and
- Preparation of action plans to address risk and control issues on an on-going basis.

Whilst the Board considers the risk management framework to be robust, the framework is still subject to continuous improvement, taking into consideration better practices and the changing business environment.

Internal Audit Function

The Group outsourced its internal audit function to an independent firm of consultants, which provides the Board with much of the assurance it requires regarding the adequacy and integrity of the system of risk management, internal control and governance of the Group. The internal audit function adopts a risk-based approach and prepares its audit strategy and plan based on the risk profiles of the business segments of the Group. The internal audit function reviews the internal control in the key activities of the Group's businesses based on a detailed annual internal audit plan approved by the ARMC. Opportunity for improvements to the system of internal control are identified and presented to the ARMC via internal audit reports whilst Management formulates the relevant action plans to address the issues noted.

During the financial year under review, 3 cycles of internal audit have been carried out on Property Division based on internal audit plan duly approved by the ARMC. The findings of the internal audit function, including its recommendations and Management's responses, were reported to the ARMC in September 2013 (1 cycle) and August 2014 (2 cycles). In addition, the internal audit function also followed up on the implementation of recommendations from previous cycles of internal audit and updated the ARMC on the status of Management-agreed action plan implementation.

The cost incurred in maintaining the outsourced internal audit function for the financial year ended 30 June 2014 amounted to RM30,000. On 1 September 2014, the internal audit was taken in-house with the formation of the internal audit department.

Internal Control

The key elements of the Group's internal control system described below are relevant across the Group to provide for continuous assurance to be given at increasingly higher levels of Management and, finally, to the Board:

(a) Lines of responsibility and delegation of authority

The Board has put in place an organisational structure with formally defined lines of responsibility and delegation of authority. Hierarchical reporting is established to provide for a documented and auditable trail of accountability. The procedures include the establishment of limits of authority coupled with internal checks and appropriate segregation of duties. These procedures are relevant across Group operations and provide for continuous assurance to be given at increasingly higher levels of Management and, finally, to the Board.

(b) Continuous monitoring and reporting

The Managing Director, together with Chief Financial Officer, provides the Board with quarterly financial information, including pertinent explanations on the performance of the Group.

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

(c) Corporate governance practices

Following the successful acquisition of a controlling stake in the Company by Jupiter Sunrise Sdn Bhd on 31 October 2013 and completion of Mandatory General Offer exercise on 12 December 2013, the new Board of Directors has also adopted the previously approved salient corporate governance policies and procedures such as Board Charter, Director Assessment Policy, Code of Conduct and Ethics, Whistle Blower Policy, etc.

Further details of activities undertaken by the Internal Audit function are set out in the ARMC Report on pages 21 to 25 of this Annual Report.

Adequacy and effectiveness of the Group's risk management and internal control system

The Board has received assurance in writing from the Managing Director and Chief Financial Officer that the Group's risk management and internal control system has been operating adequately and effectively, in all material aspects, during the financial year under review and up to the date of this Statement. Based on this assurance, the input from relevant assurance providers, as well as its review, the Board is of the view that the Group's risk management and internal control system is satisfactory to meet the Group's needs and has not resulted in any material losses, contingencies or uncertainties that require disclosure in the Group's annual report. Cognizant of the importance of the Group's risk management and internal control system, the Board continues to take appropriate measures to strengthen the internal control environment and risk management framework.

Conclusion

As required by Paragraph 15.23 of the Bursa Securities' Main Market Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Recommended Practice Guide ("RPG") 5 (Revised) issued by the Malaysian Institute of Accountants. RPG 5 (Revised) does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

This Statement is issued in accordance with a resolution of the Board dated 23 September 2014.

REPORTS AND FINANCIAL STATEMENTS

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2014.

Principal activities

The principal activities of the Company during the financial year are those of investment holding and the provision of management services. The principal activities of the Group consist primarily of property development, oil palm cultivation and investment holding and hotel operations. There have been no significant changes in the nature of these activities except for two subsidiaries which commenced business to carry on marketing and sales of land and properties and general construction respectively during the financial year.

Financial results

	Group RM'000	Company RM'000
Profit after taxation for the financial year	12,947	550
Non-controlling interests	(3,737)	0
Profit attributable to owners of the parent	9,210	550

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

Dividends

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

	RM'000
In respect of the financial year ended 30 June 2013, as proposed in the Directors' report for that financial year, a first and final dividend of 10% less income tax, paid on 12 December 2013	6,791

The Directors now recommend the payment of a first and final single-tier tax exempt dividend of 5 sen per share on 90,545,002 ordinary shares, amounting to RM4,527,250 in respect of the financial year ended 30 June 2014 which is subject to the approval of members at the forthcoming Annual General Meeting of the Company.

Movements on reserves and provisions

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

Directors

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

Dato' Wira Lim Teong Kiat	(appointed on 13 December 2013)
Low Kok Aun	(appointed on 13 December 2013)
Low Kok Kean	(appointed on 13 December 2013)
Low Ping Kun	(appointed on 13 December 2013)
Tunku Mohamad Zulkifli Bin Osman	(appointed on 13 December 2013)
Low Kok Horng	(appointed on 04 April 2014)
Chuah Seong Tat @ Chuah Chee Tat	(appointed on 13 December 2013 and resigned on 21 February 2014)
Dato' Wira Haji Thobrani Bin Haji Hanafi	(resigned on 13 December 2013)
Goh Aik Keong	(resigned on 13 December 2013)
Hazman Bin Thobrani	(resigned on 13 December 2013)
Khaw Eng Peng	(resigned on 13 December 2013)
Tuan Haji Ahmad Bin Abdul Rashid	(resigned on 13 December 2013)
Goh Chooi Eam	(resigned on 13 December 2013)
Aswandi Bin Mohamed Hashim	(resigned on 13 December 2013)

In accordance with Article 87 of the Articles of Association, Dato' Wira Lim Teong Kiat, Low Kok Aun, Low Kok Kean, Low Ping Kun, Tunku Mohamad Zulkifli Bin Osman and Low Kok Horng will retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Directors' interests

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

	Number of ordinary shares of RM1 each			
	1.7.2013/ Date of appointment	Addition	Disposal	**30.6.2014**
Oriental Interest Berhad (Ultimate holding company)				
Low Kok Aun				
- Indirect	46,746,798	25,971,382	(7,170,000)	**65,548,180**
Low Kok Kean				
- Indirect	46,746,798	25,971,382	(7,170,000)	**65,548,180**
Low Ping Kun				
- Indirect	46,746,798	25,971,382	(7,170,000)	**65,548,180**
Yiked Brilliant Sdn Bhd (Subsidiary)				
Low Kok Kean				
- Direct	0	1#	0	**1#**
Low Kok Aun				
- Direct	0	1#	0	**1#**

Directors' interests (continued)

	Number of ordinary shares of RM1 each			
	1.7.2013/ Date of appointment	Addition	Disposal	**30.6.2014**
Yiked Alliance Sdn Bhd (Subsidiary)				
Low Kok Kean				
- Direct	0	1*	0	**1***
Low Kok Aun				
- Direct	0	1*	0	**1***

* Held in trust for Brilliant Alliance Sdn Bhd
\# Held in trust for Aturan Cemerlang Sdn Bhd

Other than as disclosed above, none of the Directors in office at the end of the financial year held any interest in shares in, or debentures of, the Company and its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the fees and other emoluments shown in Note 8 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, other than benefits that may be deemed to have arisen in relation to transactions entered into in the ordinary course of business as disclosed in Note 35 to the financial statements.

Neither during nor at the end of the financial year was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Other statutory information

Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets other than debts, which were unlikely to realise in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

Other statutory information (continued)

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

(a) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

(a) no item, transaction or event of a material and unusual nature has arisen which, in the opinion of the Directors, would substantially affect the results of the operations of the Group or of the Company for the financial year in which this report is made;

(b) no charge on the assets of any company in the Group has arisen which secures the liabilities of any other person; and

(c) no contingent liability has arisen in respect of any company in the Group.

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

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

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

In accordance with a resolution of the Board of Directors dated 23 September 2014.

Low Kok Aun
Managing Director

Low Kok Kean
Executive Director

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ORIENTAL INTEREST BERHAD

Report on the financial statements

We have audited the financial statements of Oriental Interest Berhad on pages 36 to 102, which comprise the statements of financial position as at 30 June 2014 of the Group and of the Company, and the statements of comprehensive income, changes in equity and cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out in Notes 1 to 36.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 30 June 2014 and of their financial performance and cash flows for the financial year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on other legal and regulatory requirements
In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

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

(c) Our audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other reporting responsibilities
The supplementary information set out in Note 37 on page 103 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information 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 ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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

PricewaterhouseCoopers
[No. AF: 1146]
Chartered Accountants

Cho Choo Meng
[2082/09/16 (J/PH)]
Chartered Accountant

Penang

23 September 2014

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

	Note	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Revenue	5	**97,663**	83,695	**253**	2,711
Cost of sales		**(69,025)**	(62,526)	**0**	0
Gross profit		**28,638**	21,169	**253**	2,711
Other operating income		**3,700**	3,326	**1,966**	69
Selling and distribution costs		**(1,008)**	(1,873)	**0**	0
Administrative expenses		**(9,608)**	(9,743)	**(667)**	(622)
Other operating expenses		**(4,793)**	(3,532)	**(1,014)**	(184)
Operating profit		**16,929**	9,347	**538**	1,974
Finance cost	6	**(2)**	0	**(2)**	0
Share of (loss)/profit of associate		**(5)**	2	**0**	0
Profit before taxation	9	**16,922**	9,349	**536**	1,974
Taxation	10	**(3,975)**	(2,361)	**14**	(580)
Profit from continuing operations		**12,947**	6,988	**550**	1,394
Loss from discontinued operations	23	**0**	(1,035)	**0**	0
Profit after taxation		**12,947**	5,953	**550**	1,394
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Gain on fair value change	23	**0**	1,669	**0**	1,669
Reclassification of fair value upon disposal of available-for-sale financial assets		**(608)**	0	**(608)**	0
Total comprehensive income/(loss) for the financial year		**12,339**	7,622	**(58)**	3,063
Profit attributable to:					
Owners of the parent					
- from continuing operations		**9,210**	4,847	**550**	1,394
- from discontinued operations		**0**	(1,035)	**0**	0
		9,210	3,812	**550**	1,394
Non-controlling interests		**3,737**	2,141	**0**	0
		12,947	5,953	**550**	1,394
Total comprehensive income/(loss) attributable to:					
Owners of the parent					
- from continuing operations		**8,602**	6,516	**(58)**	3,063
- from discontinued operations		**0**	(1,035)	**0**	0
		8,602	5,481	**(58)**	3,063
Non-controlling interests		**3,737**	2,141	**0**	0
		12,339	7,622	**(58)**	3,063
Basic earnings/(loss) per share attributable to owners of the parent (sen per share)	11				
- continuing operations		**10.17**	5.35		
- discontinued operations		**0.00**	(1.14)		
		10.17	4.21		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2014

	Note	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	**72,240**	62,629	**0**	0
Land held for property development	13	**24,451**	35,987	**0**	0
Investment properties	14	**3,524**	3,673	**0**	0
Biological assets	15	**1,082**	742	**0**	0
Interest in subsidiaries	16	**0**	0	**206,303**	203,405
Investment in an associate	17	**5,185**	3,170	**0**	0
Deferred tax assets	18	**3,432**	3,144	**0**	0
		109,914	109,345	**206,303**	203,405
Current assets					
Property development costs	19	**109,716**	124,308	**0**	0
Inventories	20	**8,980**	1,803	**0**	0
Amount due from customer on construction contracts	21	**4,680**	0	**0**	0
Trade and other receivables	22	**63,887**	65,428	**27**	953
Available-for-sale financial assets	23	**6,978**	10,978	**6,978**	10,978
Tax recoverable		**4,255**	3,784	**176**	269
Deposits with licensed banks	24	**38,857**	27,606	**5,000**	1,563
Cash and bank balances	25	**19,033**	18,421	**890**	2,123
		256,386	252,328	**13,071**	15,886
TOTAL ASSETS		**366,300**	361,673	**219,374**	219,291
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	26	**90,545**	90,545	**90,545**	90,545
Share premium		**186**	186	**186**	186
Reserves	27	**178,707**	176,149	**121,463**	128,312
		269,438	266,880	**212,194**	219,043
Non-controlling interests		**54,963**	60,222	**0**	0
Total equity		**324,401**	327,102	**212,194**	219,043
Non-current liabilities					
Deferred tax liabilities	18	**799**	283	**0**	0
Provision for property development	28	**4,527**	6,368	**0**	0
		5,326	6,651	**0**	0
Current liabilities					
Trade and other payables	29	**34,599**	23,938	**7,180**	248
Provision for property development	28	**986**	3,943	**0**	0
Tax payable		**988**	39	**0**	0
		36,573	27,920	**7,180**	248
Total liabilities		**41,899**	34,571	**7,180**	248
TOTAL EQUITY AND LIABILITIES		**366,300**	361,673	**219,374**	219,291

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

Group	Note	Attributable to owners of the parent: Issued and fully paid ordinary shares of RM1 each: Number of shares '000	Nominal value RM'000	Non-distributable: Share premium RM'000	Revaluation of available-for-sale financial assets RM'000	Revaluation reserves RM'000	Distributable: Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 July 2013		90,545	90,545	186	1,669	10,974	163,506	266,880	60,222	327,102
Comprehensive income:										
Net profit for the financial year		0	0	0	0	0	9,210	9,210	3,737	12,947
Other comprehensive income:										
Reclassification of fair value upon disposal of available-for-sale financial assets		0	0	0	(608)	0	0	(608)	0	(608)
Total comprehensive income for the financial year		0	0	0	(608)	0	9,210	8,602	3,737	12,339
Transaction with owners:										
Acquisition of non-controlling interests in subsidiaries	30	0	0	0	0	0	746	746	(9,695)	(8,949)
Disposal of interests to non-controlling interests		0	0	0	0	0	1	1	(1)	0
Issuance of ordinary shares by subsidiaries		0	0	0	0	0	0	0	700	700
Dividend - financial year ended 30 June 2013	31	0	0	0	0	0	(6,791)	(6,791)	0	(6,791)
Total transactions with owners		0	0	0	0	0	(6,044)	(6,044)	(8,996)	(15,040)
At 30 June 2014		90,545	90,545	186	1,061	10,974	166,672	269,438	54,963	324,401

The accompanying notes form an integral part of the financial statements.

Group	Note	Attributable to owners of the parent: Issued and fully paid ordinary shares of RM1 each: Number of shares '000	Nominal value RM'000	Non-distributable: Share premium RM'000	Revaluation of available-for-sale financial assets RM'000	Revaluation reserves RM'000	Distributable: Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 July 2012		90,545	90,545	186	0	10,974	166,485	268,190	58,088	326,278
Total comprehensive income for the financial year		0	0	0	1,669	0	3,812	5,481	2,141	7,622
Transaction with owners:										
Dividend - financial year ended 30 June 2012	31	0	0	0	0	0	(6,791)	(6,791)	(7)	(6,798)
At 30 June 2013		90,545	90,545	186	1,669	10,974	163,506	266,880	60,222	327,102

The accompanying notes form an integral part of the financial statements.

Company	Note	Issued and fully paid ordinary shares of RM1 each		Non-distributable		Distributable	
		Number of shares '000	Nominal value RM'000	Share premium RM'000	Revaluation of available-for-sale financial assets RM'000	Retained earnings RM'000	Total RM'000
At 1 July 2013		**90,545**	**90,545**	**186**	**1,669**	**126,643**	**219,043**
Comprehensive income:							
Net profit for the financial year		**0**	**0**	**0**	**0**	**550**	**550**
Other comprehensive income:							
Reclassification of fair value upon disposal of available-for-sale financial assets		**0**	**0**	**0**	**(608)**	**0**	**(608)**
Total comprehensive loss for the financial year		**0**	**0**	**0**	**(608)**	**550**	**(58)**
Transaction with owners:							
Dividend - financial year ended 30 June 2013	31	**0**	**0**	**0**	**0**	**(6,791)**	**(6,791)**
At 30 June 2014		**90,545**	**90,545**	**186**	**1,061**	**120,402**	**212,194**
At 1 July 2012		90,545	90,545	186	0	132,040	222,771
Total comprehensive income for the financial year		0	0	0	1,669	1,394	3,063
Transaction with owners:							
Dividend - financial year ended 30 June 2012	31	0	0	0	0	(6,791)	(6,791)
At 30 June 2013		90,545	90,545	186	1,669	126,643	219,043

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

		Group		Company	
	Note	**2014 RM'000**	2013 RM'000	**2014 RM'000**	2013 RM'000
OPERATING CASH FLOWS					
Cash flows generated from/(used in) operations	32	**27,512**	(1,319)	**(1,564)**	(737)
Taxation paid		**(5,125)**	(4,488)	**(7)**	0
Tax refunds		**1,859**	1,267	**114**	0
Operating cash flows generated from/(used in) continuing operations		**24,246**	(4,540)	**(1,457)**	(737)
Operating cash flows generated from discontinued operations	23	**0**	59	**0**	0
Net operating cash flows		**24,246**	(4,481)	**(1,457)**	(737)
INVESTING CASH FLOWS					
Interest received		**1,410**	1,176	**111**	53
Dividends received		**0**	0	**0**	1,994
Proceeds from disposal of property, plant and equipment		**440**	86	**0**	0
Proceeds from disposal of available-for-sale financial assets		**4,000**	0	**4,000**	0
Proceeds from disposal of investment property		**250**	0	**0**	0
Additions to property, plant and equipment		**(346)**	(1,615)	**0**	0
Additions to biological assets		**(391)**	0	**0**	0
Additions to land held for property development		**(602)**	(1,028)	**0**	0
Additions to investment property		**(82)**	(78)	**0**	0
Advances to related parties		**0**	0	**(9,875)**	(15,511)
Advances from a subsidiary		**0**	0	**12,358**	0
Investment in subsidiaries		**0**	0	**(14,249)**	0
Investment in associate		**(2,020)**	0	**0**	0
Investment in redeemable preferences shares (RPS) of certain subsidiaries*		**0**	0	**(71)**	(238)
Redemption of RPS by certain subsidiaries*		**0**	0	**13,040**	0
Repayments of advances from related parties		**0**	0	**5,140**	20,004
Net cash outflow upon loss of control of a subsidiary company		**0**	(1,039)	**0**	0
Net investing cash flows from continuing operations		**2,659**	(2,498)	**10,454**	6,302

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

	Note	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
FINANCING CASH FLOWS					
Proceeds from issuance of ordinary shares by subsidiaries		**700**	0	**0**	0
Acquisition of non-controlling interest in subsidiaries		**(8,949)**	0	**0**	0
Interest paid		**(2)**	0	**(2)**	0
Dividend paid to non-controlling interests		**0**	(7)	**0**	0
Dividend paid		**(6,791)**	(6,791)	**(6,791)**	(6,791)
Withdrawal of deposits with licensed banks pledged as security		**563**	445	**563**	0
Deposits with licensed banks pledged as security		**(7)**	0	**0**	(8)
Net financing cash flows used in continuing operations		**(14,486)**	(6,353)	**(6,230)**	(6,799)
Net change in cash and cash equivalents during the financial year		**12,419**	(13,332)	**2,767**	(1,234)
Cash and cash equivalents at the beginning of the financial year		**45,247**	58,579	**3,123**	4,357
Cash and cash equivalents at the end of the financial year	33	**57,666**	45,247	**5,890**	3,123

* **Significant non-cash transaction**

i) During the financial year ended 30 June 2014, 635,400 RPS were redeemed for a total consideration of RM63,540,000 of which RM50,500,000 was settled by setting off against amounts owing to subsidiaries as disclosed in Note 16 to the financial statements.

ii) During the financial year ended 30 June 2014, 280,000 RPS were subscribed for a total consideration of RM28,000,000 of which RM27,928,820 was settled by setting off against amounts due from subsidiaries to fund their working capital as disclosed in Note 16 to the financial statements.

iii) During the financial year ended 30 June 2013, 1,088,600 RPS were subscribed for a total consideration of RM108,860,000 of which RM108,621,618 was settled by setting off against amounts due from subsidiaries to fund their working capital as disclosed in Note 16 to the financial statements.

The accompanying notes form an integral part of the financial statements.

1 General information

The principal activities of the Company during the financial year are those of investment holding and the provision of management services. The principal activities of the Group consist primarily of property development, oil palm cultivation and investment holding and hotel operations. There have been no significant changes in the nature of these activities except for two subsidiaries which commenced business to carry on marketing and sales of land and properties and general construction respectively during the financial year.

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

Registered office:
Lot 6.05, Level 16, KPMG Tower
8 First Avenue Bandar Utama
47800 Petaling Jaya
Selangor

Principal place of business:
34 & 35, Lengkok Cempaka 2
Bandar Amanjaya
08000 Sungai Petani
Kedah Darul Aman

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 23 September 2014.

2 Summary of significant accounting policies

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

2.1 Basis of preparation

The financial statements of the Group and Company have been prepared in accordance with the Financial Reporting Standards ("FRS") and requirements of the Companies Act, 1965 in Malaysia.

The Group includes transitioning entities and has elected to continue to apply FRS during the financial year. The Group will adopt the new IFRS-compliant framework, Malaysian Financial Reporting Standards ("MFRS") from financial year beginning on 1 July 2017. In adopting the new framework, the Group will be applying MFRS 1 "First-time adoption of MFRS".

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

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

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

(a) Standards, amendments to published standards and interpretations that are applicable and effective.

The standards, amendments to published standards and interpretations that are applicable and effective for the Group's and the Company's financial year beginning on or after 1 July 2013:

- FRS 10 "Consolidated Financial Statements"
- FRS 12 "Disclosures of Interests in Other Entities"
- FRS 13 "Fair Value Measurement"
- Revised FRS 127 "Separate Financial Statements"
- Revised FRS 128 "Investments in Associates and Joint Ventures"
- Amendment to FRS 7 "Financial Instruments: Disclosures"
- Amendments to FRS 10, 11 and 12 "Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance"
- Annual improvements to 2009 - 2011 Cycle

The standards, amendments to published standards, and interpretations do not have a material impact on the financial statements of the Group and of the Company, except for FRS 12 "Disclosures of Interests in Other Entities" and FRS 13 "Fair Value Measurement", of which the impact affects the disclosures in the financial statements.

(b) Standards, amendments to published standards and interpretations early adopted by the Group and the Company

There are no standards, amendments to published standards and interpretations early adopted by the Group and the Company.

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

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

(i) The standards, amendments to published standards and interpretations to existing standards that are applicable for the Group's and the Company's financial year beginning on or after 1 July 2014 or later periods, and the Group and the Company have not early adopted, are as follows:

- Amendment to FRS 10, FRS 12 and FRS 127 (effective from 1 January 2014) introduce an exception to consolidation for investment entities. Investment entities are entities whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both and evaluate the performance of its investments on fair value basis. The amendments require investment entities to measure particular subsidiaries at fair value instead of consolidating them.

- Amendment to FRS 132 "Financial Instruments: Presentation" (effective from 1 January 2014) does not change the current offsetting model in FRS 132. It clarifies the meaning of 'currently has a legally enforceable right of set-off' that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. It clarifies that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the FRS 132 offsetting criteria.

- Amendment to FRS 136 "Recoverable Amount Disclosures for Non-financial Assets" (effective from 1 January 2014) removed certain disclosures of the recoverable amount of cash generating units ("CGUs") which had been included in FRS 136 by the issuance of FRS 13.

- IC Interpretation 21, 'Levies' (effective from 1 January 2014) sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation clarifies that a liability to pay a levy is recognised when the obligating event occurs. Obligating event is the event identified by the legislation that triggers the payment of the levy.

- Annual improvements to FRSs 2010 - 2012 Cycle (effective from 1 July 2014) includes Amendments to FRS 2 "Share-based Payment", FRS 3 "Business Combinations", FRS 8 "Operating Segments", FRS 13 "Fair Value Measurement", FRS 116 "Property, Plant and Equipment", FRS 124 "Related Party Disclosures" and FRS 138 "Intangible Assets".

- Annual improvements to FRSs 2011 - 2013 Cycle (effective from 1 July 2014) includes Amendments to FRS 1 "First-time Adoption of Financial Reporting Standards", FRS 3 "Business Combinations", FRS 13 "Fair Value Measurement" and FRS 140 "Investment Property".

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

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

(ii) The new standard of which its effective date has yet to be determined by MASB is as follows:

- FRS 9 "Financial instruments - classification and measurement of financial assets and financial liabilities" replaces the parts of FRS 139 that relate to the classification and measurement of financial instruments. FRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The basis of classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instruments. For financial liabilities, the standard refines most of the FRS 139 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than profit or loss, unless this creates an accounting mismatch.

The Group is in the process of assessing the full impact of the above standards and amendments to published standards on the financial statements of the Group and the Company in the year of initial application. The Group will also consider the impact of the remaining phases of FRS 9 when completed by MASB.

2.2 Economic entities in the Group

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

2 Summary of significant accounting policies (continued)

2.2 Economic entities in the Group (continued)

(a) Subsidiaries (continued)

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with FRS 139 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The results of all subsidiaries are consolidated using the acquisition method of accounting except for the consolidation of certain subsidiaries (as disclosed in Note 16) prior to 1 April 2002 in accordance with Malaysian Accounting Standard 2 “Accounting for Acquisitions and Mergers”, the generally accepted accounting principles prevailing at that time. The Group has taken advantage of the transitional provision provided by MASB 21, FRS 3 and FRS 3 (revised) to apply these Standards prospectively. Accordingly, business combinations entered into prior to the respective effective dates have not been restated to comply with these standards.

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

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2 Summary of significant accounting policies (continued)

2.2 Economic entities in the Group (continued)

(a) Subsidiaries (continued)

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(b) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

The Group's share of post-acquisition profit or loss is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. The interest in an associate is the carrying amount of the investment in the associate under the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the associate. After the Group's interest is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the investor has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of an associate' in the profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

2 Summary of significant accounting policies (continued)

2.2 Economic entities in the Group (continued)

(b) Associates (continued)

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

Dilution gains and losses arising in investments in associates are recognised in the profit or loss.

When the Group increases its stake in an existing investment and the investment becomes an associate for the first time, goodwill is calculated at each stage of the acquisition. The Group does not revalue its previously owned share of net assets to fair value. Any existing available-for-sale reserve is reversed in other comprehensive income, restating the investment to cost. For an investment designated at fair value through profit or loss, the reversal resulting from the restatement to cost is made against retained earnings. A share of profits (after dividends) together with a share of any equity movements relating to the previously held interest are accounted for in other comprehensive income.

The cost of acquiring an additional stake in an associate is added to the carrying amount of associate and equity accounted. Goodwill arising on the purchase of additional stake is computed using fair value information at the date the additional interest is purchased. The previously held interest is not re-measured.

2.3 Property, plant and equipment

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

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

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

2 Summary of significant accounting policies (continued)

2.3 Property, plant and equipment (continued)

Freehold land is not depreciated as it has an infinite life and leasehold land is depreciated in equal instalments over the periods of the respective leases that range from 38 to 86 years. Other property, plant and equipment are depreciated on the straight-line basis to write off the cost of the assets, or their revalued amounts, to their residual values over their estimated useful lives. The annual depreciation rates are as follows:

	%
Buildings	2
Estate infrastructure	5
Factory buildings	2 - 10
Plantation equipment	10
Furniture and fittings	10 - 20
Office equipment	10 - 50
Electrical installation	10
Plant and machinery	5 - 20
Motor vehicles	10 - 20
Site equipment	10 - 20
Office renovations	10
Others	10 - 50

Others comprise mainly linen, crockery and general equipment.

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

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each reporting date. The Group carries out assessment on residual values and useful lives of assets on an annual basis. There was no adjustment arising from the assessment performed in the financial year.

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss. When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

Borrowing costs are capitalised in accordance with accounting policy Note 2.15.

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

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 Directors have adopted the transitional provision of FRS 117 Leases as allowed for by the Malaysian Accounting Standards Board to retain the unamortised revalued amount as the surrogate amount of leasehold land.

2 Summary of significant accounting policies (continued)

2.4 Investment properties

Investment properties, comprising principally land and buildings, are held for long term rental yields or for capital appreciation or both, and are not occupied by the Group. Investment property is measured initially at its cost, including related transaction costs and borrowing costs if the investment property meets the definition of qualifying asset.

After initial recognition, investment property is stated at cost less any accumulated depreciation and impairment losses. Freehold land is not depreciated as it has an infinite life. Other categories of investment properties are depreciated on the straight line basis to allocate the cost to their residual values over their estimated useful lives. The annual depreciation rate for buildings is 2%.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is de-recognised.

Investment property is de-recognised either when disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. Gains and losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are included in profit or loss.

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

2.5 Investments

In the Company's separate financial statements, investments in subsidiaries and associates are carried at cost less accumulated impairment losses.

On disposal of investments in subsidiaries and associates, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.6 Impairment of non-financial assets

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

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

2 Summary of significant accounting policies (continued)

2.7 Biological assets

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

2.8 Inventories

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

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

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

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

2.9 Construction contracts

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract is recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Variations in contract work, claims and incentive payments are included in contract revenue to the extent agreed with the customer and are capable of being reliably measured.

The Group uses the 'percentage-of-completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as amount due from customer on construction contracts.

When the outcome of the construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable.

2 Summary of significant accounting policies (continued)

2.9 Construction contracts (continued)

The aggregate of the costs incurred and the profit/loss recognised on each contract is compared against the progress billings up to the period end. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as amount due from customer on construction contracts (within current assets). Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as amount due to customer on construction contracts (within current liabilities).

2.10 Property development activities

(a) Land held for property development

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

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

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

Borrowing costs are capitalised in accordance with Note 2.15.

(b) Property development costs

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

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

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

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

2 Summary of significant accounting policies (continued)

2.10 Property development activities (continued)

(b) Property development costs (continued)

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

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

Borrowing costs are capitalised in accordance with Note 2.15.

2.11 Advances to subsidiary companies

Advances to certain subsidiary companies as determined by the Directors are non-trade in nature, unsecured, interest free and do not have a fixed term of repayments are treated as a long term source of capital to the subsidiaries. The initial value of the advances is accounted for as contributions and recognised as part of the cost of investment in subsidiaries.

2.12 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short term, highly liquid investments with original maturities of three months or less, and bank overdrafts. Fixed deposits held on lien for bank guarantee facilities are not treated as part of the component of cash and cash equivalents as they are not readily available for use by the Group.

2.13 Share capital

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

2.14 Dividends

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

2.15 Borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between initial recognised amount and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2 Summary of significant accounting policies (continued)

2.16 Income tax

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

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

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

Deferred tax is recognised on temporary differences on investments in subsidiaries and associates except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

2.17 Employee benefits

(a) Short term employee benefits

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

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

(b) Defined contribution plans

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

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

2 Summary of significant accounting policies (continued)

2.17 Employee benefits (continued)

(c) Termination benefits

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

2.18 Provisions

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

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

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

2.19 Contingent liabilities and contingent assets

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

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

2.20 Revenue recognition

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

2 Summary of significant accounting policies (continued)

2.20 Revenue recognition (continued)

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

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

- Revenue from property development is recognised on the percentage of completion method. The stage of completion for each project is measured by a certificate issued by an architect based on the physical completion of the work performed in proportion to the total development. Anticipated losses are recognised in full immediately in profit or loss.
- Revenue from sale of land and developed properties are recognised upon transfer of significant risks and rewards of ownership to the purchasers.
- Revenue from construction contracts is recognised on the percentage of completion method. The stage of completion is measured by reference to contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract.
- Dividend income is recognised when the right to receive the dividend is established.
- Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount being the estimated future cash flow at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.
- Management fees are recognised on the accrual basis.
- Revenue from oil palm cultivation is recognised upon delivery of goods.
- Revenue from marketing operations is recognised upon rendering of services.
- Rental income is recognised on accrual basis.
- Income from hotel operations is recognised at the point at which the accommodation and related services are provided.

2.21 Functional and presentation currency

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

2.22 Financial instruments

(a) Description

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

<u>Financial asset</u>

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

2 Summary of significant accounting policies (continued)

2.22 Financial instruments (continued)

(a) Description (continued)

Financial asset (continued)

Financial assets are recognised in the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss.

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available for sale and held-to-maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired or incurred principally for the purpose of selling or repurchasing in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

Financial assets categorised as fair value through profit or loss are subsequently carried at fair value. Changes in the fair values of financial assets at fair value through profit or loss, including the effects of currency translation, interest and dividend income are recognised in profit or loss in the period in which the changes arise.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group and Company's loans and receivables comprise trade and other receivables, amounts due from related companies and cash and cash equivalents in the statements of financial position.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

(iii) Held-to-maturity

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available for sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting date, which are classified as current assets.

Financial assets categorised as held-to-maturity are subsequently measured at amortised cost using the effective interest method.

2 Summary of significant accounting policies (continued)

2.22 Financial instruments (continued)

(a) Description (continued)

Financial asset (continued)

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting date.

Subsequent to initial recognition, available-for-sale financial assets are carried at fair value. Changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income, except for impairment loss and foreign exchange gains and losses on monetary assets. The exchange differences on monetary assets are recognised in profit or loss, whereas exchange differences on non-monetary assets are recognised in other comprehensive income as part of fair value change.

Investment in unquoted equity instruments which are classified as available-for-sale and whose fair value cannot be reliably measured are measured at cost. These investments are assessed for impairment at each reporting date.

Financial liability

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

Financial liabilities are recognised in the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

When financial liabilities are recognised initially, they are measured at fair value, plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

The Group classifies its financial liabilities as "other financial liabilities". The classification depends on the purpose for which the financial liabilities were issued. Management determines the classification of its financial liabilities at initial recognition.

(i) Other financial liabilities

Other financial liabilities of the Group are trade and other payables and bank overdrafts in the statements of financial position.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the other financial liabilities are de-recognised, and through the amortisation process.

Other financial liabilities are de-recognised when the obligation specified in the contract is discharged or cancelled or expired.

2 Summary of significant accounting policies (continued)

2.22 Financial instruments (continued)

(a) Description (continued)

Financial liability (continued)

(ii) Financial Guarantee Contracts

The Company has issued corporate guarantee to banks for facilities granted to its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to repay when due in accordance with the terms of their facilities.

Financial guarantees are initially recognised at their fair values plus transaction costs in the Company's statement of financial position.

Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiaries' borrowings, unless it is probable that the Company will reimburse the bank for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the bank in the Company's statement of financial position.

(b) Impairment of financial assets

The Group assess at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired.

Assets carried at amortised cost

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the debtors;
- A breach of contract, such as default or delinquency in interest or principal payments; or
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial assets is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

In a subsequent period, if the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2 Summary of significant accounting policies (continued)

2.22 Financial instruments (continued)

(b) Impairment of financial assets (continued)

Assets classified as available-for-sale

For debt securities, the Group uses the criteria of impairment loss applicable for "assets carried at amortised cost" above. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in profit or loss.

Impairment losses recognised in profit or loss for an equity instrument classified as available-for-sale are not reversed through profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the profit or loss.

(c) De-recognition

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Receivables that are factored out to banks and other financial institutions with recourse to the Group are not de-recognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

When available-for-sale financial assets are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss.

(d) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(e) Financial instruments recognised on the statements of financial position

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

(f) Fair value estimation for disclosure purposes

The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate for each type of the financial liabilities of the Group.

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

2 Summary of significant accounting policies (continued)

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker of the Group. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

2.24 Leases

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment, or series of payments, the right to use an asset for an agreed period of time.

(i) Finance leases

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest on the remaining balance of the liability. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Initial direct costs incurred by the Group in negotiating and arranging finance leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease expense.

(ii) Operating leases

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

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.

3 Critical accounting estimates and judgements (continued)

(a) Property development (continued)

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 the work of specialists. The carrying value of the Group's property development projects is shown in Note 19.

(b) Construction contracts

The Group recognises construction contracts 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 construction contracts costs incurred, the estimated total construction contracts revenue and costs. In making the judgement, the Group relies on past experience and the work of specialists. The carrying value of the Group's construction contracts projects is shown in Note 21.

(c) Developed properties written down

Developed properties 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 value of the Group's developed properties is shown in Note 20 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.

(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.

(f) Impairment of property, plant and equipment

During the previous financial year ended 30 June 2013, the Group made a reversal of impairment loss on two pieces of leasehold land of the property development division based on Directors' valuation as at 30 June 2013 using the comparative method by reference to recent sales of similar properties in the vicinity as determined by an independent valuer as disclosed in Note 12(b) to the financial statements.

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 mainly arises 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 mainly arises 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 by the continuously 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 and the Group actively pursues the continuous purchase of land and joint ventures with landowners at strategic locations.

Developed properties will be written down when there is indication of adverse changes in their fair values. Reversals are taken to profit or loss immediately to the extent of the amounts previously written down when the adverse conditions which led to the write down cease to exist.

(c) Credit risk

The Group controls credit risks by assessing all the relevant information obtained and also via monitoring procedures to ensure that the sales of products and services rendered are made to customers with an appropriate credit history. The exposure to credit risk is monitored on an ongoing basis and on a case-by-case basis. At reporting date, there was no significant concentration of credit risk.

Cash and fixed deposits are placed with financial institutions in Malaysia which are regulated, reputable and have high credit ratings (credit profile ratings of A and above).

4 Financial risk management objectives and policies (continued)

4.1 Financial risk factors (continued)

Property Development Division (continued)

(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.

The table below analyses the financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year RM'000	Between 1 year and 2 years RM'000	Between 2 years and 3 years RM'000	Between 3 years and 4 years RM'000
Group				
At 30 June 2014				
Trade and other payables*	**30,464**	**1,283**	**689**	**2,163**
At 30 June 2013				
Trade and other payables *	20,373	1,235	1,407	923
Company				
At 30 June 2014				
Trade and other payables	**7,180**	**0**	**0**	**0**
Financial guarantee contracts	**12**	**0**	**0**	**0**
At 30 June 2013				
Trade and other payables	248	0	0	0
Financial guarantee contracts	94	0	0	0

* Included in trade and other payables are subcontractors' retention sums which are expected to be settled within the Group's normal operating cycle of 2 to 4 years.

Oil palm division

(a) Price risk

The Group is exposed to commodity price fluctuations on crude palm oil prices arising from unpredictable factors such as weather, change of global demand, global production and prices. To mitigate some of these risks, the Group always keeps abreast with the latest development on global supply and demand for the oils market and takes proactive measures to maximize production and operational efficiencies.

4 Financial risk management objectives and policies (continued)

4.1 Financial risk factors (continued)

Oil palm division (continued)

(b) Credit risk

The Group's normal credit term of trade receivables is 7 days and based on the Group's historical experiences, collection of outstanding receivables normally fall within the credit period. For trade receivables, the Group adopts a policy of dealing with customers of appropriate credit history and the receivables balances are monitored on an ongoing basis that the Group's bad debts is not significant. As such, the Group believes that although a large portion of sales is concentrated to a particular customer, there is no significant risk inherent in the Group's receivables.

Cash and fixed deposits are placed with financial institutions in Malaysia which are regulated, reputable and have high credit ratings (credit profile ratings of A and above).

(c) Liquidity and cash flow risk

The Group maintains sufficient cash and cash equivalents by closely monitoring its cash flows to meet its working capital requirements. The Group adopts prudent liquidity risk management policies in maintaining credit facilities and aims at maintaining flexibility in funding by keeping adequate banking facilities with different licensed banks.

At reporting date, the financial liabilities of the oil palm division of the Group have maturity of less than a year.

Hotel division

(a) Liquidity and cash flow risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all 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.

At reporting date, the financial liabilities of the hotel division of the Group have maturity of less than a year.

(b) Credit risk

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. To achieve this, the Group operate its business on a non-credit basis. Cash at bank are placed with financial institutions which are regulated.

Cash are placed with financial institutions in Malaysia which are regulated, reputable and have high credit ratings (credit profile ratings of A and above).

4.2 Fair value estimation

The fair value of the assets and liabilities of the Group and Company are classified by level of the following measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs others than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices) (Level 2).
- Inputs for the asset or liability that is not based on observable market data (unobservable inputs) (Level 3).

4 Financial risk management objectives and policies (continued)

4.2 Fair value estimation (continued)

The below provides the fair value measurement hierarchy of the Group and Company's financial assets that are measured and disclosed at fair value:

	2014 RM'000	2013 RM'000
Available-for-sale financial assets (Note 23) - Level 2	**6,978**	10,978

The below provides the fair value measurement hierarchy of the Group's asset that is disclosed at fair value:

	2014 RM'000
Investment properties (Note 14) - Level 2	**7,250**

The Group and the Company do not have any assets that are measured and disclosed at fair value which are categorised at Level 1 and Level 3. The Group and the Company do not have any liabilities that are fair valued.

4.3 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 which have been approved by the Board of Directors.

5 Revenue

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Property development revenue based on stage of completion	**75,781**	78,167	**0**	0
Construction contracts	**3,414**	0	**0**	0
Sales of developed properties	**1,158**	1,369	**0**	0
Sales of vacant land	**13,677**	814	**0**	0
Sales of fresh fruit bunches of oil palm	**2,275**	2,909	**0**	0
Income from hotel operations	**1,066**	436	**0**	0
Income from marketing operations	**292**	0	**0**	0
Dividend income	**0**	0	**0**	2,659
Management fees	**0**	0	**0**	52
Interest income from subsidiaries	**0**	0	**253**	0
	97,663	83,695	**253**	2,711

6 Finance cost

	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Interest expense	**2**	0	**2**	0

7 Employee benefits cost

	Group 2014 RM'000	Group 2013 RM'000
Continuing operations:		
Wages, salaries and bonuses	**6,440**	6,427
Contributions to defined contribution retirement plan	**771**	764
Other employee benefits	**278**	573
	7,489	7,764
Discontinued operations:		
Wages, salaries and bonuses	**0**	41
Contributions to defined contribution retirement plan	**0**	17
Compensation on notice period	**0**	135
Termination benefits	**0**	343
	0	536
	7,489	8,300

8 Directors' remuneration

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

Non-executive Directors

Dato' Wira Lim Teong Kiat	(appointed on 13 December 2013)
Tunku Mohamad Zulkifli Bin Osman	(appointed on 13 December 2013)
Low Kok Horng	(appointed on 04 April 2014)
Chuah Seong Tat @ Chuah Chee Tat	(appointed on 13 December 2013 and resigned on 21 February 2014)
Tuan Haji Ahmad Bin Abdul Rashid	(resigned on 13 December 2013)
Goh Chooi Eam	(resigned on 13 December 2013)
Aswandi Bin Mohamed Hashim	(resigned on 13 December 2013)

Executive Directors

Low Kok Aun	(appointed on 13 December 2013)
Low Kok Kean	(appointed on 13 December 2013)
Low Ping Kun	(appointed on 13 December 2013)
Dato' Wira Haji Thobrani Bin Haji Hanafi	(resigned on 13 December 2013)
Goh Aik Keong	(resigned on 13 December 2013)
Hazman Bin Thobrani	(resigned on 13 December 2013)
Khaw Eng Peng	(resigned on 13 December 2013)

8 Directors' remuneration (continued)

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

	Group		Company	
	2014 RM'000	2013 RM'000	**2014 RM'000**	2013 RM'000
Non-executive Directors:				
- Fees receivable	**87**	90	**87**	90
- Allowances	**46**	33	**46**	33
Executive Directors:				
- Fees receivable	**86**	100	**86**	100
- Salaries and bonuses	**1,361**	2,056	**0**	0
- Contributions to defined contribution retirement plan	**163**	247	**0**	0
- Allowances	**26**	23	**26**	23
	1,769	2,549	**245**	246
Estimated monetary value of benefits otherwise than in cash	**138**	104	**0**	0
	1,907	2,653	**245**	246

9 Profit before taxation

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

	Group		Company	
	2014 RM'000	2013 RM'000	**2014 RM'000**	2013 RM'000
Amortisation of biological assets	**51**	52	**0**	0
Advertisement expenses	**700**	1,594	**3**	7
Allowance for impairment of receivables	**28**	190	**0**	0
Auditors' remuneration:				
- statutory audit (current year)	**251**	232	**41**	41
- statutory audit (prior year)	**18**	133	**0**	11
- other services	**70**	54	**29**	4
Consultant costs	**1,100**	1,437	**0**	0
Cost of vacant land sold	**10,534**	223	**0**	0
Cost of developed properties sold	**953**	1,011	**0**	0
Development contribution and processing fees	**1,222**	1,218	**0**	0
Developed properties written down to net realisable value	**88**	0	**0**	0
Depreciation				
- property, plant and equipment	**1,121**	958	**0**	0
- investment properties	**80**	82	**0**	0
Employee benefits cost	**7,489**	7,764	**0**	0
Expenditure for oil palm operations	**752**	1,081	**0**	0

9 Profit before taxation (continued)

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

	Group		Company	
	2014 RM'000	2013 RM'000	**2014 RM'000**	2013 RM'000
General maintenance of completed projects	**444**	1,151	**0**	0
Hire of plant and machinery	**572**	608	**0**	0
Impairment charge on interest in subsidiaries	**0**	0	**0**	60
Property, plant and equipment written off	**154**	5	**0**	0
Interest expense	**2**	0	**2**	0
Raw materials and consumables used	**15,655**	19,704	**0**	0
Rental expenses of land and buildings	**121**	151	**0**	0
Sub-contract costs	**27,715**	27,380	**0**	0
Utilities	**169**	171	**0**	0
Upkeep, repairs and maintenance of assets	**412**	186	**0**	0
Loss on disposal of property, plant and equipment	**111**	3	**0**	0

Direct operating expenses from investment properties that generated rental income of the Group during the financial year amounted to RM117,000 (2013: RM126,000).

Property development costs of the Group recognised as an expense during the financial year amounted to RM54,298,000 (2013: RM58,881,000).

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

	Group		Company	
	2014 RM'000	2013 RM'000	**2014 RM'000**	2013 RM'000
Rental income	**505**	502	**0**	0
Interest income from fixed deposits	**1,456**	1,176	**98**	69
Reversal of impairment charge on interest in subsidiaries	**0**	0	**1,260**	0
Write back of allowance for impairment of receivables	**284**	376	**0**	0
Reversal of impairment loss on property, plant and equipment	**0**	905	**0**	0
Gain arising from loss of control of subsidiaries	**0**	168	**0**	0
Gain on disposal of investment properties	**97**	0	**0**	0
Reclassification of fair value upon disposal of available-for-sale financial assets	**608**	0	**608**	0

10 Taxation

	Group		Company	
	2014 RM'000	2013 RM'000	**2014 RM'000**	2013 RM'000
In respect of current financial year:				
- Malaysian income tax	**(3,485)**	(1,940)	**0**	(585)
- Deferred taxation	**(228)**	(696)	**0**	0
In respect of prior financial year:				
- Malaysian income tax	**(262)**	275	**14**	5
	(3,975)	(2,361)	**14**	(580)
Current tax:				
Current financial year	**(3,485)**	(1,940)	**0**	(585)
(Under)/Overaccrual in prior financial year	**(262)**	275	**14**	5
Deferred tax:				
Origination and reversal of temporary differences	**(228)**	(696)	**0**	0
	(3,975)	(2,361)	**14**	(580)

The reconciliations of income tax (expense)/credit applicable to profit before taxation of continuing operations 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	
	2014 %	2013 %	**2014 %**	2013 %
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	**(4.3)**	(4.5)	**(62.1)**	(4.6)
- Income not subject to tax	**2.8**	0.0	**87.1**	0.0
- Recognition of previously unrecognised temporary differences	**0.7**	0.0	**0.0**	0.0
- Temporary difference not recognised	**0.0**	(3.4)	**0.0**	0.0
- Utilisation of previously unrecognised tax losses	**1.9**	0.0	**0.0**	0.0
- Group relief on utilisation of tax losses	**0.0**	2.1	**0.0**	0.0
- Others	**1.9**	2.7	**0.0**	0.1
Average effective tax rate for the financial year	**(22.0)**	(28.1)	**0.0**	(29.7)
(Under)/Overaccrual of Malaysian income tax in respect of prior financial year	**(1.5)**	2.9	**2.6**	0.3
	(23.5)	(25.2)	**2.6**	(29.4)

10 Taxation (continued)

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

	Group 2014 RM'000	Group 2013 RM'000
Tax losses carried forward	**3,280**	5,152
Unutilised capital allowances	**3,202**	802

11 Basic earnings/(loss) per share

Group

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

	2014	2013
Net profit attributable to owners of the parent (RM'000)		
- continuing operations	**9,210**	4,847
- discontinued operations	**0**	(1,035)
	9,210	3,812
Weighted average number of ordinary shares in issue ('000)	**90,545**	90,545
Basic earnings/(loss) per share (sen)		
- from continuing operations	**10.17**	5.35
- from discontinued operations	**0.00**	(1.14)
	10.17	4.21

During the financial year ended 30 June 2014 and 2013, diluted earnings per share is not applicable for the Group as there are no potential dilutive ordinary shares.

12 Property, plant and equipment

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

Group

2014	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, electrical installation and others, 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
Carrying value									
At 1 July 2013	58,645	469	4	1,027	2,146	14	146	178	62,629
Additions	0	0	0	132	196	3	0	15	346
Disposals	0	0	0	(49)	(599)	0	0	0	(648)
Write offs	0	0	0	(118)	(35)	(1)	0	0	(154)
Depreciation	(586)	(41)	(1)	(224)	(323)	(3)	(10)	0	(1,188)
Transfer from property development cost	11,008	0	0	247	0	0	0	0	11,255
At 30 June 2014	69,067	428	3	1,015	1,385	13	136	193	72,240

12 Property, plant and equipment (continued)

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

Group

2014	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, electrical installation and others, 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 30 June 2014									
Cost/Valuation	**73,142**	**822**	**99**	**2,653**	**3,485**	**31**	**292**	**193**	**80,717**
Accumulated depreciation	**(2,642)**	**(394)**	**(96)**	**(1,638)**	**(2,100)**	**(18)**	**(156)**	**0**	**(7,044)**
Accumulated impairment loss	**(1,433)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(1,433)**
Carrying value	**69,067**	**428**	**3**	**1,015**	**1,385**	**13**	**136**	**193**	**72,240**

The land and buildings of the Group comprise:

2014	Freehold land, at cost RM'000	Freehold land, at valuation RM'000	Long-term leasehold land, at cost RM'000	Freehold oil palm plantation land, at cost RM'000	Buildings, at cost RM'000	Total RM'000
Carrying value						
At 1 July 2013	**3,300**	**13,310**	**12,029**	**20,351**	**9,655**	**58,645**
Depreciation	**0**	**0**	**(162)**	**0**	**(424)**	**(586)**
Transfer from property development costs	**254**	**0**	**0**	**0**	**10,754**	**11,008**
At 30 June 2014	**3,554**	**13,310**	**11,867**	**20,351**	**19,985**	**69,067**
At 30 June 2014						
Cost/Valuation	**3,554**	**13,310**	**14,752**	**20,351**	**21,175**	**73,142**
Accumulated depreciation	**0**	**0**	**(1,452)**	**0**	**(1,190)**	**(2,642)**
Accumulated impairment loss	**0**	**0**	**(1,433)**	**0**	**0**	**(1,433)**
Carrying value	**3,554**	**13,310**	**11,867**	**20,351**	**19,985**	**69,067**

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

Group

2013	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, electrical installation, and others, 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
Carrying value										
At 1 July 2012	55,402	510	5	617	719	2,210	19	59	43	59,584
Additions	0	0	0	910	0	547	1	105	52	1,615
Disposals	0	0	0	0	0	(89)	0	0	0	(89)
Write offs	0	0	0	(5)	0	0	0	0	0	(5)
Depreciation	(372)	(41)	(1)	(219)	0	(372)	(6)	(18)	0	(1,029)
Reversal of impairment loss	905	0	0	0	0	0	0	0	0	905
Loss of control of subsidiaries	(7,992)	0	0	(276)	(719)	(150)	0	0	0	(9,137)

12 Property, plant and equipment (continued)

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

Group

2013	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, electrical installation, and others, 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
Transfer from land held for property development	1,588	0	0	0	0	0	0	0	257	1,845
Transfer from developed properties	8,940	0	0	0	0	0	0	0	0	8,940
Reclassification	174	0	0	0	0	0	0	0	(174)	0
At 30 June 2013	58,645	469	4	1,027	0	2,146	14	146	178	62,629
At 30 June 2013										
Cost/Valuation	62,134	822	99	2,717	0	5,128	79	292	178	71,449
Accumulated depreciation	(2,056)	(353)	(95)	(1,690)	0	(2,982)	(65)	(146)	0	(7,387)
Accumulated impairment loss	(1,433)	0	0	0	0	0	0	0	0	(1,433)
Carrying value	58,645	469	4	1,027	0	2,146	14	146	178	62,629

The land and buildings of the Group comprise:

2013	Freehold land, at cost RM'000	Freehold land, at valuation RM'000	Long-term leasehold land, at cost RM'000	Freehold oil palm plantation land, at cost RM'000	Buildings, at cost RM'000	Factory buildings, at cost RM'000	Factory building, at valuation RM'000	Total RM'000
Carrying value								
At 1 July 2012	1,324	13,310	14,052	20,351	2,883	511	2,971	55,402
Depreciation	0	0	(163)	0	(209)	0	0	(372)
Reversal of Impairment loss	0	0	905	0	0	0	0	905
Loss of control of subsidiaries	0	0	(2,765)	0	(1,745)	(511)	(2,971)	(7,992)
Transfer from land held for property development	1,588	0	0	0	0	0	0	1,588
Transfer from developed properties	214	0	0	0	8,726	0	0	8,940
Reclassification	174	0	0	0	0	0	0	174
At 30 June 2013	3,300	13,310	12,029	20,351	9,655	0	0	58,645
At 30 June 2013								
Cost/Valuation	3,300	13,310	14,752	20,351	10,421	0	0	62,134
Accumulated depreciation	0	0	(1,290)	0	(766)	0	0	(2,056)
Accumulated impairment loss	0	0	(1,433)	0	0	0	0	(1,433)
Carrying value	3,300	13,310	12,029	20,351	9,655	0	0	58,645

12 Property, plant and equipment (continued)

Group

(a) Certain freehold land and 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 carrying value of freehold land and building at valuation that would otherwise be stated in the financial statements had the assets been carried at cost less accumulated depreciation amounted to RM1,425,000 (2013: RM1,436,000).

(b) During the previous financial year ended 30 June 2013, the Group made a reversal of impairment loss on two pieces of leasehold land of the property development division based on Director's valuation as at 30 June 2013 using the comparative method by reference to recent sales of similar properties in the vicinity as determined by an independent valuer.

13 Land held for property development

Group

	2014 RM'000	2013 RM'000
At 1 July 2013/2012		
Freehold land, at cost	**22,543**	23,691
Leasehold land, at cost	**0**	700
Related costs	**13,444**	13,843
	35,987	38,234
Add: Movements in land		
- transfer (to)/from property development costs (Note 19)		
- freehold land	**(557)**	447
- leasehold land	**8**	(700)
- transfer to property, plant and equipment– freehold land (Note 12)	**0**	(1,588)
- disposal of freehold land	**(10,462)**	(7)
- reclassification to related costs	**(66)**	0
	(11,077)	(1,848)
Add: Movements in related costs		
- additions	**602**	1,028
- transfer to property development costs (Note 19)	**(1,055)**	(1,158)
- transfer to property, plant and equipment (Note 12)	**0**	(257)
- disposal of freehold land	**(72)**	(12)
- reclassification from land cost	**66**	0
	(459)	(399)
At 30 June	**24,451**	35,987
Freehold land, at cost	**11,458**	22,543
Leasehold land, at cost	**8**	0
Related costs	**12,985**	13,444
	24,451	35,987

14 Investment properties

Group

	2014 RM'000	2013 RM'000
Carrying value		
At 1 July 2013/2012	**3,673**	3,677
Additions	**82**	78
Transfer of freehold land and development costs from property development costs (Note 19)	**2**	0
Depreciation	**(80)**	(82)
Disposal	**(153)**	0
At 30 June	**3,524**	3,673
At 30 June		
Cost	**4,880**	4,975
Accumulated depreciation	**(1,356)**	(1,302)
Carrying value	**3,524**	3,673

The fair value of the investment properties (level 2 fair value) is estimated at RM7,250,000 based on valuation by independent professionally qualified valuers.

Included in investment properties is work in progress amounting to RM814,000 (2013: RM730,000) of which depreciation will only commence when the asset is ready for its intended use.

15 Biological assets

Group

	2014 RM'000	2013 RM'000
Carrying value		
At 1 July 2013/2012	**742**	794
Additions	**391**	0
Amortisation	**(51)**	(52)
At 30 June	**1,082**	742
At 30 June		
Cost	**1,428**	1,037
Accumulated amortisation	**(346)**	(295)
Carrying value	**1,082**	742

16 Interest in subsidiaries

The subsidiaries which are all incorporated in Malaysia are:

Name of company	Effective interest in equity Held by the Company 2014 %	2013 %	Held through subsidiary 2014 %	2013 %	Principal activities
OIB Properties (K) Sdn Bhd (formerly known as Brilliant Development Sdn Bhd)#	**100**	100	**0**	0	Property development and oil palm cultivation
OIB Services Sdn Bhd (formerly known as Semua Jadi Sdn Bhd) #* ~	**100**	100	**0**	0	Management services, property development and general construction
OIB Properties (PRV) Sdn Bhd^	**100**	0	**0**	0	Property development
OIB Properties (KV) Sdn Bhd (formerly known as Pesaka Saujana Development Sdn Bhd)#* ~	**100**	100	**0**	0	Property development
OIB Resort Sdn Bhd (formerly known as OIB Foods & Beverages Sdn Bhd)* &	**100**	100	**0**	0	Hotel operation and management services
OIB Construction Sdn Bhd (formerly known as OIB Confectionery Sdn Bhd)* ~@	**90**	0	**0**	100	General construction
OIB Marketing Sdn Bhd (formerly known as OIB Recipe Sdn Bhd)* ~@	**80**	0	**0**	100	Marketing and sale of land and properties
Brilliant Alliance Sdn Bhd (Note 30)	**87**	70	**0**	0	Investment holding
Aturan Cemerlang Sdn Bhd (Note 30)	**73**	51	**0**	0	Investment holding
OIB Properties (SW) Sdn Bhd (formerly known as Brilliant Delta (M) Sdn Bhd)	**51**	51	**0**	0	Property development and oil palm cultivation
Sungei Lalang Development Sdn Bhd*~	**0**	0	**100**	100	Property development
OIB Properties (CV) Sdn Bhd (formerly known as 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
OIB Properties (C) Sdn Bhd (formerly known as Teguh Padu Development Sdn Bhd)* ~	**0**	0	**100**	100	Property development
Central Kedah Brick Kiln Sdn Berhad \	**0**	0	**73**	51	Property development

16 Interest in subsidiaries (continued)

The subsidiaries which are all incorporated in Malaysia are: (continued)

Name of company	Effective interest in equity				Principal activities
	Held by the Company		Held through subsidiary		
	2014 %	2013 %	**2014 %**	2013 %	
Yiked Alliance Sdn Bhd	**0**	0	**70**	56	Property development
Yiked Brilliant Sdn Bhd	**0**	0	**58**	41	Property development
Cahajaya Group					
Cahajaya Timber Industries Sdn Bhd (In member's voluntary winding up)	**100**	100	**0**	0	Manufacture of kiln dried rubberwood, sawn timber, solid doors and moulded wood products. See Note 23.
Patriot Furniture Sdn Bhd (In member's voluntary winding up)	**0**	0	**100**	100	Manufacture and sales of wooden furniture, wooden furniture parts, and parquet. See Note 23.
Guar Timber Industries Sdn Bhd (In member's voluntary winding up)	**0**	0	**100**	100	Dormant. See Note 23.

\# These subsidiaries are consolidated using the merger method of accounting.

& During the financial year ended 30 June 2014, the Company subscribed in aggregate 280,000 RPS which is non-cumulative and non-convertible of RM1.00 nominal value with share premium of RM99.00 each per share amounting to RM28,000,000 in the share capital of certain wholly owned subsidiary companies of the Company of which RM27,928,820 was settled by setting off against the amounts due from these subsidiaries to fund their working capital. The remaining balance of RM71,180 was paid to a subsidiary during the financial year in cash.

~ During the financial year ended 30 June 2014, the subsidiaries redeemed in aggregate 635,400 RPS which is non-cumulative and non-convertible of RM1.00 nominal value with share premium of RM99.00 each per share amounting to RM63,540,000 from the Company of which RM50,500,000 was settled by setting off against the amounts owing to these subsidiaries. The remaining balance of RM13,040,000 was paid to the Company during the financial year in cash.

^ On 4 April 2014 and 11 June 2014, the Company acquired 8 and 2 ordinary shares respectively of OIB Properties (PRV) Sdn Bhd ("PRV") for a total cash consideration of RM10.00. Following the acquisition, PRV become wholly-owned subsidiary of the Company.

@ On 16 January 2014, the Company acquired 2 ordinary shares of RM1.00 each, representing 100% of the total issued and paid-up capital of the following companies:-

a) OIB Marketing Sdn Bhd ("OMSB"); and
b) OIB Construction Sdn Bhd ("OCSB")

from OIB Resort Sdn Bhd, a direct wholly owned subsidiary, for a total cash consideration of RM2.00 each respectively.

On 22 January 2014, the Company further subscribed 6 ordinary shares in OMSB and 7 ordinary shares in OCSB respectively from a total of 8 new ordinary shares each allotted by OMSB and OCSB for a total cash consideration of RM13.00. Consequently, the shareholdings of the Company in OMSB and OCSB were diluted from 100% to 80% and 90% respectively. On 13 February 2014, the Company subscribed additional 799,992 new ordinary shares in OMSB and 4,499,991 new ordinary shares in OCSB respectively for a total cash consideration of RM5,299,983. The interest of the Company remained at 80% and 90% respectively.

16 Interest in subsidiaries (continued)

\ On 1 July 2014, the subsidiary was placed under member's voluntary winding up. Ms Ong Tze En of Boardroom Corporate Services (Penang) Sdn Bhd was appointed as liquidator of the subsidiary. The member's voluntary winding up was to reduce the number of dormant companies in the Group, streamline the Group's structure and to eliminate unnecessary administrative costs.

* During the previous financial year ended 30 June 2013, the Company subscribed in aggregate 1,088,600 Redeemable Preference Shares ("RPS") which is non-cumulative and non-convertible of RM1.00 nominal value with share premium of RM99.00 each per share amounting to RM108,860,000 in the share capital of certain wholly owned subsidiary companies of the Company of which RM108,621,618 was settled by setting off against the amounts due from these subsidiaries to fund their working capital. The remaining balance of RM238,382 was paid to the respective subsidiaries during the financial year in cash.

Company

	2014 RM'000	2013 RM'000
Unquoted shares, at cost		
Ordinary shares	**111,506**	97,257
Accumulated impairment loss	**(1,432)**	(2,652)
	110,074	94,605
RPS	**73,320**	108,860
Accumulated impairment loss	**(20)**	(60)
	73,300	108,800
	183,374	203,405
Amounts due from subsidiaries:		
OIB Properties (CV) Sdn Bhd	**11,362**	0
OIB Construction Sdn Bhd	**7,542**	0
OIB Marketing Sdn Bhd	**200**	0
OIB Properties (PRV) Sdn Bhd	**3,825**	0
	22,929	0
Interest in subsidiaries	**206,303**	203,405

Related company balances are all denominated in Ringgit Malaysia.

The amounts due from subsidiaries as at 30 June 2014 were classified as non-current as the Company recognised these amounts as a long term source of capital to the subsidiary companies.

Information on non-controlling interests

As at 30 June 2014, the total non-controlling interests are RM54,963,000 (2013: RM60,222,000) of which RM38,719,000 (2003: RM36,453,000) is attributed to OIB Properties (SW) Sdn Bhd. The other non-controlling interests are immaterial to the Group.

Set out below are the summarised financial information for a subsidiary that has non-controlling interests that is material to the Group. The financial information below is based on amounts before inter-company eliminations.

16 Interest in subsidiaries (continued)

Information on non-controlling interests (continued)

	OIB Properties (SW) Sdn Bhd	
	2014 RM'000	2013 RM'000
Principal place of business	**Malaysia**	Malaysia
Proportion of ordinary shares held by non-controlling interests (%) *	**49**	49
Summarised statement of comprehensive income:		
Net profit for the financial year	**4,643**	1,972
Total comprehensive income for the financial year	**4,643**	1,972
Total comprehensive income attributable to non-controlling interests	**2,266**	962
Summarised statement of financial position:		
Current assets	**41,256**	34,644
Current liabilities	**(8,967)**	(3,522)
Non-current assets	**26,714**	24,273
Non-current liabilities	**(4,899)**	(5,934)
Net assets	**54,104**	49,461

* The proportion of the voting rights in the subsidiaries which is held by the non-controlling interests does not differ from the proportion of ordinary shares held.

	2014 RM'000	2013 RM'000
Summarised cash flows:		
Cash flows generated from/(used in) operating activities	**6,801**	(5,230)
Cash flows (used in)/generated from investing activities	**(2,235)**	149
Net increase in cash and cash equivalents during the financial year	**4,566**	(5,081)
Cash and cash equivalents at beginning of the financial year	**7,444**	12,525
Cash and cash equivalents at end of the financial year	**12,010**	7,444

17 Investment in an associate

Group

	2014 RM'000	2013 RM'000
Unquoted shares, at cost	**5,169**	3,149
Share of post-acquisition profits	**16**	21
	5,185	3,170

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

	2014 RM'000	2013 RM'000
Profit after taxation	**(5)**	2
Non-current assets	**2,828**	1,795
Current assets	**2,358**	1,448
Current liabilities	**(1)**	(73)
Net assets	**5,185**	3,170

The associated company is:

Name of company	Country of incorporation	Financial year-end	Interest in equity 2014 %	Interest in equity 2013 %	Principal activity
Held by OIB Properties (SW) Sdn Bhd:					
Prestasi Raya Sdn Bhd	Malaysia	30 June	**45**	44	Property development

During the financial year ended 30 June 2014, the Group increased its investment in Prestasi Raya Sdn Bhd by subscribing 673,413 ordinary shares of Prestasi Raya Sdn Bhd for a consideration of RM2,020,239. Following the additional investment, the Group now has 45% (2013: 44%) of equity interest in the associate company. The associate is immaterial to the Group.

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 2014 RM'000	Group 2013 RM'000
Deferred tax assets		
- Deferred tax asset to be recovered after more than 12 months	**1,445**	1,208
- Deferred tax asset to be recovered within 12 months	**1,987**	1,936
	3,432	3,144

18 Deferred taxation (continued)

	Group 2014 RM'000	Group 2013 RM'000
Deferred tax liabilities		
- Deferred tax liability to be settled after more than 12 months	**(672)**	(282)
- Deferred tax liability to be settled within 12 months	**(127)**	(1)
	(799)	(283)
Deferred tax assets (net)	**2,633**	2,861
Movements in deferred taxation:		
At the beginning of the financial year	**2,861**	3,557
(Charged)/Credited to profit or loss (Note 10):		
- Unulitised capital allowances	**635**	89
- Unrealised profits and interest	**1,056**	(42)
- Tax losses	**(46)**	(369)
- Provisions	**(25)**	(90)
- Property development costs	**(1,087)**	(303)
- Property, plant and equipment	**(761)**	19
	(228)	(696)
At the end of the financial year	**2,633**	2,861
Subject to income tax:		
Deferred tax assets:		
- Unrealised profits and interest	**2,603**	1,547
- Tax losses	**820**	866
- Provisions	**140**	165
- Property development costs	**0**	727
- Unutilised capital allowances	**800**	165
	4,363	3,470
Offsetting	**(931)**	(326)
	3,432	3,144
Deferred tax liabilities:		
- Property, plant and equipment	**(1,302)**	(541)
- Property development costs	**(428)**	(68)
	(1,730)	(609)
Offsetting	**931**	326
	(799)	(283)

18 Deferred taxation (continued)

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

	Group 2014 RM'000	Group 2013 RM'000
Tax losses carried forward	**0**	1,690
Unutilised capital allowances	**0**	142
	0	1,832
Deferred tax assets not recognised at 25% (2013: 25%)	**0**	458

19 Property development costs

Group

	2014 RM'000	2013 RM'000
At 1 July 2013/2012		
Freehold land - at cost	**22,009**	22,950
Leasehold land - at cost	**708**	10
Development costs	**204,247**	174,127
	226,964	197,087
Add/(Less): Movements in land		
- Transfer of freehold land from/(to) land held for property development (Note 13)	**557**	(447)
- Transfer of leasehold land (to)/from land held for property development (Note 13)	**(8)**	700
- Transfer of freehold land to property, plant and equipment (Note 12)	**(254)**	0
- Transfer of freehold land to investment properties (Note 14)	**(1)**	0
- Disposal of leasehold land	**0**	(2)
- Reclassification from development costs	**78**	0
	372	251
Add/(Less): Movements in development costs		
- Additions	**57,472**	64,368
- Transfer of development costs to investment properties (Note 14)	**(1)**	0
- Transfer of development costs from land held for property development (Note 13)	**1,055**	1,158
- Transfer of development costs to property, plant and equipment (Note 12)	**(11,001)**	0
- Reclassification to land	**(78)**	0
	47,447	65,526
Less: Accumulated costs charged to profit or loss		
- Prior financial years	**(102,656)**	(79,040)
- Current financial year	**(54,298)**	(58,881)
	(156,954)	(137,921)
Transfer to developed properties	**(8,113)**	(635)
At 30 June	**109,716**	124,308

19 Property development costs (continued)

Group

	2014 RM'000	2013 RM'000
At 30 June		
Freehold land - at cost	**22,389**	22,503
Leasehold land - at cost	**700**	708
Less: Land costs in respect of completed projects	**(2,274)**	(494)
Less: Land costs in respect of transfers to developed properties	**(139)**	0
	20,676	22,717
Development costs	**251,694**	239,653
Less: Development costs in respect of completed projects	**(73,557)**	(34,771)
Less: Development costs in respect of transfers to developed properties	**(7,974)**	(635)
	170,163	204,247
Accumulated costs charged to profit or loss	**(156,954)**	(137,921)
Add: Accumulated costs charged to profit or loss in respect of completed projects	**75,831**	35,265
	(81,123)	(102,656)
	109,716	124,308

Included in property development costs, are cost of landowners' entitlement amounting to RM10,831,980 (2013: RM8,086,257) 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:

	2014 RM'000	2013 RM'000
Depreciation	**67**	71
Hire of equipment	**315**	428

20 Inventories

Group

	2014 RM'000	2013 RM'000
At cost:		
- Developed properties	**8,775**	1,527
- Plantation supplies	**33**	16
	8,808	1,543
At net realisable value:		
- Developed properties	**172**	260
	8,980	1,803

21 Amount due from customer on construction contracts (2014 only)

Group

	2014 RM'000
Aggregate costs incurred to-date	**7,649**
Attributable profits	**445**
	8,094
Less: Progress billings on receivable	**(3,414)**
	4,680

During the financial year, the following expenses have been included in the aggregate costs incurred to-date of the Group:

	2014 RM'000
Hire of equipment	**28**

22 Trade and other receivables

	Group		Company	
	2014 RM'000	2013 RM'000	**2014 RM'000**	2013 RM'000
Trade receivables	**23,223**	22,696	**0**	0
Less: allowance for impairment	**(36)**	(292)	**0**	0
	23,187	22,404	**0**	0
Other receivables	**1,094**	683	**4**	16
Advances to landowners	**29,967**	28,974	**0**	0
Accrued billings in respect of property development	**2,278**	10,728	**0**	0
Amounts due from subsidiaries	**0**	0	**0**	53
Amount due from Cahajaya Group	**0**	862	**0**	862
Deposits	**7,221**	1,614	**23**	22
Advances to subcontractors	**140**	163	**0**	0
	63,887	65,428	**27**	953

The normal credit terms of trade receivables range from 14 days to 60 days (2013: 14 days to 60 days).

Trade and other receivables are denominated in Ringgit Malaysia.

The maximum exposure to credit risk at 30 June 2014 and 2013 is the carrying value of each class of receivables mentioned above.

22 Trade and other receivables (continued)

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 state that the Group will bear all the property development cost incurred and in return the Group will be entitled to the profits from the sales of properties developed, but subject to a certain portion of the sales proceeds accruing to the landowners as their entitlement in accordance with the agreement entered into between the Group and the landowners. Advances to landowners are transferred to property development costs when development activities have commenced.

Included in deposits of the Group are deposits paid amounting to RM4,105,530 (2013: RMNil) arising from agreements entered into between certain subsidiaries and landowners to purchase development lands. The remaining balance is set out in Note 34.

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired represent substantially amounts due from customers with good collection track record with the Group. Management will continuously monitor closely the trade receivables which are past due.

Receivables that are past due but not impaired

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

	Group	
	2014 RM'000	2013 RM'000
Number of days past due:		
1 to 30 days	**3,096**	2,978
31 to 90 days	**2,003**	4,645
More than 90 days	**6,665**	5,152
	11,764	12,775

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 2014 and 2013, none of the other receivables were past due but not impaired.

Receivables that are impaired

As at 30 June 2014, trade receivables for the Group of RM36,000 (2013: RM292,000) were impaired.

22 Trade and other receivables (continued)

Receivables that are impaired (continued)

Movements of the allowance for impairment of trade receivables are as follows:

	Group 2014 RM'000	Group 2013 RM'000
Trade receivables		
At 1 July 2013/2012	**292**	558
Impairment loss charged to profit or loss	**28**	190
Write back of allowance for impairment of receivables	**(284)**	(376)
Loss of control of subsidiaries	**0**	(80)
At 30 June	**36**	292

23 Discontinued operations and available-for-sale financial assets

The Cahajaya Group had been excluded from OIB's consolidated financial statement for the financial year ended 30 June 2013 as a result of the commencement of member's voluntary winding up pursuant to Section 254(1)(b) of the Companies Act, 1965 on 11 July 2012. The Group's gain arising from loss of control of Cahajaya Group amounting to RM168,000 is as disclosed in Note 9(b) to the financial statements. The results, statements of financial position and cash flows of the Cahajaya Group which have been classified as discontinued operations are set out below:

(i) The results of the Cahajaya Group operations are as follows (2013 only):

	2013 RM'000
Revenue	211
Cost of sales	(222)
Gross loss	(11)
Administrative expenses	(21)
Other operating expenses	(1,003)
Loss before taxation	(1,035)
Taxation	0
Loss after taxation	(1,035)

The following amounts have been charged in arriving at the loss before taxation from discontinued operations:

	2013 RM'000
Auditors' remuneration	
- statutory audit (prior year)	16
Employee benefits costs	536
Utilities	120
Changes in inventories of finished goods and work in progress	185
Realised loss on foreign exchange	2

23 Discontinued operations and available-for-sale financial assets (continued)

(ii) The financial position of the Cahajaya Group operations is as follows (2013 only):

	At 11.7.2012 RM'000
ASSETS	
Non-current assets	
Property, plant and equipment	9,137
Current assets	
Inventories	1,600
Trade and other receivables	172
Tax recoverable	18
Deposits with a licensed bank	240
Cash and bank balances	799
	2,829
TOTAL ASSETS	11,966
EQUITY AND LIABILITIES	
Equity attributable to owner of Cahajaya Group	
Share capital	5,155
Share premium	50
Reserves	3,936
Total equity	9,141
Current liabilities	
Trade and other payables	2,423
Amount due to ultimate holding company	360
Tax payable	42
Total liabilities	2,825
TOTAL EQUITY AND LIABILITIES	11,966

(iii) Cash flows generated from the Cahajaya Group operations (2013 only):

	2013 RM'000
Net operating cash flows	59

23 Discontinued operations and available-for-sale financial assets (continued)

(iv) Available-for-sale financial assets:

Group and Company

	2014 RM'000	2013 RM'000
At 1 July 2013/2012	**10,978**	9,309
Gain on fair value change	**0**	1,669
	10,978	10,978
Disposal - Interim distribution received	**(4,000)**	0
At 30 June	**6,978**	10,978

The fair value of available-for-sale financial assets is determined by Directors based on the inputs from liquidators being the best estimates on the realisable value of the assets and liabilities of Cahajaya Group. The estimated realisable values of the assets are based on binding sales agreement and other quoted prices from bidding exercise. The available-for-sale financial assets are classified in current assets as the liquidation process is expected to be completed within twelve months after the end of the reporting period.

24 Deposits with licensed banks

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Fixed deposits with licensed banks	**38,633**	26,826	**5,000**	1,000
Fixed deposits held as security for banking facilities	**224**	780	**0**	563
	38,857	27,606	**5,000**	1,563

Fixed deposits with licensed banks are denominated in Ringgit Malaysia.

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

	Group		Company	
	2014 %	2013 %	2014 %	2013 %
Fixed deposits with licensed banks	**2.80 - 3.20**	2.80 - 3.20	**2.80 - 3.10**	2.80 - 3.20
Fixed deposits held as security for banking facilities	**3.15**	3.00 - 3.25	**N/A**	3.20 - 3.25

Fixed deposits held as security amounting to RM224,000 (2013: RM780,000) are pledged to banks as security for bankers' guarantee facilities granted.

Fixed deposits with licensed banks of the Group and of the Company have weighted average maturity periods ranging from 13 to 90 days (2013: 15 to 90 days).

25 Cash and bank balances

	Group		Company	
	2014 RM'000	2013 RM'000	**2014 RM'000**	2013 RM'000
Cash and bank balances held under Housing Development Accounts pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966	**7,554**	9,636	**0**	0
Cash at bank and in hand	**11,479**	8,785	**890**	2,123
	19,033	18,421	**890**	2,123

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	2014 %	2013 %
Interest rates during the financial year:		
Cash at bank held under Housing Development Accounts	**2.00**	2.00
Effective interest rates as at the end of the financial year:		
Cash at bank held under Housing Development Accounts	**2.00**	2.00

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

Cash and bank balances are denominated in Ringgit Malaysia.

Bank balances are deposits held at call with banks.

26 Share capital

Group and Company

	2014 RM'000	2013 RM'000
Authorised:		
Ordinary shares of RM1 each	**200,000**	200,000
Issued and fully paid:		
Ordinary shares of RM1 each	**90,545**	90,545

27 Reserves

	Group		Company	
	2014 RM'000	2013 RM'000	**2014 RM'000**	2013 RM'000
Revaluation of available-for-sale financial assets	**1,061**	1,669	**1,061**	1,669
Revaluation reserves	**10,974**	10,974	**0**	0
Retained earnings	**166,672**	163,506	**120,402**	126,643
	178,707	176,149	**121,463**	128,312

Company

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.

The Company may distribute its retained earnings as at 30 June 2014 as dividends under single-tier system.

28 Provision for property development

Group

	2014 RM'000	2013 RM'000
Provision for property development		
- non-current	**4,527**	6,368
- current	**986**	3,943
	5,513	10,311

Movements in provision for property development:

	2014 RM'000	2013 RM'000
At 1 July 2013/2012	**10,311**	8,729
Provisions made during the financial year	**0**	4,518
Utilised	**(4,798)**	(2,936)
At 30 June	**5,513**	10,311

The provision for property development is in respect of unavoidable costs that the Group has to incur to develop affordable housing on involuntary basis. These costs are not expected to be recoverable from the sales of affordable housing and are allocated to the relevant housing projects.

29 Trade and other payables

	Group		Company	
	2014 RM'000	2013 RM'000	**2014 RM'000**	2013 RM'000
Trade payables	**26,735**	18,705	**0**	0
Amounts owing to subsidiaries	**0**	0	**6,866**	0
Accrued billings in respect of property development	**2,183**	671	**0**	0
Other payables	**3,202**	3,106	**0**	0
Accrued liabilities	**2,479**	1,456	**314**	248
	34,599	23,938	**7,180**	248

Trade and other payables are denominated in Ringgit Malaysia.

Credit terms of trade payables granted to the Group vary from 7 to 60 days (2013: 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 RM4,549,000 (2013: RM8,511,000). 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 RM7,268,000 (2013: RM5,867,000).

30 Transactions with non-controlling interests

(a) Acquisition of additional interests in subsidiaries

On 21 February 2014, the Company acquired a total of 1,256,357 ordinary shares of RM1.00 each in Brilliant Alliance Sdn Bhd ("BA"), a 70% owned subsidiary of the Company, at an offer price of RM2.42 from the non-controlling interests for a total cash consideration of RM3,040,384. Following the acquisition, the Company holds a total of 7,206,357 ordinary shares in BA representing 84.78% equity interest in BA. On 16 June 2014, the Company further acquired a total of 228,000 ordinary shares of RM1.00 each in BA, at an offer price of RM2.42 from the non-controlling interests for a total cash consideration of RM551,760. Following the acquisition, the Company now holds a total of 7,434,357 ordinary shares in BA representing 87.46% equity interest in BA.

On 21 February 2014, the Company acquired a total of 2,022,823 ordinary shares of RM1.00 each in Aturan Cemerlang Sdn Bhd ("AC"), a 51% owned subsidiary of the Company, at an offer price of RM1.92 from the non-controlling interests for a total cash consideration of RM3,883,820. Following the acquisition, the Company holds a total of 8,448,823 ordinary shares in AC representing 67.05% equity interest in AC. On 16 June 2014, the Company further acquired a total of 767,200 ordinary shares of RM1.00 each in AC, at an offer price of RM1.92 from the non-controlling interests for a total cash consideration of RM1,473,024. Following the acquisition, the Company now holds a total of 9,216,023 ordinary shares in AC representing 73.14% equity interest in AC.

30 Transactions with non-controlling interests (continued)

(a) Acquisition of additional interests in subsidiaries (continued)

The effect of changes in the ownership interest of BA and AC on the equity attributable to owners of the Company during the financial year ended 30 June 2014 is summarised as follows:

Group	2014 RM'000
Carrying amount of non-controlling interests acquired	**9,695**
Consideration paid to non-controlling interests	**(8,949)**
Shortfall of consideration paid recognised in parent's equity	**746**

(b) Disposal of interest in subsidiaries without loss of control

On 27 January 2014, the Company disposed of 10% interest and 20% interest held in OIB Construction Sdn Bhd and OIB Marketing Sdn Bhd at the consideration of RM1 and RM2 respectively. This resulted in the increase in non-controlling interests of RM1,000 and equity attributable to owners of the parent of RM1,000.

There were no transactions with non-controlling interests during the financial year ended 30 June 2013.

31 Dividend

	2014		2013	
	Single-tier tax exempt dividend per share Sen	**Amount of single-tier tax exempt dividend 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	**5**	**4,527**	10	6,791

At the forthcoming Annual General Meeting, a first and final single-tier tax exempt dividend in respect of the financial year ended 30 June 2014 of 5 sen per share, 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 2015.

32 Cash flows generated from/(used in) operations

	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Profit before taxation from continuing operations	**16,922**	9,349	**536**	1,974
Adjustments for:				
Amortisation of biological assets	**51**	52	**0**	0
Depreciation of property, plant and equipment	**1,121**	958	**0**	0
Depreciation of investment properties	**80**	82	**0**	0
Dividend income	**0**	0	**0**	(2,659)
Interest income	**(1,456)**	(1,176)	**(98)**	(69)
Property, plant and equipment written off	**154**	5	**0**	0
Allowance for impairment of receivables	**28**	190	**0**	0
Write back of allowance for impairment of receivables	**(284)**	(376)	**0**	0
Reversal of impairment loss on interest in subsidiaries	**0**	0	**(1,260)**	60
Loss on disposal of property, plant and equipment	**111**	3	**0**	0
Gain on disposal of investment properties	**(97)**	0	**0**	0
Reclassification of fair value upon disposal of available-for-sale financial assets	**(608)**	0	**(608)**	0
Reversal of impairment loss on property, plant and equipment in respect of continuing operations	**0**	(905)	**0**	0
Gain arising from loss of control of subsidiaries	**0**	(168)	**0**	0
Interest expense	**2**	0	**2**	0
Share of loss/(profit) of associate	**5**	(2)	**0**	0
	(893)	(1,337)	**(1,964)**	(2,668)
	16,029	8,012	**(1,428)**	(694)

	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Changes in working capital:				
Property development costs	**(2,053)**	(3,811)	**0**	0
Inventories	**936**	1,021	**0**	0
Receivables	**1,940**	(5,746)	**(202)**	(36)
Payables	**10,660**	(795)	**66**	(7)
	11,483	(9,331)	**(136)**	(43)
Cash flows generated from/(used in) operations	**27,512**	(1,319)	**(1,564)**	(737)

33 Cash and cash equivalents

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

	Group		Company	
	2014	2013	**2014**	2013
	RM'000	RM'000	**RM'000**	RM'000
Deposits with licensed banks	**38,857**	27,606	**5,000**	1,563
Cash and bank balances	**19,033**	18,421	**890**	2,123
Fixed deposits held as security for banking facilities	**(224)**	(780)	**0**	(563)
	57,666	45,247	**5,890**	3,123

34 Commitments

Company	**2014**	2013
	RM'000	RM'000
Corporate guarentees issued to banks for banking facilities granted to certain subsidiaries (unsecured)		
- Limit	**3,250**	3,250
- Utilised as at 30 June	**12**	94

The corporate guarantees issued to the banks have not been recognised as the amounts are not material and the likelihood of the subsidiaries defaulting is remote.

	2014	2013
	RM'000	RM'000
Bankers' guarantees issued to third parties in favour of subsidiaries (unsecured)	**2,576**	3,687

Group	**2014**	2013
	RM'000	RM'000
Property development expenditure contracted for at the end of the reporting period but not yet incurred is as follows:		
- Landowners' entitlement	**38,924**	39,948
Commitments contracted for at the end of the reporting period but not yet provided for is as follows:		
- Development land	**36,950**	0

35 Related party disclosures

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

Name of company	Relationship
ChinHinHome Sdn Bhd, Glamour Living Sdn Bhd, Macro Dimension Concrete Sdn Bhd, MDC Precast Industries Sdn Bhd and Mutual Delights Sdn Bhd	Low Ping Kun, Low Kok Kean and Low Kok Aun are Directors and substantial shareholders of the Company and substantial shareholders of these enterprises by virtue of their interest in Famivest Sdn Bhd, a substantial shareholder of the Company which in turn has interest in these enterprises.
Teong Choon Enterprise (M) Sdn Bhd, Hijaujaya Estate Sdn Bhd and Ladang Sin Hock Sdn Bhd	Enterprises in which a substantial interest is owned directly by a person connected with Goh Chooi Eam, who was previously a Non-Independent Non-Executive Director of the Company.
Yeap & Ooi Development Sdn Bhd	Enterprise in which a substantial interest is owned by a person connected with Ooi Keng Tan, who was previously a Director of a subsidiary of the Company.
Hazrin Bin Thobrani and Datin Sharifah Mahiran Binti Syed Kechil	Persons connected with Dato' Wira Haji Thobrani Bin Haji Hanafi and Hazman Bin Thobrani, who were previously Executive Directors of the Company.

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

Group	2014 RM'000	2013 RM'000
Progress billing to ChinHinHome Sdn Bhd	**3,414**	0
Purchases of construction materials from:		
- MDC Precast Industries Sdn Bhd	**1,841**	0
- Macro Dimension Concrete Sdn Bhd	**4,129**	0
- Glamour Living Sdn Bhd	**546**	0
- Mutual Delights Sdn Bhd	**51**	0
Payment of purchases to:		
- MDC Precast Industries Sdn Bhd	**758**	0
- Macro Dimension Concrete Sdn Bhd	**1,230**	0
- Mutual Delights Sdn Bhd	**51**	0
Purchases of fertilizer and chemical products from:		
- Teong Choon Enterprise (M) Sdn Bhd	**228**	481
Services rendered payable to ChinHinHome Sdn Bhd	**292**	0
Services rendered payable to Hijaujaya Estate Sdn Bhd	**33**	67
Services rendered payable to Ladang Sin Hock Sdn Bhd	**40**	53
Cash rebate for sale of developed property to Yeap & Ooi Development Sdn Bhd	**0**	70

35 Related party disclosures (continued)

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

Group	2014 RM'000	2013 RM'000
Rental expenses payable to Hazrin Bin Thobrani	**56**	92
Sale of developed property to Datin Sharifah Mahiran Binti Syed Kechil	**0**	142
Disposal of motor vehicle to former directors (Hazrin Bin Thobrani and Hazman Bin Thobrani)	**116**	0

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

Company	2014 RM'000	2013 RM'000
Gross dividend income from:		
- OIB Properties (K) Sdn Bhd	**0**	2,659
Interest income from:		
- OIB Construction Sdn Bhd	**42**	0
- OIB Properties (CV) Sdn Bhd	**211**	0
Management fees receivable from:		
- OIB Properties (K) Sdn Bhd	**0**	19
- OIB Services Sdn Bhd	**0**	33
Repayment of management fees received from:		
- OIB Properties (K) Sdn Bhd	**20**	0
- OIB Services Sdn Bhd	**33**	0
Amounts owing to OIB Services Sdn Bhd by certain subsidiaries assumed by the Company	**43,600**	0
Advances to:		
- Cahajaya Timber Industries Sdn Bhd	**452**	502
- Maxilux Properties Sdn Bhd	**0**	947
- OIB Properties (CV) Sdn Bhd	**252**	350
- OIB Services Sdn Bhd	**110**	13,000
- Sungei Lalang Development Sdn Bhd	**57**	21
- OIB Properties (C) Sdn Bhd	**978**	691
- OIB Properties (KV) Sdn Bhd	**320**	0
- OIB Construction Sdn Bhd	**7,500**	0
- OIB Marketing Sdn Bhd	**200**	0
- OIB Properties (PRV) Sdn Bhd	**6**	0
Advances from:		
- OIB Services Sdn Bhd	**12,358**	0

35 Related party disclosures (continued)

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

Company	2014 RM'000	2013 RM'000
Repayments of advances from:		
- OIB Properties (K) Sdn Bhd	**0**	30
- Maxilux Properties Sdn Bhd	**0**	3,000
- OIB Properties (CV) Sdn Bhd	**1,793**	6,548
- OIB Services Sdn Bhd	**0**	8,776
- Sungei Lalang Development Sdn Bhd	**735**	1,549
- OIB Properties (C) Sdn Bhd	**978**	101
- OIB Properties (KV) Sdn Bhd	**320**	0
- Cahajaya Timber Industries Sdn Bhd	**1,237**	0
- Guar Timber Industries Sdn Bhd	**77**	0
Payments for RPS:		
- OIB Properties (KV) Sdn Bhd	**0**	208
- OIB Resort Sdn Bhd	**71**	10
- OIB Marketing Sdn Bhd	**0**	10
Redemption for RPS:		
- OIB Properties (KV) Sdn Bhd	**11,000**	0
- OIB Construction Sdn Bhd	**20**	0
- OIB Marketing Sdn Bhd	**20**	0
- Sungei Lalang Development Sdn Bhd	**1,000**	0
- Maxilux Properties Sdn Bhd	**1,000**	0
- OIB Properties (C) Sdn Bhd	**1,500**	0
- OIB Services Sdn Bhd	**49,000**	0

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 parties.

(c) Significant related party balances

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

Group	Nature	2014 RM'000	2013 RM'000
Included in trade receivables:			
- ChinHinHome Sdn Bhd	Trade	**3,706**	0

The credit terms granted to ChinHinHome Sdn Bhd is 60 days.

35 Related party disclosures (continued)

(c) Significant related party balances (continued)

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

Group	Nature	2014 RM'000	2013 RM'000
Included in trade payables:			
- MDC Precast Industries Sdn Bhd	Trade	**1,083**	0
- Macro Dimension Concrete Sdn Bhd	Trade	**2,899**	0
- Glamour Living Sdn Bhd	Trade	**546**	0

The credit terms for the above related parties payables range from 30 days to 60 days.

Company	Nature	2014 RM'000	2013 RM'000
Amounts due from subsidiaries:			
- OIB Services Sdn Bhd	Advances	**0**	33
- OIB Properties (K) Sdn Bhd	Advances	**0**	20

Amounts due from subsidiaries as at 30 June 2013 are unsecured, interest free and are repayable on demand.

	Nature	2014 RM'000	2013 RM'000
Amounts owing to subsidiaries:			
- OIB Properties (C) Sdn Bhd	Non-trade	**18**	0
- OIB Services Sdn Bhd	Non-trade	**6,848**	0

Amounts owing to subsidiaries are unsecured, interest free and have no fixed terms and repayment.

Group and Company	2014 RM'000	2013 RM'000
Amounts due from related parties:		
- Cahajaya Timber Industries Sdn Bhd	**0**	785
- Guar Timber Industries Sdn Bhd	**0**	77

Amounts due from related parties as at 30 June 2013 are unsecured, interest free and repayable on demand.

35 Related party disclosures (continued)

(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	
	2014 RM'000	2013 RM'000	**2014 RM'000**	2013 RM'000
Continuing operations:				
Salaries and bonuses	**2,209**	2,626	**0**	246
Defined contribution plan	**236**	286	**0**	0
Other employee benefits	**155**	121	**0**	0
	2,600	3,033	**0**	246
Discontinued operations:				
Salaries and bonuses	**0**	17	**0**	0
Defined contribution plan	**0**	7	**0**	0
Compensation on notice period	**0**	43	**0**	0
	0	67	**0**	0
	2,600	3,100	**0**	246

36 Group segmental information

Continuing operations

The Group is organised into three main business segments:

- Property development of residential and commercial units
- Investment holdings
- Oil palm cultivation

Other operations of the Group comprise hotel operation.

Discontinued operations (2013 only)

- Manufacturing of kiln dried rubberwood, sawn timber, solid doors and moulded wood products

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

36 Group segmental information (continued)

2014	Property development RM'000	Investment holding RM'000	Oil palm RM'000	Other RM'000	Group RM'000
Revenue					
Total segment revenue	94,322	2,451	2,275	1,066	100,114
Inter-segment revenue	0	(2,451)	0	0	(2,451)
Revenue from external customers	94,322	0	2,275	1,066	97,633
Profit/(loss)					
Reportable segment profit/(loss)	16,246	(225)	1,170	(264)	16,927
Share of results of an associate	0	(5)	0	0	(5)
Profit before taxation					16,922
Net assets					
Total segment assets	307,378	230,645	30,903	23,591	592,517
Inter-segment assets	(30,329)	(198,533)	0	(2,540)	(231,402)
Associate	0	5,185	0	0	5,185
Total assets per statement of financial position					366,300
Total segment liabilities	75,231	7,234	0	302	82,767
Inter-segment liabilities	(33,795)	(6,883)	0	(190)	(40,868)
Total liabilities per statement of financial position					41,899
Other information					
Capital expenditure	1,030	0	391	0	1,421
Interest income	834	622	0	0	1,456
Interest expense	0	2	0	0	2
Tax expense	3,583	100	292	0	3,975
Reclassification of fair value upon disposal of available-for-sale financial assets	0	608	0	0	608
Depreciation and amortisation	593	88	52	586	1,319
Developed properties written down	88	0	0	0	88

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

36 Group segmental information (continued)

2013	Property development RM'000	Investment holding RM'000	Oil palm RM'000	Other RM'000	Continuing operations RM'000	Discontinued operations RM'000	Group RM'000
Revenue							
Total segment revenue	80,350	2,751	2,909	436	86,446	211	86,657
Inter-segment revenue	0	(2,751)	0	0	(2,751)	0	(2,751)
Revenue from external customers	80,350	0	2,909	436	83,695	211	83,906
Profit/(loss)							
Reportable segment profit/(loss)	8,054	(118)	1,411	0	9,347	(1,035)	8,312
Share of results of an associate	0	2	0	0	2	0	2
Profit before taxation					9,349	(1,035)	8,314
Net assets							
Total segment assets	290,378	244,772	31,452	9,671	576,273	0	576,273
Inter-segment assets	(13,550)	(204,220)	0	0	(217,770)	0	(217,770)
Associate	0	3,170	0	0	3,170	0	3,170
Total assets per statement of financial position					361,673	0	361,673
Total segment liabilities	42,441	297	0	1,474	44,212	0	44,212
Inter-segment liabilities	(8,227)	0	0	(1,414)	(9,641)	0	(9,641)
Total liabilities per statement of financial position					34,571	0	34,571
Other information							
Capital expenditure	1,943	0	0	778	2,721	0	2,721
Interest income	678	498	0	0	1,176	0	1,176
Tax expense	1,318	690	353	0	2,361	0	2,361
Reversal of impairment loss on property, plant and equipment	0	0	905	0	905	0	905
Depreciation and amortisation	848	0	52	263	1,163	0	1,163

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

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 Bursa Malaysia Securities Berhad.

	Group		Company	
	2014 RM'000	2013 RM'000	**2014 RM'000**	2013 RM'000
Total retained earnings:				
- realised	**169,458**	163,813	**120,402**	126,643
- unrealised	**234**	1,096	**0**	0
Total share of retained earnings of associate:				
- realised	**16**	21	**0**	0
- unrealised	**0**	0	**0**	0
Less: consolidation adjustments	**(3,036)**	(1,424)	**0**	0
Total retained earnings	**166,672**	163,506	**120,402**	126,643

The disclosure of realised and unrealised earnings above is solely for compliance with the directive issued by 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, Low Kok Aun and Low Kok Kean, 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 103 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 2014 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 Financial Reporting Standards and the requirements 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 23 September 2014.

Low Kok Aun
Managing Director

Low Kok Kean
Executive Director

STATUTORY DECLARATION PURSUANT TO

SECTION 169 (16) OF THE COMPANIES ACT, 1965

I, Khaw Eng Peng, being the officer 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 103 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
Chief Financial Officer

Subscribed and solemnly declared in Penang on 23 September 2014.

Before me

Chan Kam Chee (No: P120)
Commissioner for Oaths

ANALYSIS OF SHAREHOLDINGS

AS AT 30 SEPTEMBER 2014

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 2014

No.	Name	Number of Shares	% of Shares
1	RHB Nominees (Tempatan) Sdn Bhd *Pleadge Securities Account for Jupiter Sunrise Sdn Bhd (1st Party)*	63,561,241	70.20
2	Lee Soo Ee Holdings Sendirian Berhad	2,000,000	2.21
3	Jupiter Sunrise Sdn Bhd	1,986,939	2.19
4	Goh Aik Lean Holdings Sdn Bhd	1,562,000	1.73
5	Chia Beng Tat	1,100,000	1.21
6	Goh Aik Lean	1,000,000	1.10
7	Ooi Beng Liew & Sons Sdn Bhd	1,000,000	1.10
8	CIMSEC Nominees (Tempatan) Sdn Bhd *CIMB For Goh Aik Lai Holdings Sdn Bhd (PB)*	909,400	1.00
9	Goh Say Seah Realty Sdn Bhd	604,000	0.67
10	Alliancegroup Nominees (Tempatan) Sdn Bhd *Lor Cheng Yoon (8070973)*	544,500	0.60
11	Chua Keng Lim & Sons Sdn Bhd	500,000	0.55
12	HLB Nominees (Tempatan) Sdn Bhd *Pledge Securities Account for Tawaria Sdn Bhd*	500,000	0.55
13	Lim Lean Brothers Enterprise Sdn Bhd	500,000	0.55
14	Lim Lean Peng & Sons Sdn Bhd	499,900	0.55
15	YSH Realty Sdn Bhd	294,000	0.32
16	Tok Chuan Huat	280,000	0.31
17	Perfect Scores Sdn Bhd	251,601	0.28
18	Poh Chow Kok	250,000	0.28
19	Fortune Yields Sdn Bhd	200,203	0.22
20	Goh Mooi Nee	200,000	0.22
21	Lim Lian Pian & Sons Sdn Bhd	200,000	0.22
22	Seow Cheong Theng & Sons Sdn Bhd	200,000	0.22
23	Shim Sim Kim Gaik	194,700	0.22
24	Yian May Fun	174,800	0.19
25	Chua Keng Huat	165,000	0.18
26	Lee Poo Teck	140,000	0.15
27	Loke Chong Hooi	140,000	0.15
28	Ooi Say Tiong	140,000	0.15
29	Yu Chee Guan	135,000	0.15
30	Ooi Lee Teng	132,000	0.15
		79,365,284	**87.62**

Distribution of Shareholders as at 30 September 2014

Size of Shareholders	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Share Capital
Less than 100	10	0.63	294	0.00
100 - 1,000	717	45.21	692,122	0.77
1,001 - 10,000	623	39.28	2,546,402	2.81
10,001 - 100,000	197	12.42	6,928,600	7.65
100,001 - 4,527,249	38	2.40	16,816,343	18.57
4,527,250 and above	1	0.06	63,561,241	70.20
Total	**1,586**	**100.00**	**90,545,002**	**100.00**

Directors' Shareholdings as per register as at 30 September 2014

Name	Direct Interest No. of Shares	%	Deemed Interest No. of Shares	%
Dato' Wira Lim Teong Kiat	0	0.00	0	0.00
Low Kok Aun	0	0.00	65,548,180	72.39
Low Kok Kean	0	0.00	65,548,180	72.39
Low Ping Kun	0	0.00	65,548,180	72.39
Tunku Mohamad Zulkifli Bin Osman	0	0.00	0	0.00
Low Kok Horng	0	0.00	0	0.00

Deemed interested pursuant to Section 6A of the Companies Act, 1965.

Substantial Shareholders as per register as at 30 September 2014

Name	Direct Interest No. of Shares	%	Deemed Interest No. of Shares	%
Jupiter Sunrise Sdn Bhd	65,548,180	72.39	0	0.00
Famivest Sdn Bhd	0	0.00	65,548,180	72.39
Ripro Sdn Bhd	0	0.00	65,548,180	72.39
Kemboja Jati Sdn Bhd	0	0.00	65,548,180	72.39
LLSB 1980 Holdings Sdn Bhd	0	0.00	65,548,180	72.39
LLS & Sons Sdn Bhd	0	0.00	65,548,180	72.39
Low Keong Koon Sdn Bhd	0	0.00	65,548,180	72.39
Low Ping Kun Sdn Bhd	0	0.00	65,548,180	72.39
Low Ping Kun	0	0.00	65,548,180	72.39
Low Kok Kean	0	0.00	65,548,180	72.39
Low Kok Aun	0	0.00	65,548,180	72.39
Low Kok Shyan	0	0.00	65,548,180	72.39
Low Peik Shin	0	0.00	65,548,180	72.39
Low Keong Koon	0	0.00	65,548,180	72.39
Low Kok Foong	0	0.00	65,548,180	72.39
Low Kok Shen	0	0.00	65,548,180	72.39
Ooi Lee Yeong	0	0.00	65,548,180	72.39
Tan Poh Sim	0	0.00	65,548,180	72.39
Tan Eian Hoe	0	0.00	65,548,180	72.39
Tan Swee Huat Sdn Bhd	0	0.00	65,548,180	72.39
Tan Ean Poe	0	0.00	65,548,180	72.39
Tan Yen Sooh	0	0.00	65,548,180	72.39
Tan Swee Bee Sdn Bhd	0	0.00	65,548,180	72.39
Tan Yen Tong	0	0.00	65,548,180	72.39
Tan Yean Sim	0	0.00	65,548,180	72.39
HSPS Holdings Sdn Bhd	0	0.00	65,548,180	72.39
Tan Ean Pin	0	0.00	65,548,180	72.39
Tan Ean See	0	0.00	65,548,180	72.39
Tan Chang Tok Sdn Bhd	0	0.00	65,548,180	72.39
Tan Ean Hoon	0	0.00	65,548,180	72.39
Tan Chung Yi	0	0.00	65,548,180	72.39

Deemed interested pursuant to Section 6A of the Companies Act, 1965.

PROPERTIES OF THE GROUP

AS AT 30 JUNE 2014

Address / Location	Description/Year of Acquisition or Revaluation	Approximate Land/ Floor Area	Tenure/Age of Building (years)	Carrying Value (RM'000)
Property, Plant and Equipment				
Sungai Petani				
1 & 2 Jalan Bank Sungai Petani Kedah Darul Aman	3/6 Storey Office Land & Building/ 1993	12,627 sq ft	Freehold/18	1,475
7 & 8 Jalan Bank Sungai Petani Kedah Darul Aman	Commercial Land for Office Building	0.11 acres	Freehold	802
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/57	1,046
Bandar Kulim District of Kulim Kedah Darul Aman	Agriculture Land for Future Owner Occupation	1.61 acres	Freehold	1,763
Mukim Sidam Kanan, District of Kulim, Kedah Darul Aman.	Agriculture Land for Oil Palm Cultivation	582.11 acres	Freehold	28,599
Kuala Lumpur / Sepang / Negeri Sembilan				
61 Jalan Kampung Pandan Kuala Lumpur	4 Storey Office Building/ 1993	7,040 sq ft	99 year lease expiring in 2076/24	504
22 Jalan ST 1C/4 Medan 88 Bandar Baru Salak Tinggi Sepang, Selangor Darul Ehsan	3 Storey Shophouse Sales Office / 1997	3,900 sq ft	99 years lease expiring in 2092/18	116
Seri Bayu Resort Hotel Bagan Lalang Sepang, Selangor Darul Ehsan	3 Storey Apartment for Hotel Operations (66 units) / 2013 (72 units) / 2014	121,527 sq ft	Freehold/2	19,383

Address / Location	Description/Year of Acquisition or Revaluation	Approximate Land/ Floor Area	Tenure/Age of Building (years)	Carrying Value (RM'000)
Property, Plant and Equipment (continued)				
Kuala Lumpur / Sepang / Negeri Sembilan (continued)				
Mukim Setul Seremban Negeri Sembilan Darul Khusus	Agriculture Land for Oil Palm Cultivation	172.90 acres	99 years lease expiring in 2081	10,857
Mukim Ampang Kuala Lumpur Wilayah Persekutuan KL	Development Land Approved for Housing	0.24 acres	99 years lease expiring in 2091	763
Investment Properties				
Sungai Petani				
1 & 2 Jalan Bank Sungai Petani Kedah Darul Aman	3/6 Storey Office Building/ 1993	12,627 sq ft	Freehold/18	585
7 & 8 Jalan Bank Sungai Petani Kedah Darul Aman	3 Storey Office Building/ 2004	12,861 sq ft	Freehold/11	518
Kulim				
32 - 42 Lorong Semarak 2 Taman Semarak Kulim, Kedah Darul Aman	3 Storey Shophouses/ 1996	49,050 sq ft	Freehold/19	1,380
Mukim Sidam Kanan District of Kulim Kedah Darul Aman	1 1/2 Storey Detached Supermarket In progress	73,761 sq ft	Freehold	814
Sepang				
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 in 2094/5	227

Address / Location	Description/Year of Acquisition or Revaluation	Approximate Land/ Floor Area	Tenure/Age of Building (years)	Carrying Value (RM'000)
Land Held for Property Development				
Sungai Petani				
Mukim Sungai Pasir District of Kuala Muda Kedah Darul Aman	Development Land Approved for Housing	48.97 acres	Freehold	9,252
Kulim				
Bandar Kulim District of Kulim Kedah Darul Aman	Development Land Approved for Housing	18.93 acres	Freehold	4,729
Bandar Kulim District of Kulim Kedah Darul Aman	Vacant Land for Future Development	28.80 acres	Freehold	963
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	32.14 acres	Freehold	2,979
Sepang				
Mukim Dengkil District of Sepang Selangor Darul Ehsan	Development Land Approved for Housing	24.22 acres	Freehold	5,930
Mukim Dengkil District of Sepang Selangor Darul Ehsan	Vacant Land for Future Development	0.37 acres	99 years lease expiring in 2094	8
Mukim Sepang District of Sepang Selangor Darul Ehsan	Development Land Approved for Housing	2.22 acres	Freehold	576

DEVELOPMENT LAND UNDER LANDOWNER AND DEVELOPER AGREEMENT

AS AT 30 JUNE 2014

Location	Approximate Land Area	Tenure	Advances to Landowners (RM'000)
Sungai Petani			
Mukim Sungai Petani District of Kuala Muda Kedah Darul Aman	3.83 acres	Freehold	537
Sepang / Gombak / Melaka			
Mukim Labu District of Sepang Selangor Darul Ehsan	17.73 acres	Freehold	4,240
Mukim Dengkil District of Sepang Selangor Darul Ehsan	75.03 acres	99 years lease expiring between 2093-2106	9,928
Mukim Dengkil District of Sepang Selangor Darul Ehsan	27.10 acres	Freehold	9,332
Mukim Setapak District of Gombak Selangor Darul Ehsan	19.17 acres	99 years lease expiring in 2094	5,930
Mukim Bukit Katil District of Melaka Tengah Melaka	23.37 acres	99 years lease expiring between 2105-2110	0

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-First Annual General Meeting ("AGM") of ORIENTAL INTEREST BERHAD will be held at Room President 2, Park Avenue Hotel, E-1, Jalan Indah Dua, Taman Sejati Indah, 08000 Sungai Petani, Kedah Darul Aman on Tuesday, 25 November 2014 at 11.00 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 June 2014 together with the Reports of the Directors and Auditors thereon. — **Please refer to the Explanatory Note**

2. To declare a first and final single-tier dividend of 5% per ordinary share for the financial year ended 30 June 2014. — **Ordinary Resolution 1**

3. To re-elect the following Directors retiring pursuant to Article 87 of the Articles of Association of the Company:
   (a) Dato' Wira Lim Teong Kiat — **Ordinary Resolution 2**
   (b) Mr Low Kok Aun — **Ordinary Resolution 3**
   (c) Mr Low Kok Kean — **Ordinary Resolution 4**
   (d) Mr Low Ping Kun — **Ordinary Resolution 5**
   (e) Tunku Mohamad Zulkifli Bin Osman — **Ordinary Resolution 6**
   (f) Mr Low Kok Horng — **Ordinary Resolution 7**

4. To approve the payment of Directors' fees for the financial year ended 30 June 2014. — **Ordinary Resolution 8**

5. To appoint Messrs KPMG to act as Auditors of the Company in place of the retiring Auditors, Messrs PricewaterhouseCoopers, to hold office until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. — **Ordinary Resolution 9**

   Notice of Nomination from a shareholder given pursuant to Section 172(11) of the Companies Act, 1965 ("the Act") for the nomination of Messrs. KPMG for appointment as Auditors in place of the retiring Auditors, Messrs PricewaterhouseCoopers, referred to as "Appendix 1" is annexed in the 2014 Annual Report.

AS SPECIAL BUSINESS

To consider and if thought fit, pass the following resolutions with or without modifications.

6. **AUTHORITY TO ALLOT AND ISSUE SHARES BY DIRECTORS PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965** — **Ordinary Resolution 10**

"THAT pursuant to Section 132D of the Act, the Directors be and are hereby empowered to allot and issue shares in the Company, at any time, at such price, upon such terms and conditions, for such purpose and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued share capital of the Company at the time of issue and THAT the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

7. **PROPOSED ADDITIONAL AND RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** — **Ordinary Resolution 11**

"THAT, subject to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to OIB and its subsidiaries ("the Group") to enter into and to give effect to the recurrent related party transactions of a revenue or trading nature as specified in Section 2 of the Circular to Shareholders dated 31 October 2014, provided that such arrangements and/or transactions which are necessary for the Group's day to day operations are undertaken in the ordinary course of business, at arm's length basis, 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 of the Company ("Proposed Additional and Renewal of Shareholders' Mandate") and the shareholders' mandate is subject to annual renewal and disclosure being made in the Annual Report of aggregate value of transactions conducted pursuant to the shareholders' mandate the financial year and that such approval shall continue to be in force until:

(i) the conclusion of the next AGM of the Company at which time it will lapse, unless by a resolution passed at the said AGM, the authority is renewed; or
(ii) 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
(iii) revoked or varied by resolution passed by the shareholders of the Company in general meeting,

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary or in the best interest of the Company to give effect to the Proposed Additional and Renewal of Shareholders' Mandate."

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

NOTICE OF DIVIDEND ENTITLEMENT & PAYMENT

NOTICE IS ALSO HEREBY GIVEN that a First and Final Single-Tier Dividend of 5% per share for the financial year ended 30 June 2014, if approved at the Twenty-First AGM, will be paid on 12 December 2014 to Depositors whose names appear in the Record of Depositors of the Company at the close of business on 2 December 2014.

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

a. Shares transferred to the Depositor's Securities Account before 4.00 pm on 2 December 2014 in respect of ordinary transfers; and
b. Shares bought on Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to Rules of the Bursa Securities.

By Order of the Board

TAI YIT CHAN (MAICSA 7009143)
ONG TZE-EN (MAICSA 7026537)
Company Secretaries
Selangor Darul Ehsan
31 October 2014

Notes:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. A member may appoint any person to be his proxy without limitation and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
2. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting and where a member appoints two (2) proxies the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
3. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
5. The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be deposited at the Registered Office of the Company at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time set for holding the meeting or any adjournment thereof.
6. In respect of deposited securities, only members whose names appear on the Record of Depositors on 18 November 2014 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

Explanatory Note

To receive the Audited Financial Statements

Agenda item No. 1 is meant for discussion only as Section 169(1) of the Act does not require a formal approval of shareholders of the Company and therefore, this item on the Agenda is not put forward for voting.

Ordinary Resolution 9

Appointment of Messrs KPMG as Auditors

The proposed Ordinary Resolution 9, is to appoint Messrs KPMG in place of Messrs PricewaterhouseCoopers whose term expires at the conclusion of this Twenty-First AGM.

Ordinary Resolution 10

Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965

The proposed Ordinary Resolution 10, if passed, will empower the Directors to issue shares up to an aggregate amount not exceeding 10% of the issued and paid-up share capital of the Company for the time being, for such purposes as the Directors consider would be in the best interest of the Company without having to convene separate general meetings. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM.

This is a renewal of the mandate obtained from its shareholders at the last AGM held on 19 November 2013 and will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placement of shares for purpose of funding future investment, working capital and/or acquisitions.

The Company had not issued any new shares pursuant to Section 132D of the Act, under the general mandate which was approved at the Twentieth AGM of the Company.

Ordinary Resolution 11

Proposed Additional and Renewal of Shareholders' Mandate

The proposed Ordinary Resolution 11, if passed, will approve the Proposed Additional and Renewal of Shareholders' Mandate and allow the Company and its subsidiaries to enter into recurrent related party transactions as set out in Section 2 of the Circular to the Shareholders dated 31 October 2014.

Statement Accompanying Notice of AGM

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirement)

No individual is seeking election as a Director at the forthcoming Twenty-First AGM of the Company.

KIM LIN TENG
NO 109
TAMAN BERJAYA
05050 ALOR SETAR
KEDAH

DATE: 13 OCTOBER 2014

The Board of Directors
Oriental Interest Berhad
Lot 6.05, Level 6, KPMG Tower
8 First Avenue Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan.

Dear Sirs,

ORIENTAL INTEREST BERHAD ("THE COMPANY" OR "OIB")
NOTICE OF NOMINATION OF AUDITORS

I, a member of the Company, hereby give notice pursuant to Section 172(11) of the Companies Act, 1965 of my nomination of Messrs KPMG for appointment as auditors of the Company in place of the existing Auditors, Messrs PricewaterhouseCoopers who shall retire at the forthcoming Annual General Meeting of the Company.

Yours faithfully

(KIM LIN TENG)

ADDITIONAL COMPLIANCE INFORMATION

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

Options or Convertible Securities
The Company did not issue any options or convertible securities during the financial year.

Depository Receipt Programme
The Company did not sponsor any Depository Receipt 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 during the financial year.

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 RM28,500 and RM70,000 respectively.

Profit Guarantee
The Company did not give any profit guarantee 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.

Recurrent Related Party Transactions
The details of significant recurrent related party transactions conducted during the financial year ended 30 June 2014 pursuant to the shareholders' mandate obtained by the Company at the Extraordinary General Meeting held on 4 April 2014 are as set out under Note 35 of the Audited Financial Statements for the year ended 30 June 2014 in this Annual Report and also in the Circular to Shareholders dated 31 October 2014 seeking approval for Proposed additional and renewal of shareholders' mandate for recurrent related party transactions of a revenue and trading nature.

PROXY FORM

No. of Ordinary Shares Held	
CDS Account No.	

ORIENTAL INTEREST BERHAD (272144-M)
(Incorporated in Malaysia under the Companies Act, 1965)

I/We ....
(Full Name in Capital Letters)

NRIC No. or Company No. ....
(New and Old NRIC Nos.)

of ....
(Full Address)

being a member(s) of the Company, hereby appoint ....
(Full Name in Capital Letters)

NRIC No. ....
(New and Old NRIC Nos.)

of ....
(Full Address)

or failing him/her, the Chairman of the Company as my/our proxy(ies), to vote for me/us and on my/our behalf at the Twenty-First Annual General Meeting of the Company to be held at Room President 2, Park Avenue Hotel, E-1, Jalan Indah Dua, Taman Sejati Indah, 08000 Sungai Petani, Kedah Darul Aman on Tuesday, 25 November 2014 at 11.00 a.m. and at any adjournment thereof in the manner indicated below:

Ordinary Resolutions		For	Against
1. Declaration of first and final single-tier dividend of 5% per share for the year ended 30 June 2014	Ordinary Resolution 1		
2. Re-election of Dato' Wira Lim Teong Kiat	Ordinary Resolution 2		
3. Re-election of Low Kok Aun	Ordinary Resolution 3		
4. Re-election of Low Kok Kean	Ordinary Resolution 4		
5. Re-election of Low Ping Kun	Ordinary Resolution 5		
6. Re-election of Tunku Mohamad Zulkifli Bin Osman	Ordinary Resolution 6		
7. Re-election of Low Kok Horng	Ordinary Resolution 7		
8. Approval of Directors' Fees	Ordinary Resolution 8		
9. Appointment of Messrs KPMG as Auditors of the Company	Ordinary Resolution 9		
10. Authority under Section 132D of the Companies Act, 1965 for the Directors to allot and issue shares	Ordinary Resolution 10		
11. Proposed Additional and Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	Ordinary Resolution 11		

(Please indicate with an "X" in the spaces provided how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

Signed this .... day of November, 2014

Signature/Common Seal ....

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

	No. of shares	Percentage
Proxy 1		%
Proxy 2		%
Total		**100%**

Notes:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. A member may appoint any person to be his proxy without limitation and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
2. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting and where a member appoints two (2) proxies the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
3. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
5. The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be deposited at the Registered Office of the Company at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time set for holding the meeting or any adjournment thereof.
6. In respect of deposited securities, only members whose names appear on the Record of Depositors on 18 November 2014 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

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Affix
Stamp

ORIENTAL INTEREST BERHAD
c/o BOARDROOM CORPORATE SERVICES (KL) SDN BHD
Lot 6.05, Level 6, KPMG Tower,
8 First Avenue, Bandar Utama,
47800 Petaling Jaya,
Selangor Darul Ehsan.

Then fold here

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