REACHING NEW HEIGHTS AS ONE

DOUBLING OUR ASPIRATIONS TO ACHIEVE MORE

ANNUAL REPORT 2015

A Step Beyond Development

Oriental Interest Berhad

(272144-M)

CONTENTS

CORPORATE INFORMATION

Board of Directors

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

Independent Non-Executive Director
Tunku Mohamad Zulkifli Bin Osman

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

Audit & Risk Management Committee

Chairman
Dato' Wira Lim Teong Kiat, JP

Member
Tunku Mohamad Zulkifli Bin Osman
Mr. Low Kok Horng

Remuneration Committee

Chairman
Dato' Wira Lim Teong Kiat, JP

Member
Tunku Mohamad Zulkifli Bin Osman
Mr. Low Kok Kean

Nominating Committee

Chairman
Dato' Wira Lim Teong Kiat, JP

Member
Tunku Mohamad Zulkifli Bin Osman
Mr. Low Kok Horng

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 1019

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

KPMG
Level 18, Hunza Tower
163E, Jalan Kelawei, 10250 Penang
Tel: 04-238 2288 Fax: 04-238 2222

Principal Bankers

RHB Bank Berhad
Malayan Banking Berhad
CIMB Bank Berhad
Hong Leong 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
  - 100% Sungei Lalang Development Sdn Bhd
- 100% OIB Properties (KV) Sdn Bhd
- 100% OIB Services Sdn Bhd
  - 100% OIB Properties (CV) Sdn Bhd
  - 100% OIB Properties (C) Sdn Bhd
  - 100% Maxilux Properties Sdn Bhd
- 100% OIB Resort Sdn Bhd
- 100% OIB Properties (PRV) Sdn Bhd
- 100% OIB Properties (Meru) Sdn Bhd
- 100% OIB Management 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)
- 90% OIB Construction Sdn Bhd
- 87% Brilliant Alliance Sdn Bhd
  - 100% Yiked Alliance Sdn Bhd
- 80% OIB Marketing Sdn Bhd
- 73% Aturan Cemerlang Sdn Bhd
  - 100% Central Kedah Brick Kiln Sdn Berhad (In member's voluntary winding up)
  - 100% Yiked Brilliant Sdn Bhd
- 51% OIB Properties (SW) Sdn Bhd
  - 45% Prestasi Raya Sdn Bhd

Subsidiary Associate

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.

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

The OIB Group, which comprises of 13 subsidiaries and 9 sub-subsidiaries, is actively involved in commercial and residential property development, as well as general construction and oil palm cultivation.

Property Development and General Construction

Over the past 30 years, OIB Group has established itself as a leading property developer, having completed numerous construction and mixed development projects, delivering more than 23,000 development units with gross development value in excess of RM2.0billion.

OIB Group has earned a strong reputation amongst buyers for dedication to its development projects and ahead of schedule delivery of quality products, distinguished by creative yet functional design at affordable prices.

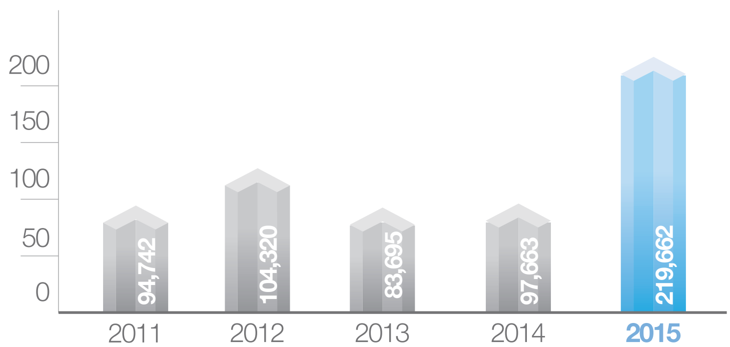
Oil Palm Cultivation

OIB Group is also involved in oil palm cultivation through two subsidiaries, namely, OIB Properties (K) Sdn Bhd and OIB Properties (SW) Sdn Bhd, on 826.26 acres of agriculture land.

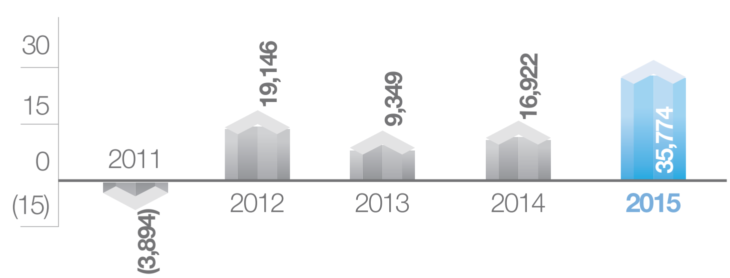
FINANCIAL HIGHLIGHTS

5 Years Results (RM'000)	Year ended 30 June 2015	2014	2013	2012	2011
Revenue	219,662	97,663	83,695	104,320	94,742
Profit/(Loss) before tax	35,774	16,922	9,349	19,146	(3,894)
Taxation	(9,580)	(3,975)	(2,361)	(5,339)	(1,006)
Loss from discontinued operations	-	-	(1,035)	-	-
Profit/(Loss) for the financial year	**26,194**	**12,947**	**5,953**	**13,807**	**(4,900)**
Attributable to:					
Owners of the Company	19,988	9,210	3,812	9,068	(7,044)
Non-controlling interests	6,206	3,737	2,141	4,739	2,144
Profit/(Loss) for the financial year	**26,194**	**12,947**	**5,953**	**13,807**	**(4,900)**

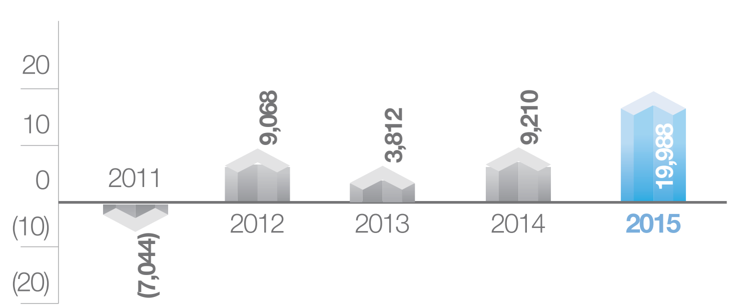
REVENUE
(RM'000)



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



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



PROFILE OF DIRECTORS

Dato' Wira Lim Teong Kiat, JP

Malaysian, aged 68, was appointed to the Board of OIB on 13 December 2013 as an Independent 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 professional experience in public pratice as founding partner of Kiat & Associates. Dato' Wira Lim also chairs the Audit & Risk Management, Nominating and Remuneration Committees.

Tunku Mohamad Zulkifli Bin Osman

Malaysian, aged 51, was appointed to the Board of OIB as Independent Non-Executive Director on 13 December 2013. Tunku Mohamad Zulkifli obtained his Diploma in Law and Advanced Diploma in Law from MARA Institute of Technology (now known as UiTM). Tunku is an active praticing lawyer with more than 25 years of experience in the legal profession, primarily in civil litigations specialising in construction laws, land matters and corporate matters. He is currently a partner of Messrs. Jin-Nge & Co, Advocates & Solicitors, Alor Setar, Kedah.

Mr. Low Kok Aun

Malaysian, aged 43, joined the Board of OIB on 13 December 2013 as Managing Director. Mr. Low KA graduated from University of Toledo, USA with a Bachelor of Science in Civil Engineering. Upon his return to Malaysia, Mr. Low KA has been managing the day-to-day operations of his family business for more than 19 years. Taping on his extensive working experience, principally in property development as well as manufacturing of construction and building materials, he was instrumental in the successful completion of many property development projects in Kedah. Mr. Low KA also sits on the board of several other private limited companies.

Mr. Low Kok Kean

Malaysian, aged 50, joined the Board of OIB as Executive Director on 13 December 2013. A graduate from University of Toledo, USA with a Bachelor of Science in Civil Engineering in 1988, Mr. Low KK has chalked up more than 26 years of working experience in managing businesses across diverse industries. He is currently managing his family business with particular interest in identifying new businesses, strategic planning and business development. Mr. Low KK also sits on the board of several other private limited companies.

Mr. Low Ping Kun

Malaysian, aged 59, 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 successfully developed and managed diverse businesses from start-up, spanning various industries from property development and manufacturing of building materials to rubber processing and plantation. Mr. Low PK also sits on the board of several other private limited companies.

Mr. Low Kok Horng

Malaysian, aged 45, was appointed to the Board of OIB as a Non-Independent 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 his family business ever since then. Mr. Low KH has garnered vast experience in different industries ranging from manufacturing to property investment and property development. He is also holding directorships in several private limited companies.

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 shareholdings in OIB.*
- *Other than Mr. Low Kok Kean and Mr. Low Kok Aun being siblings of Mr. Low Kok Shyan and Ms. Low Peik Shin, both substantial shareholders of OIB; none of the other Directors has any family relationship, as defined under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad,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

On behalf of the Board of Directors (the "Board") of Oriental Interest Berhad ("OIB" or " the Company"), it gives me great pleasure to present to you the Twenty-Second Annual Report of OIB Group in respect of financial year ended 30 June 2015 ("FY2015").

Judging by the improvement in the recent past, I am confident that the management team will be able to steer the businesses of the Group to success and deliver long term growth which is sustainable and rewarding.

FINANCIAL RESULTS

OIB Group posted record revenue for FY2015 of RM219.662million, a 125% surge from RM97.663million reported last year. In turn, profit before tax ("PBT") jumped 111% to RM35.977million, from RM16.929million reported in the preceding financial year.

If gain from sale of land of RM2.257million transacted at RM12.731million in the preceding financial year as well as gain on revaluation reserve in respect of available-for-sale assets of RM0.608million and RM1.019million realised during the preceding and reporting financial year respectively be excluded as non-recurrent items, consolidated revenue and PBT would in fact rose by 159% and 144% respectively for the same comparable financial years.

In tandem with the excellent results achieved during the reporting financial year, total equity attributable to shareholders of OIB improved from RM269.438million to RM283.880million.

Meanwhile, OIB Group continues to expand its land bank through various acquisitions in both northern and central regions of Malaysia. Such vigorous investing activities have utilised all positive cash flow generated from operating and financing activities and necessitated drawdown of credit facilities from financial institutions. As such, liquidity position of the Group was substantially depleted from RM57.890million to RM39.569million over the financial year under review. The Board views such acquisitions positively as these are expected to yield positive contribution to the Group in the long run.

Property Development General Construction

During the year under review, Property Development segment remains as the main contributor to the results of OIB Group; its progress billings and PBT increased by 49% and 61% respectively from last year. Similarly, should the non-recurrent items mentioned above be excluded, revenue and PBT for the reporting financial year would be further increased by 73% and 85% respectively for the same comparable financial years. Better results were predominantly attributed to record revenue achieved and improved overall margin of return from property development activities.

Meanwhile, in its first full year of operation of providing services to external customers, General Construction segment increased its revenue by almost 23 times and turned an operating loss into RM7.877million pre-tax profit. Significant surge in revenue and improvement in economies of scale were the main reasons for the excellent results.

Oil Palm Cultivation

Revenue and PBT from oil palm cultivation activity dropped by 31% and 65% respectively compared with the preceding financial year. The drop was due mainly to certain acreage placed under replanting programme as well as reduction in both yield rate and price of crude palm oil.

Associate Company

There was still no significant share of results from the only associate company, Prestasi Raya Sdn Bhd, during the reporting financial year, because it has yet to launch its development project.

CORPORATE DEVELOPMENT

The new direction and business strategies, implemented by the new management team at the helm of business following Mandatory General Offer exercise undertaken by the present controlling shareholder late in 2013, have started to bear fruits. The remarkable performance and sound financial position are the clearest evidence that the new management team has taken OIB Group to a new level and this has, ultimately, enhance shareholders' value.

As mentioned earlier, OIB Group has been actively pursuing land bank acquisition over the past year to sustain longer term development activities. During the financial year under review, 2 land acquisitions, valued at about RM57.460million, for area measuring a total of 83.6 acres located in central and northern regions, were completed.

Lately, OIB Group announced the participation, in a joint development with a landowner, to undertake a mixed development on 108 acres of land in northern region over the next 15 years, with an estimated gross development of about RM671million.

In addition, 2 new wholly-owned subsidiaries were incorporated during the year, namely, OIB Management Sdn Bhd and OIB Properties (Meru) Sdn Bhd for the purposes of providing management and maintenance services for properties and buildings built by OIB Group as well as furtherance of property development business.

On 24 August 2015, OIB announced its intention to undertake a bonus issue of 54,327,001 new ordinary shares of RM1.00 each in OIB ("OIB Shares") ("Bonus Share(s)") on the basis of three (3) Bonus Shares for every five (5) existing OIB Shares held at a date to be determined and announced late. The Bonus Issue is part of the initiative to reward shareholders as well as improve marketability and trading liquidity in OIB Shares leading to enhanced participation from broader swath of investors in OIB's equity. The proposed bonus issue would be tabled at the forthcoming annual general meeting ("AGM") for shareholders' approval.

DIVIDEND

A first and final single-tier dividend of 5 sen per ordinary share in respect of financial year ended 30 June 2014 totaling RM4.527million was approved by shareholders at the previous AGM held on 25 November 2014 and was paid on 12 December 2014.

Following the excellent results recorded in FY2015, the Board declared an interim single-tier dividend of 12 sen per ordinary share, amounting to RM10.865million, on 10 July 2015, which was paid on 10 August 2015, as a gesture of appreciation to shareholders for their continued trust and confidence in the Group.

CORPORATE GOVERNANCE

The Board continues to uphold its fundamental belief of placing utmost importance in having a sound corporate governance framework, which is the basis for the management of business and operational activities within OIB Group. With this fundamental concept in mind, the Board, with the assistance of various Board committees, practices a transparent and accountable reporting system with the management team; which is interactive and conducive to constructive suggestions and discussion.

Such an effort will continue to sustain the business growth of OIB Group and enhancing shareholders' value in the long term. These endeavours are stated in more details in the Statement of Corporate Governance enclosed in this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

OIB Group is committed to exercising its role as a responsible corporate citizen, based fundamentally around the values of integrity and partnership. Although OIB Group has not formally establish a CSR framework, the Board is always seeking the best possible ways to fulfill its responsibilities by aligning and embedding its core value with authenticity, transparency and relevance in order to be responsive to meet distinct needs in the workplace, market and communities.

CSR activities undertaken by OIB Group included the following:

- Contribution to various local charitable organisations.
- Construction of public amenities.
- Participation in and support schemes and activities promoted by local government.
- Organise various training programmes aimed at employees self-development and career advancement.
- Continued improvement to working environment for betterment of staff welfare.

PROSPECTS

The gradual weakening of Ringgit against most foreign currencies over the reporting financial year has further worsen in recent months. The measures taken to effectively halt the slide remain uncertain and ineffective, and these have caused undue difficulties for entrepreneurs to strategize their business plans, especially on medium to long term basis.

The present situation is generally anticipated to have a serious and wider repercussion in the nation's economy across almost all industries, as inflationary effect is expected to cause upward spiral in the cost structure of many businesses. This, in turn, would have an adverse effect on the purchasing power of the consumers, especially sentiment in the property market that involves heavy financial capital commitment.

Whilst facing tremendous challenges, the Board is cautiously taking steps to manage inherent business risks and steer OIB Group into sub-sectors within the property industry that would yield better return. In light of continued development of existing land bank, coupled with the new strategic acquisitions and smart partnership with landowner, the Board of Directors, with full cooperation of the management, is confident that the results of OIB Group would remain sustainable for the forthcoming financial year.

APPRECIATION

Last but not least, together with my fellow Board members, we wish to express our sincere appreciation to the management and staff for their concerted team effort, commitment and perseverance in carrying out their duties in an efficient and responsible manner.

We also extend our gratitude to our shareholders, customers, business associates and the regulatory bodies for their continued support and confidence in OIB Group.

On a personal note, I would like to thank all my fellow Directors for their full trust, guidance and co-operation which have enabled the Board to discharge its stewardships duties effectively and professionally in the best interest of the Company and shareholders.

Dato' Wira Lim Teong Kiat, JP
Independent Non-Executive Chairman
23 September 2015

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 Audit and Risk Management Committee (“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**.

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 under the Chairman's Statement in 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

As at the date of this Statement, the Board comprised of six (6) members; three (3) Executive Directors and three (3) Non-Executive Directors, two (2) of whom are Independent. The composition fulfills the requirements set out under the Main Market Listing Requirements ("MMLR") 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 under the Profile of Directors in 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 under the ARMC Report in this Annual Report.

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	1/1
Tunku Mohamad Zulkifli Bin Osman Independent Non-Executive Director	1/1
Low Kok Horng Non-Independent Non-Executive Director	1/1

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.

Principle 2 - Strengthen Composition of the Board (continued)

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.

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 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.

Principle 2 - Strengthen Composition of the Board (continued)

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 MMLR of Bursa Securities. 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 2015:

Directors	Details of training	Date
Dato' Wira Lim Teong Kiat	National Tax Conference 2014	12 & 13 August 2014
Tunku Mohamad Zulkifli Bin Osman	GST Implementation for Professional Services Providers	08 September 2014
	Enterprise Risk Management	10 September 2014

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 comprises majority of Independent Non-Executive Directors, are as follows:

Directors	Number of meetings attended
Dato' Wira Lim Teong Kiat (Chairman) Independent Non-Executive Chairman	1/1
Tunku Mohamad Zulkifli Bin Osman Independent Non-Executive Director	1/1
Low Kok Kean Executive Director	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 their 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.

Principle 2 - Strengthen Composition of the Board (continued)

Remuneration Committee - Directors' Remuneration (continued)

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.

During the year under review, the Committee carried out the following activities:

- Reviewed and recommended the fee structure and allowances for Directors.
- Reviewed remuneration package for Executive Directors.

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 2015 are as follows:

Categories	Executive Directors RM'000	Non-Executive Directors RM'000	Total RM'000
Fees	90	105	195
Allowances	12	26	38
Salaries	1,176	0	1,176
Bonuses	190	0	190
Employees' Provident Fund	164	0	164
Estimated Value of Benefits-in-Kind	17	0	17
Total	**1,649**	**131**	**1,780**

Directors' Remuneration in Bands of RM50,000

Categories	Executive Directors	Non-Executive Directors
RM50,000 and below	0	3
RM500,001 - RM550,000	2	0
RM550,001 - RM600,000	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 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.

Principle 3 - Reinforce Independence of the Board (continued)

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 MMLR of Bursa Securities, the Companies Act 1965 and the MCCG 2012.

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 Secretaries 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 MMLR of Bursa Securities.

During the financial year under review, four (4) Board meetings were held and details of Directors' attendance are as follows:

Position	Directors	Attendance
Independent Non-Executive	Dato' Wira Lim Teong Kiat (Chairman)	4/4
	Tunku Mohamad Zulkifli Bin Osman	4/4
Executive	Low Kok Aun (Managing Director)	4/4
	Low Kok Kean	4/4
	Low Ping Kun	4/4
Non-Independent Non-Executive	Low Kok Horng	4/4

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's 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 nonaudit 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 auditors confirmed their independence as the external auditors 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	37	232
Limited review on quarterly results	53	53
Review of various statements by Directors	3	3
Total	**93**	**288**

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 Risk Management framework are set out in the Statement on Risk Management and Internal Control of the Group in this Annual Report.

In line with the MMLR 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 in 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 MMLR 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 LINK (The Listing Information Network) of 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 and 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, AGM, 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 2015.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

As at date of this Report, the members of the Audit and Risk Management Committee ("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*	4/4
Tunku Mohamad Zulkifli Bin Osman *Independent Non-Executive Director*	4/4
Low Kok Horng *Non-Independent Non-Executive Director*	4/4

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 in-house internal audit department, 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 MMLR of Bursa Securities and other relevant legal and regulatory requirements, before recommending them for the approval of the Board of Directors of Oriental Interest Berhad (the "Board"); and
- Reviewed related party transactions and conflict of interest situation that may arise within the Group.

Internal audit function

Prior to 1 September 2014, the Group outsourced its internal audit function to an independent firm of consultants. Starting from 1 September 2014, the internal audit function was taken in-house with the formation of an internal audit department to perform its function and report directly to the ARMC. 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.

During the financial year under review, internal audit was carried out based on internal audit plans duly approved by the ARMC. The findings of the internal audit function, including its recommendations and Management's responses, were reported to the ARMC on quarterly basis. In addition, the internal audit function also followed up on the implementation of recommendations from findings of previous internal audit reports 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 MMLR of Bursa Securities; 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.
- 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.

Terms of reference of the ARMC (continued)

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 are 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.
- 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

Terms of reference of the ARMC (continued)

Members (continued)

- 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 internal auditors to submit the 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;
- 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;

Duties and Responsibilities (continued)

Risk Management (continued)
- 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 MMLR 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 2015 under review. The associate 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.

The Statement has been prepared by taking into account the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (the "Guidelines"). 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 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

Prior to 1 September 2014, the Group outsourced its internal audit function to an independent firm of consultants. Starting from 1 September 2014, the internal audit function was taken in-house with the formation of an internal audit department to perform its function and report directly to the ARMC. The internal audit function 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, internal audit was carried out based on internal audit plans duly approved by the ARMC. The findings of the internal audit function, including its recommendations and Management's responses, were reported to the ARMC on quarterly basis. In addition, the internal audit function also followed up on the implementation of recommendations from findings of previous internal audit reports and updated the ARMC on the status of Management-agreed action plan implementation.

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*

The Board of Directors continues observing 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.

(d) *Group's policies and procedures*

The Group's policies and procedures are reviewed and revised periodically to meet changing business, operational and regulatory requirements.

Further details of activities undertaken by the Internal Audit function are set out in the ARMC Report in this Annual Report.

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

The Board has received assurance in writing from 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.

Review of this Statement by External Auditors

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Recommended Practice Guide ("RPG") 5 (Revised), *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report* issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the year ended 30 June 2015, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

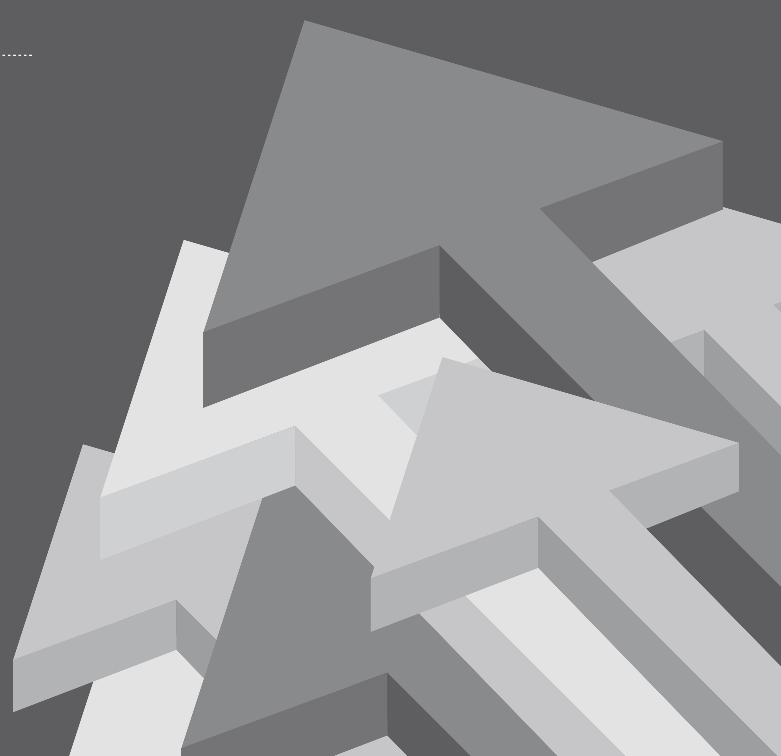
(a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or

(b) is factually inaccurate.

RPG 5 (Revised) does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

This Statement is issued in accordance with a resolution of the Board dated 23 September 2015.

REPORTS AND FINANCIAL STATEMENTS



The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2015.

Principal activities
The principal activities of the Company are investment holding and provision of management services, whilst the principal activities of the subsidiaries are as stated in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

Results

	Group RM'000	Company RM'000
Profit for the financial year attributable to :		
Owners of the Company	19,988	11,676
Non-controlling interests	6,206	-
	26,194	11,676

Reserves and provisions
There were no material transfers to or from reserves and provisions during the financial year except as disclosed in the financial statements.

Dividends
Since the end of the previous financial year, the Company paid a first and final single-tier dividend of 5 sen per ordinary share, totalling RM4,527,250 in respect of the financial year ended 30 June 2014 on 12 December 2014.

The Directors declared an interim single-tier dividend of 12 sen per ordinary share, totalling RM10,865,400 in respect of the financial year ended 30 June 2015 on 10 July 2015 and paid on 10 August 2015.

The Directors do not recommend any final dividend to be paid for the financial year under review.

Directors of the Company
Directors who served since the date of the last report are :

Dato' Wira Lim Teong Kiat
Tunku Mohamad Zulkifli Bin Osman
Low Kok Aun
Low Kok Kean
Low Ping Kun
Low Kok Horng

Directors' interests in shares

The interests and deemed interests in the ordinary shares of the Company and of its related corporation (other than wholly-owned subsidiaries) of those who were Directors at financial year end as recorded in the Register of Directors' Shareholdings are as follows :

	Number of ordinary shares of RM1 each			
	1.7.2014	Bought	Sold	30.6.2015
The Company				
Low Kok Aun				
- Indirect	65,548,180	-	-	65,548,180
Low Kok Kean				
- Indirect	65,548,180	-	-	65,548,180
Low Ping Kun				
- Indirect	65,548,180	-	-	65,548,180
Immediate and ultimate holding company				
Jupiter Sunrise Sdn Bhd				
Low Kok Aun				
- Indirect	500,000	-	-	500,000
Low Kok Kean				
- Indirect	500,000	-	-	500,000
Low Ping Kun				
- Indirect	1,000,000	-	-	1,000,000
Subsidiaries				
Yiked Brilliant Sdn Bhd				
Low Kok Aun				
- Direct	1#	-	-	1#
Low Kok Kean				
- Direct	1#	-	-	1#
Yiked Alliance Sdn Bhd				
Low Kok Aun				
- Direct	1*	-	-	1*
Low Kok Kean				
- Direct	1*	-	-	1*

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

Directors' interests in shares (continued)
By virtue of their interests in the ordinary shares of the Company, Low Kok Aun, Low Kok Kean and Low Ping Kun are also deemed interested in the ordinary shares of all the subsidiaries to the extent that the Company has an interest.

None of the other Directors holding office at the end of the financial year held any interest in ordinary shares of the Company and its related corporation during the financial year.

Directors' benefits
Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements of the Company or of its related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than those transactions entered in the ordinary course of business as disclosed in Note 34 to the financial statements.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Issue of shares and debentures
There were no changes in the authorised, issued and paid-up capital of the Company and no debentures were issued during the financial year.

Options granted over unissued shares
No options were granted to any person to take up unissued shares of the Company during the financial year.

Other statutory information
Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that :

i) all known bad debts have been written off and adequate provision made for doubtful debts, and
ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
iii) 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, or
iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist :

i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

Other statutory information (continued)

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

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 30 June 2015 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Subsequent event
The details of such event is disclosed in Note 35 to the financial statements.

Immediate and ultimate holding company
The Directors regard Jupiter Sunrise Sdn Bhd, a company incorporated in Malaysia, as the immediate and ultimate holding company.

Auditors
The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 23 September 2015.

Low Kok Aun

Low Kok Kean

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
ASSETS					
Property, plant and equipment	3	**70,317**	72,240	**-**	-
Land held for property development	4	**72,816**	24,451	**-**	-
Investment properties	5	**22,100**	3,524	**-**	-
Biological assets	6	**1,029**	1,082	**-**	-
Investments in subsidiaries	7	**-**	-	**184,349**	206,303
Investment in an associate	8	**5,192**	5,185	**-**	-
Deferred tax assets	9	**3,729**	3,432	**-**	-
Total non-current assets		**175,183**	109,914	**184,349**	206,303
Property development costs	10	**102,844**	109,716	**-**	-
Inventories	11	**8,581**	8,980	**-**	-
Amount due from customer on construction contracts	12	**3,273**	4,680	**-**	-
Trade and other receivables	13	**101,314**	63,887	**64,555**	27
Available-for-sale financial assets	14	**906**	6,978	**278**	6,978
Tax recoverable		**1,519**	4,255	**-**	176
Cash and cash equivalents	15	**39,569**	57,890	**2,818**	5,890
Total current assets		**258,006**	256,386	**67,651**	13,071
Total assets		**433,189**	366,300	**252,000**	219,374
EQUITY					
Share capital	16	**90,545**	90,545	**90,545**	90,545
Reserves	17	**193,335**	178,893	**127,779**	121,649
Equity attributable to owners of the Company		**283,880**	269,438	**218,324**	212,194
Non-controlling interests		**58,818**	54,963	**-**	-
Total equity		**342,698**	324,401	**218,324**	212,194

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

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
LIABILITIES					
Loans and borrowings	18	**23,579**	-	**-**	-
Deferred tax liabilities	9	**454**	799	**-**	-
Provision for property development	19	**-**	4,527	**-**	-
Total non-current liabilities		**24,033**	5,326	**-**	-
Loans and borrowings	18	**15,741**	-	**14,500**	-
Trade and other payables	20	**48,779**	34,599	**19,016**	7,180
Provision for property development	19	**-**	986	**-**	-
Tax payable		**1,938**	988	**160**	-
Total current liabilities		**66,458**	36,573	**33,676**	7,180
Total liabilities		**90,491**	41,899	**33,676**	7,180
Total equity and liabilities		**433,189**	366,300	**252,000**	219,374

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	Note	Group		Company	
		2015 RM'000	2014 RM'000	**2015 RM'000**	2014 RM'000
Revenue	21	**219,662**	97,663	**12,177**	253
Cost of sales	22	**(171,334)**	(69,025)	**-**	-
Gross profit		**48,328**	28,638	**12,177**	253
Other income		**4,731**	3,700	**1,104**	1,966
Selling and distribution expenses		**(1,517)**	(1,008)	**-**	-
Administrative expenses		**(12,136)**	(9,608)	**(847)**	(667)
Other expenses		**(3,429)**	(4,793)	**(283)**	(1,014)
Results from operating activities		**35,977**	16,929	**12,151**	538
Finance costs	23	**(210)**	(2)	**(16)**	(2)
Share of profit/(loss) of equity-accounted associate		**7**	(5)	**-**	-
Profit before tax	26	**35,774**	16,922	**12,135**	536
Taxation	27	**(9,580)**	(3,975)	**(459)**	14
Profit for the financial year		**26,194**	12,947	**11,676**	550
Other comprehensive income, net of tax					
Reclassification of fair value upon disposal of available-for-sale financial assets		**(1,019)**	(608)	**(1,019)**	(608)
Total comprehensive income/(expense) for the financial year		**25,175**	12,339	**10,657**	(58)
Profit attributable to :					
Owners of the Company		**19,988**	9,210	**11,676**	550
Non-controlling interests		**6,206**	3,737	**-**	-
Profit for the financial year		**26,194**	12,947	**11,676**	550
Total comprehensive income/ (expense) attributable to :					
Owners of the Company		**18,969**	8,602	**10,657**	(58)
Non-controlling interests		**6,206**	3,737	**-**	-
Total comprehensive income/ (expense) for the financial year		**25,175**	12,339	**10,657**	(58)
Basic and diluted earnings per ordinary share (sen)	28	**22.08**	10.17		

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

Group	Note	Share capital RM'000	Share premium RM'000	Fair value reserves RM'000	Revaluation reserves RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
		← Attributable to owners of the Company →							
		← Non-distributable →				Distributable			
At 1 July 2014		90,545	186	1,669	10,974	163,506	266,880	60,222	327,102
Other comprehensive expense :									
- Reclassification of fair value upon disposal of available-for-sale financial assets		-	-	(608)	-	-	(608)	-	(608)
Profit for the financial year		-	-	-	-	9,210	9,210	3,737	12,947
Total comprehensive (expense)/income for the financial year		-	-	(608)	-	9,210	8,602	3,737	12,339
Transaction with owners :									
Acquisition of non-controlling interests in subsidiaries	7	-	-	-	-	746	746	(9,695)	(8,949)
Disposal of interests to non-controlling interests		-	-	-	-	1	1	(1)	-
Issuance of ordinary shares by subsidiaries		-	-	-	-	-	-	700	700
Dividends	29	-	-	-	-	(6,791)	(6,791)	-	(6,791)
Total transactions with owners of the Company		-	-	-	-	(6,044)	(6,044)	(8,996)	(15,040)
At 30 June 2014/1 July 2014		**90,545**	**186**	**1,061**	**10,974**	**166,672**	**269,438**	**54,963**	**324,401**
Other comprehensive expense :									
- Reclassification of fair value upon disposal of available-for-sale financial assets		**-**	**-**	**(1,019)**	**-**	**-**	**(1,019)**	**-**	**(1,019)**
Realisation of revaluation reserves		**-**	**-**	**-**	**(1,102)**	**1,102**	**-**	**-**	**-**
Profit for the financial year		**-**	**-**	**-**	**-**	**19,988**	**19,988**	**6,206**	**26,194**
Total comprehensive (expense)/income for the financial year		**-**	**-**	**(1,019)**	**(1,102)**	**21,090**	**18,969**	**6,206**	**25,175**
Transaction with owners :									
Dividends	29	**-**	**-**	**-**	**-**	**(4,527)**	**(4,527)**	**-**	**(4,527)**
Dividend paid to non-controlling interests of subsidiaries		**-**	**-**	**-**	**-**	**-**	**-**	**(2,351)**	**(2,351)**
Total transactions with owners of the Company		**-**	**-**	**-**	**-**	**(4,527)**	**(4,527)**	**(2,351)**	**(6,878)**
At 30 June 2015		**90,545**	**186**	**42**	**9,872**	**183,235**	**283,880**	**58,818**	**342,698**

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

		← Attributable to owners of the Company →				
		← Non-distributable		→	Distributable	
Company	**Note**	**Share capital RM'000**	**Share premium RM'000**	**Fair value reserves RM'000**	**Retained earnings RM'000**	**Total RM'000**
At 1 July 2013		90,545	186	1,669	126,643	219,043
Other comprehensive expense :						
- Reclassification of fair value upon disposal of available-for-sale financial assets		-	-	(608)	-	(608)
Profit for the financial year		-	-	-	550	550
Total comprehensive (expense)/ income for the financial year		-	-	(608)	550	(58)
Transaction with owners :						
Dividends	29	-	-	-	(6,791)	(6,791)
At 30 June 2014/1 July 2014		**90,545**	**186**	**1,061**	**120,402**	**212,194**
Other comprehensive expense :						
- Reclassification of fair value upon disposal of available-for-sale financial assets		**-**	**-**	**(1,019)**	**-**	**(1,019)**
Profit for the financial year		**-**	**-**	**-**	**11,676**	**11,676**
Total comprehensive (expense)/ income for the financial year		**-**	**-**	**(1,019)**	**11,676**	**10,657**
Transaction with owners :						
Dividends	29	**-**	**-**	**-**	**(4,527)**	**(4,527)**
At 30 June 2015		**90,545**	**186**	**42**	**127,551**	**218,324**

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

		Group		Company	
	Note	**2015 RM'000**	2014 RM'000	**2015 RM'000**	2014 RM'000
Cash flows from operating activities					
Profit before tax		**35,774**	16,922	**12,135**	536
Adjustments for :					
Depreciation of :					
- property, plant and equipment		**1,326**	1,121	**-**	-
- investment properties	5	**97**	80	**-**	-
Amortisation of biological assets	6	**53**	51	**-**	-
Dividend income	21	**-**	-	**(10,098)**	-
Interest income	26	**(640)**	(1,456)	**(83)**	(98)
Property, plant and equipment written off	26	**5**	154	**-**	-
Allowance for/(reversal of) impairment loss on :					
- investment in subsidiaries	26	**-**	-	**25**	(1,260)
- trade receivables	26	**-**	(256)	**-**	-
(Gain)/Loss on disposal of property, plant and equipment	26	**(50)**	111	**-**	-
Gain on disposal of investment properties		**-**	(97)	**-**	-
Reclassification of fair value upon disposal of available-for-sale financial assets		**(1,019)**	(608)	**(1,019)**	(608)
Interests expense	23	**210**	2	**16**	2
Share of (profit)/loss of an associate		**(7)**	5	**-**	-
Operating profit/(loss) before changes in working capital		**35,749**	16,029	**976**	(1,428)
Changes in working capital:					
Property development costs		**(3,106)**	(2,053)	**-**	-
Inventories		**3,890**	936	**-**	-
Amount due from customer on construction contracts		**1,407**	-	**-**	-
Trade and other receivables		**(37,494)**	1,940	**(64,528)**	(50,003)
Trade and other payables		**14,211**	10,660	**11,836**	57,432
Cash generated from/(used in) operations		**14,657**	27,512	**(51,716)**	6,001
Tax (paid)/refunded		**(6,524)**	(3,266)	**(123)**	107
Net cash from/(used in) operating activities		**8,133**	24,246	**(51,839)**	6,108

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

	Note	Group **2015** **RM'000**	Group 2014 RM'000	Company **2015** **RM'000**	Company 2014 RM'000
Cash flows from investing activities					
Interest received		**640**	1,410	**83**	98
Dividend received		**-**	-	**10,098**	-
Proceeds from disposal of property, plant and equipment		**181**	440	**-**	-
Proceeds from disposal of available-for-sale financial assets		**6,700**	4,000	**6,700**	4,000
Proceeds from disposal of investment property		**-**	250	**-**	-
Additions to property, plant and equipment	3	**(1,816)**	(346)	**-**	-
Additions to land held for property development		**(50,753)**	(602)	**-**	-
Additions to biological assets	6	**-**	(391)	**-**	-
Additions to investment properties	5	**(13,034)**	(82)	**-**	-
Investments in subsidiaries		**-**	-	**(1,000)**	(14,249)
Investment in an associate		**-**	(2,020)	**-**	-
Redemption of RPS* by certain subsidiaries	*A*	**-**	-	**-**	13,040
Repayment from subsidiaries		**-**	-	**22,929**	-
Net cash outflow upon loss of control of a sub-subsidiary company	14	**(604)**	-	**-**	-
Net cash (used in)/from investing activities		**(58,686)**	2,659	**38,810**	2,889
Cash flows from financing activities					
Proceeds from issuance of ordinary shares by subsidiaries		**-**	700	**-**	-
Acquisition of non-controlling interests in subsidiaries		**-**	(8,949)	**-**	-
Interest paid		**(210)**	(2)	**(16)**	(2)
Dividend paid to non-controlling interests		**(2,351)**	-	**-**	-
Dividend paid		**(4,527)**	(6,791)	**(4,527)**	(6,791)
Withdrawal of deposits with licensed banks pledged as security		**-**	563	**-**	563
Deposits with licensed banks pledged as security		**(7)**	(7)	**-**	-
Repayment of loans and borrowings		**(15,500)**	-	**(15,500)**	-
Drawdown of loans and borrowings		**54,820**	-	**30,000**	-
Net cash from/(used in) financing activities		**32,225**	(14,486)	**9,957**	(6,230)

* Redeemable Preference Shares

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

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Net change in cash and cash equivalents		**(18,328)**	12,419	**(3,072)**	2,767
Cash and cash equivalents at the beginning of the financial year		**57,666**	45,247	**5,890**	3,123
Cash and cash equivalents at the end of the financial year	*B*	**39,338**	57,666	**2,818**	5,890

Notes

A. *Redemption of RPS by certain subsidiaries*

During the previous financial year ended 30 June 2014, the Company redeemed 635,400 RPS 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 7 to the financial statements.

B. *Cash and cash equivalents*

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

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Short term deposits with licenced banks	**7,168**	38,857	**-**	5,000
Cash and bank balances	**32,401**	19,033	**2,818**	890
	39,569	57,890	**2,818**	5,890
Less: Short term deposits held as security for trade facilities	**(231)**	(224)	**-**	-
	39,338	57,666	**2,818**	5,890

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

Oriental Interest Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows :

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

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

The immediate and ultimate holding company is Jupiter Sunrise Sdn Bhd, a company incorporated in Malaysia.

The consolidated financial statements for the financial year ended 30 June 2015 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interest in an associate. The financial statements of the Company as at and for the financial year ended 30 June 2015 do not include other entities.

The principal activities of the Company are investment holding, provision of management services, whilst the principal activities of the subsidiaries and an associate are as stated in Note 7 and Note 8 to the financial statements.

The financial statements were authorised for issue by the Board of Directors on 23 September 2015.

1 Basis of preparation

(a) Statement of compliance

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

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and by the Company :

FRSs, amendments and Interpretations effective for annual periods beginning on or after 1 January 2016

- Amendments to FRS 5, *Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)*
- Amendments to FRS 7, *Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)*
- Amendments to FRS 10, *Consolidated Financial Statements* and FRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

1 Basis of preparation (continued)

(a) Statement of compliance (continued)

FRSs, amendments and Interpretations effective for annual periods beginning on or after 1 January 2016 (continued)

- Amendments to FRS 10, *Consolidated Financial Statements*, FRS 12, *Disclosure of Interests in Other Entities* and FRS 128, *Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*
- Amendments to FRS 11, *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations*
- FRS 14, *Regulatory Deferral Accounts*
- Amendments to FRS 101, *Presentation of Financial Statements – Disclosure Initiative*
- Amendments to FRS 116, *Property, Plant and Equipment* and FRS 138, *Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to FRS 116, *Property, Plant and Equipment* and FRS 141, *Agriculture – Agriculture: Bearer Plants*
- Amendments to FRS 119, *Employee Benefits (Annual Improvements 2012- 2014 Cycle)*
- Amendments to FRS 127, *Separate Financial Statements – Equity Method in Separate Financial Statements*
- Amendments to FRS 134, *Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)*

FRSs, amendments and Interpretations effective for annual periods beginning on or after 1 January 2018

- FRS 9, *Financial Instruments (2014)*

The Group and the Company plan to apply the abovementioned accounting standards, amendments and interpretations, where applicable:

- from the annual period beginning on 1 July 2016 for those accounting standards, amendments and interpretations that are effective for annual periods beginning on or after 1 January 2016.
- from the annual period beginning on 1 July 2018 for those accounting standards, amendments and interpretations that are effective for annual periods beginning on or after 1 January 2018.

The Group's and Company's financial statements for annual period beginning on 1 January 2017 will be prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs") issued by the MASB and International Financial Reporting Standards ("IFRSs").

The initial application of the other accounting standards, amendments and interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and of the Company.

The Group and Company fall within the scope of IC Interpretation 15, *Agreements for the Construction of Real Estate*. Therefore, the Group and Company are currently exempted from adopting the Malaysian Financial Reporting Standards ("MFRS") and are referred to as a "Transitioning Entities".

1 Basis of preparation (continued)

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2 to the financial statements.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes :

(i) Property development

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

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs. In making the judgement, the Group relies on past experience and the work of specialists.

(ii) 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.

(iii) 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.

1 Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

(iv) 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.

(v) 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.

2 Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, 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. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

2 Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(ii) Business combinations (continued)

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as :

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

The results of all subsidiaries are consolidated using the acquisition method of accounting except for the consolidation of certain subsidiaries (as disclosed in Note 7) 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.

(iii) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

2 Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(v) Associates

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses. The cost of the investment includes transaction costs.

2 Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(vi) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the financial year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(vii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Financial instruments

(i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows :

Financial assets

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

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

2 Significant accounting policies (continued)

(b) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial assets

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

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(b) Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market.

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

(c) Available-for-sale financial assets

Available-for-sale category comprises investment in equity and debt securities instruments that are not held for trading. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which are recognised in profit or loss. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment (see Note 2(k)(i)).

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract) or financial liabilities that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of equity instruments that do not have a quoted price in an active market for identical instruments whose fair values otherwise cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

2 Significant accounting policies (continued)

(b) Financial instruments (continued)

(iii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Fair value arising from financial guarantee contracts are classified as deferred income and is amortised to profit or loss using a straight-line method over the contractual period or, when there is no specified contractual period, recognised in profit or loss upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

(iv) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date, and
(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

(v) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(c) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost/valuation less any accumulated depreciation and any accumulated impairment losses. 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.

2 Significant accounting policies (continued)

(c) Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

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.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

The freehold land and 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 and building 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 cost of leasehold land.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably.

2 Significant accounting policies (continued)

(c) Property, plant and equipment (continued)

(ii) Subsequent costs (continued)

The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated and leasehold land is depreciated in equal instalments over the periods of the respective leases that range from 38 to 86 years. Capital work-in-progress are not depreciated until the assets are ready for their intended use.

The annual depreciation rates for the current and comparative periods are as follows:

	%
Buildings	2
Estate infrastructure	5
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 methods, useful lives and residual values are reviewed at end of the reporting period, and adjusted as appropriate.

(d) Investment properties

(i) Investment properties carried at cost

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purpose. These include freehold land and leasehold land which in substance is a finance lease held for a currently undetermined future use. Properties that are occupied by the companies in the Group are accounted for as owner-occupied rather than as investment properties.

2 Significant accounting policies (continued)

(d) Investment properties (continued)

(i) Investment properties carried at cost (continued)

Investment properties are stated at cost less any accumulated depreciation and any accumulated impairment losses, consistent with the accounting policy for property, plant and equipment as stated in accounting policy Note 2(c).

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Depreciation is charged to the profit or loss on a straight-line basis over the estimated useful lives of 50 years for buildings. Freehold land is not depreciated. Depreciation on capital work-in-progress commences when the assets are ready for their intended use.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

(ii) Reclassification to/from investment property

Transfers between investment properties, property, plant and equipment and inventories do not change the carrying amount and cost of the property transferred.

(iii) Determination of fair value

The Directors estimate the fair values of the Group's investment property without involvement of independent valuers.

The Directors estimate the fair values of the Group's investment properties based on comparison of the Group's investment properties with similar properties that were listed for sale within the same locality or other comparable localities.

(e) Property development activities

(i) Land held for property development

Land held for property development consists of land or such portions thereof on which no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

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.

2 Significant accounting policies (continued)

(e) Property development activities (continued)

(ii) Property development costs (continued)

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 estimated reliably, when it is probable that total property development costs (including expected defect liability expenditure) will exceed total property development revenue, the expected loss is recognised as an expense immediately.

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

Where revenue recognised in 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).

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised immediately in profit or loss.

(f) 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 trees of 20 years, or over the period of the lease, whichever is shorter, commencing from the year of maturity of the crop.

(g) Inventories

Inventories are measured 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.

2 Significant accounting policies (continued)

(g) Inventories (continued)

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 estimated costs of completion and the estimated costs necessary to make the sale.

(h) 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 financial 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.

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).

(i) Leased assets

(i) Finance lease

Leases in terms of which the Group or the Company assume substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

2 Significant accounting policies (continued)

(i) Leased assets (continued)

(i) Finance lease (continued)

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment.

(ii) Operating lease

Leases, where the Group or the Company does not assumes substantially all the risks and rewards of ownership are classified as operating leases and the leased assets are not recognised on the statement of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Leasehold land which in substance is an operating lease is classified as prepaid lease payments.

(j) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments (including the amount maintained pursuant to the Housing Developers (Housing Development Account) (Amendment) Regulations 2002). For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(k) Impairment

(i) Financial assets

All financial assets (except for financial assets categorised as fair value through profit or loss, investments in subsidiaries and investments in associates) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment. If any such objective evidence exists, then the impairment loss of the financial asset is estimated.

An impairment loss in respect of loans and receivables and held-to-maturity investments is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

2 Significant accounting policies (continued)

(k) Impairment (continued)

(i) Financial assets (continued)

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in the other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity to profit or loss.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available for sale is not reversed through profit or loss.

If, in a subsequent period, the fair value of a debt instrument 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, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

(ii) Other assets

The carrying amounts of other assets including investments in subsidiaries and associates (except for inventories, amount due from contract customers and deferred tax asset) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

2 Significant accounting policies (continued)

(k) Impairment (continued)

(ii) Other assets (continued)

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(l) 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.

(m) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, bonuses, paid annual leave and sick leave and non-monetary benefits are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iii) 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 Significant accounting policies (continued)

(n) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(o) Revenue and other income

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.

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.

(i) Sale of property development

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.

(ii) Sale of land and developed properties

Revenue from sale of land and developed properties are recognised upon transfer of significant risks and rewards of ownership to the purchasers.

(iii) Construction contracts

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.

(iv) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established, which in the case of quoted securities is ex-dividend date.

(v) Rental income

Rental income is recognised on accrual basis.

2 Significant accounting policies (continued)

(o) Revenue and other income (continued)

(vi) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(vii) Management fees

Management fees are recognised when services are rendered.

(viii) Oil palm cultivation

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

(ix) Marketing operations

Revenue from marketing operations is recognised upon rendering of services.

(x) Hotel operations

Income from hotel operations is recognised at the point at which the accommodation and related services are provided.

(p) Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments' results are reviewed regularly by the chief operating decision maker, which in this case is the Group's Executive Directors, to make decisions about resources to be allocated to the segment and to assess its performance and for which discrete financial information is available.

(q) Contingencies

(i) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(ii) Contingent assets

When an inflow of economic benefit of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, the asset is not recognised in the statements of financial position but is being disclosed as a contingent asset. When the inflow of economic benefit is virtually certain, then the related asset is recognised.

2 Significant accounting policies (continued)

(r) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

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 capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(s) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2 Significant accounting policies (continued)

(t) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding adjusted for own shares held for the effects of all dilutive potential ordinary shares.

(u) 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.

(v) 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.

(w) Fair value measurement

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3 Property, plant and equipment - Group

	At valuation	At cost											
	Freehold land and freehold oil palm plantation RM'000	Freehold land RM'000	Long-term leasehold land and oil palm plantation RM'000	Freehold oil palm plantation RM'000	Buildings RM'000	Estate infra-structure RM'000	Plantation equipment RM'000	Furniture and fittings, office equipment, electrical installation and others RM'000	Motor vehicles RM'000	Site equipment RM'000	Office renovation RM'000	Capital work-in progress RM'000	Total RM'000
Cost													
At 1 July 2013	13,310	3,300	14,752	20,351	10,421	822	99	2,823	5,128	79	186	178	71,449
Additions	-	-	-	-	-	-	-	132	196	3	-	15	346
Disposals	-	-	-	-	-	-	-	(89)	(1,763)	(37)	-	-	(1,889)
Written off	-	-	-	-	-	-	-	(354)	(76)	(14)	-	-	(444)
Transfer from property development costs (Note 10)	-	254	-	-	10,754	-	-	247	-	-	-	-	11,255
At 30 June 2014/ 1 July 2014	**13,310**	**3,554**	**14,752**	**20,351**	**21,175**	**822**	**99**	**2,759**	**3,485**	**31**	**186**	**193**	**80,717**
Additions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,618**	**2**	**1**	**-**	**195**	**1,816**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(9)**	**(279)**	**-**	**-**	**-**	**(288)**
Written off	**-**	**-**	**-**	**-**	**-**	**-**	**(2)**	**(330)**	**-**	**(9)**	**-**	**-**	**(341)**
Transfer to investment properties (Note 5)	**(1,302)**	**(390)**	**-**	**-**	**(914)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,606)**
Reclassification	**16,591**	**-**	**-**	**(16,591)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
At 30 June 2015	**28,599**	**3,164**	**14,752**	**3,760**	**20,261**	**822**	**97**	**4,038**	**3,208**	**23**	**186**	**388**	**79,298**
Depreciation and impairment loss													
At 1 July 2013													
Accumulated depreciation	-	-	1,290	-	766	353	95	1,690	2,982	65	146	-	7,387
Accumulated impairment loss	-	-	1,433	-	-	-	-	-	-	-	-	-	1,433
	-	-	2,723	-	766	353	95	1,690	2,982	65	146	-	8,820
Depreciation for the financial year	-	-	162	-	424	41	1	224	323	3	10	-	1,188
Disposals	-	-	-	-	-	-	-	(40)	(1,164)	(37)	-	-	(1,241)
Written off	-	-	-	-	-	-	-	(236)	(41)	(13)	-	-	(290)
At 30 June 2014/ 1 July 2014													
Accumulated depreciation	**-**	**-**	**1,452**	**-**	**1,190**	**394**	**96**	**1,638**	**2,100**	**18**	**156**	**-**	**7,044**
Accumulated impairment loss	**-**	**-**	**1,433**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,433**
	-	**-**	**2,885**	**-**	**1,190**	**394**	**96**	**1,638**	**2,100**	**18**	**156**	**-**	**8,477**
Depreciation for the financial year	**-**	**-**	**163**	**-**	**405**	**41**	**1**	**493**	**217**	**3**	**3**	**-**	**1,326**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(5)**	**(152)**	**-**	**-**	**-**	**(157)**
Written off	**-**	**-**	**-**	**-**	**-**	**-**	**(2)**	**(328)**	**-**	**(6)**	**-**	**-**	**(336)**
Transfer to investment properties (Note 5)	**-**	**-**	**-**	**-**	**(329)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(329)**

3 Property, plant and equipment - Group (continued)

	At valuation	At cost											
	Freehold land and freehold oil palm plantation RM'000	Freehold land RM'000	Long-term leasehold land and oil palm plantation RM'000	Freehold oil palm plantation RM'000	Buildings RM'000	Estate infra-structure RM'000	Plantation equipment RM'000	Furniture and fittings, office equipment, electrical installation and others RM'000	Motor vehicles RM'000	Site equipment RM'000	Office renovation RM'000	Capital work-in progress RM'000	Total RM'000
At 30 June 2015													
Accumulated depreciation	-	-	1,615	-	1,266	435	95	1,798	2,165	15	159	-	7,548
Accumulated impairment loss	-	-	1,433	-	-	-	-	-	-	-	-	-	1,433
	-	-	3,048	-	1,266	435	95	1,798	2,165	15	159	-	8,981
Carrying amounts													
At 1 July 2013	13,310	3,300	12,029	20,351	9,655	469	4	1,133	2,146	14	40	178	62,629
At 30 June 2014/ 1 July 2014	13,310	3,554	11,867	20,351	19,985	428	3	1,121	1,385	13	30	193	72,240
At 30 June 2015	**28,599**	**3,164**	**11,704**	**3,760**	**18,995**	**387**	**2**	**2,240**	**1,043**	**8**	**27**	**388**	**70,317**

(a) Certain freehold land and building were revalued by the Directors during the financial year ended 30 June 1995 based on the open 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 at valuation that would otherwise be stated in the financial statements had the assets been carried at cost less accumulated depreciation would be RM16,591,000 (2014 : RM1,425,000).

4 Land held for property development - Group

	Note	At Cost Leasehold land RM'000	Freehold land RM'000	Development costs RM'000	Total RM'000
At 1 July 2013		-	22,543	13,444	35,987
Incurred during the financial year		-	-	602	602
Transfer from/(to) property development costs	10	8	(557)	(1,055)	(1,604)
Disposals		-	(10,462)	(72)	(10,534)
Reclassification		-	(66)	66	-
At 30 June 2014/1 July 2014		**8**	**11,458**	**12,985**	**24,451**
Incurred during the financial year		**-**	**48,384**	**2,412**	**50,796**
Transfer to property development costs	10	**-**	**(372)**	**(2,016)**	**(2,388)**
Disposals		**-**	**(34)**	**(9)**	**(43)**
At 30 June 2015		**8**	**59,436**	**13,372**	**72,816**

4 Land held for property development - Group (continued)

Security

Certain land held for property development of the Group with carrying amounts of RM39,246,360 (2014 : RM Nil) have been charged to secure the banking facilities granted to the Group (Note 18).

Included in land held for property development of the Group is interest expense of RM203,667 (2014 : RM Nil) capitalised during the financial year.

5 Investment properties - Group

Cost	Note	RM'000
At 1 July 2013		4,975
Additions		82
Transfer from property development costs	10	2
Disposal		(179)
At 30 June 2014/1 July 2014		**4,880**
Additions		**13,034**
Transfer from property, plant and equipment	3	**2,606**
Transfer from property development costs	10	**3,362**
At 30 June 2015		**23,882**
Accumulated depreciation		
At 1 July 2013		1,302
Depreciation for the financial year	26	80
Disposal		(26)
At 30 June 2014/1 July 2014		**1,356**
Depreciation for the financial year	26	**97**
Transfer from property, plant and equipment	3	**329**
At 30 June 2015		**1,782**
Carrying amounts		
At 1 July 2013		3,673
At 30 June 2014/1 July 2014		3,524
At 30 June 2015		**22,100**

5 Investment properties - Group (continued)

The carrying amounts are represented by :

	2015 RM'000	2014 RM'000
Freehold land	**4,861**	-
Buildings	**3,199**	2,710
Construction work-in-progress	**14,040**	814
	22,100	3,524

The following are recognised in profit or loss in respect of investment properties :

	2015 RM'000	2014 RM'000
Rental income	**620**	505
Direct operating expenses:		
- income generating investment properties	**156**	104
- non-income generating investment properties	**3**	13

5.1 Security

Certain investment properties of the Group with carrying amounts of RM2,355,037 (2014 : RM Nil) have been charged to secure banking facilities granted to the Group (Note 18).

5.2 Fair value

The fair value was based on Directors' estimation using the latest available market information and recent experience and knowledge in the location and category property being valued. The fair values of investment properties of the Group as at 30 June 2015 were classified as Level 3 of fair value hierarchy and determined to be approximately RM29,843,000 (2014 : RM7,250,000).

6 Biological assets - Group

	Note	RM'000
Cost		
At 1 July 2013		1,037
Additions		391
At 30 June 2014/1 July 2014		**1,428**
Additions		**-**
At 30 June 2015		**1,428**

6 Biological assets - Group (continued)

	Note	RM'000
Accumulated amortisation		
At 1 July 2013		295
Amortisation charge for the financial year	26	51
At 30 June 2014/1 July 2014		**346**
Amortisation charge for the financial year	26	**53**
At 30 June 2015		**399**
Carrying amounts		
At 1 July 2013		742
At 30 June 2014/1 July 2014		1,082
At 30 June 2015		**1,029**

7 Investments in subsidiaries - Company

	2015 RM'000	2014 RM'000
Unquoted shares, at cost		
Ordinary shares	**112,506**	111,506
Accumulated impairment loss	**(1,457)**	(1,432)
	111,049	110,074
Redeemable preference shares ("RPS")	**73,320**	73,320
Accumulated impairment loss	**(20)**	(20)
	73,300	73,300
Advances to subsidiary companies* :		
OIB Properties (CV) Sdn Bhd	**-**	11,362
OIB Construction Sdn Bhd	**-**	7,542
OIB Marketing Sdn Bhd	**-**	200
OIB Properties (PRV) Sdn Bhd	**-**	3,825
	-	22,929
	184,349	206,303

* The advances to subsidiary companies 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.

7 Investments in subsidiaries - Company (continued)

Details of the subsidiaries are as follows :

Name of entity	Country of incorporation	Principal activities	Effective ownership interest 2015 %	2014 %
OIB Properties (K) Sdn Bhd ("OIBK")#	Malaysia	Property development and oil palm cultivation	**100**	100
OIB Services Sdn Bhd ("OIBS")#~	Malaysia	Management services and property development	**100**	100
OIB Properties (PRV) Sdn Bhd ("PRV")^ß	Malaysia	Property development	**100**	100
OIB Properties (KV) Sdn Bhd #~	Malaysia	Property development	**100**	100
OIB Resort Sdn Bhd &	Malaysia	Hotel operation and management services	**100**	100
OIB Construction Sdn Bhd~@ø	Malaysia	General construction	**90**	90
OIB Marketing Sdn Bhd~@ø	Malaysia	Marketing and sale of land and properties	**80**	80
Brilliant Alliance Sdn Bhd ("BA")π	Malaysia	Investment holding	**87**	87
Aturan Cemerlang Sdn Bhd ("AC")π	Malaysia	Investment holding	**73**	73
OIB Properties (SW) Sdn Bhd ("SW")	Malaysia	Property development and oil palm cultivation	**51**	51
OIB Management Sdn Bhd>	Malaysia	Management and maintenance services for property and buildings	**100**	-
OIB Properties (Meru) Sdn Bhd> +	Malaysia	Dormant	**100**	-
Subsidiaries of OIBS				
OIB Properties (CV) Sdn Bhd	Malaysia	Property development and oil palm cultivation	**100**	100
Maxilux Properties Sdn Bhd~&	Malaysia	Property development	**100**	100
OIB Properties (C) Sdn Bhd~	Malaysia	Property development	**100**	100
Subsidiary of BA				
Yiked Alliance Sdn Bhd	Malaysia	Property development	**70**	70

7 Investments in subsidiaries - Company (continued)

Details of the subsidiaries are as follows : (continued)

Name of entity	Country of incorporation	Principal activities	Effective ownership interest 2015 %	2014 %
Subsidiaries of AC				
Yiked Brilliant Sdn Bhd	Malaysia	Property development	**58**	58
Central Kedah Brick Kiln Sdn Berhad (In member's voluntary winding up) \	Malaysia	Property development See note 14.	**73**	73
Subsidiary of OIBK				
Sungei Lalang Development Sdn Bhd	Malaysia	Property development	**100**	100
Cahajaya Group				
Cahajaya Timber Industries Sdn Bhd (In member's voluntary winding up)	Malaysia	Manufacture of kiln dried rubberwood, sawn timber, solid doors and moulded wood products. See Note 14.	**100**	100
Patriot Furniture Sdn Bhd (In member's voluntary winding up)	Malaysia	Manufacture and sales of wooden furniture, wooden furniture parts, and parquet. See Note 14.	**100**	100
Guar Timber Industries Sdn Bhd (In member's voluntary winding up)	Malaysia	Dormant. See Note 14.	**100**	100

These subsidiaries are consolidated using the merger method of accounting.
+ The result of the subsidiary was not consolidated due to insignificant impact.

During the financial year ended 30 June 2015,

ß The Company further subscribed 999,990 ordinary shares of PRV at par, and the interest of the Company remained at 100%.

> The Company incorporated 2 wholly owned subsidiaries, OIB Management Sdn Bhd ("OIBM") and OIB Properties (Meru) Sdn Bhd ("MERU") with an authorised share capital of 400,000 ordinary shares of RM1 each. The issued and fully paid up share capital of OIBM and MERU are 10 ordinary shares and 2 ordinary shares respectively.

7 Investments in subsidiaries - Company (continued)

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.

~ 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.

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

@ The Company acquired 2 ordinary shares of RM1.00 each on 16 January 2014, 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.

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 on 22 January 2014. 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 effective ownership interest of the Company in OMSB and OCSB remained at 80% and 90% respectively.

\ The subsidiary was placed under member’s voluntary winding up on 1 July 2014. 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.

π 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 on 21 February 2014. Following the acquisition, the Company holds a total of 7,206,357 ordinary shares in BA representing 84.78% equity interests 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.

7 Investments in subsidiaries - Company (continued)

During the financial year ended 30 June 2014, (continued)

π 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 on 21 February 2014. Following the acquisition, the Company holds a total of 8,488,823 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 in AC.

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

ø 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 on 27 January 2014. This resulted in the increase in non-controlling interest of RM1,000 and equity attributable to owners of the parent of RM1,000.

Non-controlling interests in a subsidiary

As at 30 June 2015, the total non-controlling interests ("NCI") are RM58,818,000 (2014: RM54,963,000) of which RM40,036,000 (2014 : RM38,719,000) are 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.

	2015 RM'000	2014 RM'000
NCI percentage of ownership interest and voting interest - SW*	**49**	49
Carrying amount of NCI	**40,036**	38,719
Profit allocated to NCI	**3,562**	2,266

7 Investments in subsidiaries - Company (continued)

Non-controlling interests in a subsidiary (continued)

	2015 RM'000	2014 RM'000
Summarised financial information before intragroup elimination :		
Non-current assets	**26,644**	26,714
Current assets	**36,692**	41,256
Non-current liabilities	**(246)**	(4,899)
Current liabilities	**(6,288)**	(8,967)
Net assets	**56,802**	54,104
Financial year ended 30 June		
Revenue	**37,358**	20,223
Profit for the financial year	**7,298**	4,643
Total comprehensive income	**7,298**	4,643

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

	2015 RM'000	2014 RM'000
Cash flows (used in)/from operating activities	**(3,208)**	6,801
Cash flows from/(used in) investing activities	**66**	(2,235)
Cash flows used in financing activities	**(4,600)**	-
Net (decrease)/increase in cash and cash equivalents	**(7,742)**	4,566
Dividend paid to NCI	**(2,245)**	-

8 Investment in an associate - Group

	2015 RM'000	2014 RM'000
Unquoted shares, at cost	**5,169**	5,169
Share of post-acquisition profits	**23**	16
	5,192	5,185

8 Investment in an associate - Group (continued)

Details of the associate are as follows :

Name of entity	Country of incorporation	Principal activity	Effective ownership interest 2015 %	2014 %
Held by OIB Properties (SW) Sdn Bhd :				
Prestasi Raya Sdn Bhd	Malaysia	Property development	**23**	23

During the previous 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.

The following table summarises the information of the Group's associate, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associate.

	2015 RM'000	2014 RM'000
Summarised financial information		
As at 30 June		
Non-current assets	**1,677**	1,671
Current assets	**10,314**	10,273
Current liabilities	**(18)**	(3)
Net assets	**11,973**	11,941
Financial year ended 30 June		
Profit/(Loss) for the financial year representing total comprehensive income/(expense)	**33**	(22)
Included in the total comprehensive income is :		
Revenue	**-**	-
Reconciliation of net assets to carrying amount as at 30 June		
Group's share of net assets	**5,388**	5,374
Negative goodwill	**(201)**	(201)
Elimination of unrealised profit	**5**	12
Carrying amount in the statement of financial position	**5,192**	5,185
Group's share of results for the financial year ended 30 June		
Group's share of total comprehensive income/(expense)	**7**	(5)

9 Deferred tax assets/(liabilities) - Group

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following :

	Assets		Liabilities		Net	
	2015 RM'000	2014 RM'000	**2015 RM'000**	2014 RM'000	**2015 RM'000**	2014 RM'000
Unrealised profits and interest	**3,253**	2,603	**-**	-	**3,253**	2,603
Tax losses	**165**	820	**-**	-	**165**	820
Provisions	**389**	140	**-**	-	**389**	140
Property development costs	**-**	-	**(21)**	(428)	**(21)**	(428)
Property, plant and equipment						
- capital allowances	**-**	-	**(461)**	(450)	**(461)**	(450)
- revaluation	**-**	-	**(50)**	(52)	**(50)**	(52)
Tax assets/(liabilities)	**3,807**	3,563	**(532)**	(930)	**3,275**	2,633
Set-off tax	**(78)**	(131)	**78**	131	**-**	-
Net tax assets/(liabilities)	**3,729**	3,432	**(454)**	(799)	**3,275**	2,633

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

Movements in temporary differences during the financial year are as follows :

	At 1 July 2013 RM'000	Recognised in profit or loss (Note 27) RM'000	At 30 June 2014/ 1 July 2014 RM'000	Recognised in profit or loss (Note 27) RM'000	At 30 June 2015 RM'000
Unrealised profits and interest	1,547	1,056	**2,603**	**650**	**3,253**
Tax losses	866	(46)	**820**	**(655)**	**165**
Provisions	165	(25)	**140**	**249**	**389**
Property development costs	659	(1,087)	**(428)**	**407**	**(21)**
Property, plant and equipment					
- capital allowances	(323)	(127)	**(450)**	**(11)**	**(461)**
- revaluation	(53)	1	**(52)**	**2**	**(50)**
	2,861	(228)	**2,633**	**642**	**3,275**

9 Deferred tax assets/(liabilities) - Group (continued)

Unrecognised deferred tax assets - Group

No deferred tax assets have been recognised for the following items (stated at gross) :

	2015 RM'000	2014 RM'000
Taxable temporary differences	**2,928**	-
Capital allowance carrying-forwards	**(3,740)**	-
Tax losses carry-forwards	**(408)**	-
	(1,220)	-

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the Group entities can utilise the benefits therefrom.

10 Property development costs - Group

		At Cost			
	Note	Leasehold land RM'000	Freehold land RM'000	Development costs RM'000	Total RM'000
Cumulative property development costs					
At 1 July 2013		708	22,009	204,247	226,964
Incurred during the financial year		-	-	55,437	55,437
Transfer (to)/from land held for property development	4	(8)	557	1,055	1,604
Transfer to property, plant and equipment	3	-	(254)	(11,001)	(11,255)
Transfer to investment properties	5	-	(1)	(1)	(2)
Transfer to developed properties		-	(139)	(7,974)	(8,113)
Reclassification		-	78	(78)	-
Cost eliminated due to completed projects		-	(2,274)	(71,522)	(73,796)
At 30 June 2014/1 July 2014		**700**	**19,976**	**170,163**	**190,839**
Incurred during the financial year		**-**	**-**	**91,407**	**91,407**
Transfer from land held for property development	4	**-**	**372**	**2,016**	**2,388**
Transfer to investment properties	5	**-**	**(185)**	**(3,177)**	**(3,362)**
Transfer to developed properties		**-**	**(51)**	**(3,440)**	**(3,491)**
Cost eliminated due to completed projects		**-**	**(2,093)**	**(104,585)**	**(106,678)**
At 30 June 2015		**700**	**18,019**	**152,384**	**171,103**

10 Property development costs - Group (continued)

	Note	At Cost Leasehold land RM'000	At Cost Freehold land RM'000	Development costs RM'000	Total RM'000
Cumulative cost recognised in the statement of profit or loss and other comprehensive income					
At 1 July 2013		-	(2,437)	(100,219)	(102,656)
Recognised during the financial year		(287)	(1,801)	(50,175)	(52,263)
Cost eliminated due to completed projects		-	2,274	71,522	73,796
At 30 June 2014/1 July 2014		**(287)**	**(1,964)**	**(78,872)**	**(81,123)**
Recognised during the financial year		**(273)**	**(4,319)**	**(89,222)**	**(93,814)**
Cost eliminated due to completed projects		**-**	**2,093**	**104,585**	**106,678**
At 30 June 2015		**(560)**	**(4,190)**	**(63,509)**	**(68,259)**
Property development costs as at 30 June 2014		413	18,012	91,291	109,716
Property development costs as at 30 June 2015		**140**	**13,829**	**88,875**	**102,844**

Included in property development costs, are cost of landowners' entitlement amounting to RM9,871,361 (2014 : RM10,831,980) 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:

	2015 RM'000	2014 RM'000
Depreciation	**-**	67
Hire of equipment	**865**	315

11 Inventories - Group

	2015 RM'000	2014 RM'000
At cost :		
- Developed properties	**8,348**	8,775
- Plantation supplies	**58**	33
- Beverages	**3**	-
	8,409	8,808
At net realisable value :		
- Developed properties	**172**	172
	8,581	8,980

12 Amount due from customer on construction contracts - Group

	2015 RM'000	2014 RM'000
Aggregate costs incurred to-date	**77,022**	7,649
Attributable profits	**11,062**	445
	88,084	8,094
Less : Progress billings on receivable	**(84,811)**	(3,414)
	3,273	4,680

13 Trade and other receivables

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Trade					
Third parties		**23,442**	19,517	**-**	-
Accrued billings		**9,153**	2,278	**-**	-
Amount due from related parties	13.1	**34,895**	3,706	**-**	-
		67,490	25,501	**-**	-
Less : Allowance for impairment		**(36)**	(36)	**-**	-
		67,454	25,465	**-**	-
Non-trade					
Advances to landowners	13.2	**29,565**	29,967	**-**	-
Advances to subcontractors		**66**	140	**-**	-
Amount due from subsidiaries	13.3	**-**	-	**64,526**	-
Other receivables		**1,290**	1,094	**6**	4
Deposits	13.4	**2,939**	7,221	**23**	23
		33,860	38,422	**64,555**	27
		101,314	63,887	**64,555**	27

13 Trade and other receivables (continued)

Trade and other receivables are denominated in Ringgit Malaysia.

13.1 Amounts due from related parties - Group

The trade amounts due from related parties are subject to normal trade terms.

13.2 Advances to landowners - Group

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.

13.3 Amount due from subsidiaries - Company

The non-trade amounts due from subsidiaries of the Company are unsecured, carry interest at 6% (2014 : Nil) per annum and repayable on demand.

13.4 Deposits - Group

In prior year, included in deposits of the Group were deposits paid amounting to RM4,105,530 arising from agreements entered into between certain subsidiaries and landowners to purchase development land.

14 Available-for-sale financial assets

The available-for-sale financial assets are as below :

	Group		Company	
	2015	2014	**2015**	2014
	RM'000	RM'000	**RM'000**	RM'000
At 1 July 2014/2013	**6,978**	10,978	**6,978**	10,978
Addition *	**628**	-	**-**	-
	7,606	10,978	**6,978**	10,978
Distribution received from liquidator	**(6,700)**	(4,000)	**(6,700)**	(4,000)
At 30 June	**906**	6,978	**278**	6,978

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 and CKBK. 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.

* Central Kedah Brick Kiln Sdn Berhad ("CKBK") had been excluded from OIB's consolidated financial statements for the financial year ended 30 June 2015 as a result of the commencement of members' voluntary winding up pursuant to Section 254(1)(b) of the Companies Act, 1965 on 1 July 2014. There were no revenue and costs incurred as at 1 July 2014. This statement of financial position of CKBK is set out below :

14 Available-for-sale financial assets (continued)

	At 1.7.2014 RM'000
ASSETS	
Current assets	
Other receivables	67
Cash and cash equivalents	604
TOTAL ASSETS	671
EQUITY AND LIABILITIES	
Share capital	586
Retained earnings	42
Total equity	628
Current liabilities	
Trade and other payables	31
Tax payable	12
Total liabilities	43
TOTAL EQUITY AND LIABILITIES	671

15 Cash and cash equivalents

		Group		Company	
	Note	**2015 RM'000**	2014 RM'000	**2015 RM'000**	2014 RM'000
Short term deposit with licensed banks	15.1	**7,168**	38,857	**-**	5,000
Cash and bank balances		**12,873**	11,479	**2,818**	890
Cash and bank balances held under Housing Development Accounts pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966		**19,528**	7,554	-	-
		39,569	57,890	**2,818**	5,890

Cash and cash equivalents are denominated in Ringgit Malaysia.

15 Cash and cash equivalents (continued)

15.1 Short term deposit with licensed banks

Included in short term deposit with licensed banks of the Group is an amount of RM231,421 (2014: RM224,000) pledged to banks as security for banker's guarantee facilities granted.

16 Share capital - Group/Company

	2015		2014	
	Amount RM'000	**Number of shares**	Amount RM'000	Number of shares
Authorised :				
Ordinary shares of RM1 each	**200,000**	**200,000**	200,000	200,000
Issued and fully paid :				
Ordinary shares of RM1 each	**90,545**	**90,545**	90,545	90,545

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company and rank equally with regard to the Company's residual assets.

17 Reserves

	Group		**Company**	
	2015 RM'000	2014 RM'000	**2015 RM'000**	2014 RM'000
Non-distributable				
Share premium	**186**	186	**186**	186
Fair value reserves	**42**	1,061	**42**	1,061
Revaluation reserves	**9,872**	10,974	**-**	-
	10,100	12,221	**228**	1,247
Distributable				
Retained earnings	**183,235**	166,672	**127,551**	120,402
	193,335	178,893	**127,779**	121,649

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 2015 as dividend under single-tier system.

18 Loans and borrowings

	Group		Company	
	2015	2014	**2015**	2014
	RM'000	RM'000	**RM'000**	RM'000
Non-current				
Term loan - secured	**23,579**	-	**-**	-
Current				
Term loan - secured	**1,241**	-	**-**	-
Revolving credit - secured	**14,500**	-	**14,500**	-
	15,741	-	**14,500**	-
	39,320	-	**14,500**	-

Loans and borrowings are denominated in Ringgit Malaysia.

Security - Group

The term loan and revolving credit of the Group are secured by certain freehold land disclosed in Note 4 and Note 5 to the financial statements.

19 Provision for property development - Group

	2015	2014
	RM'000	RM'000
Provision for property development		
- non-current	**-**	4,527
- current	**-**	986
	-	5,513

Movements in provision for property development :

	2015	2014
	RM'000	RM'000
At 1 July 2014/2013	**5,513**	10,311
Reversals made during the financial year	**(4,527)**	-
Utilised	**(986)**	(4,798)
At 30 June	**-**	5,513

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.

20 Trade and other payables

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Trade					
Third parties	20.1	**34,713**	22,207	**-**	-
Progress billings		**4,898**	2,183	**-**	-
Amounts due to related parties	20.2	**4,621**	4,528	**-**	-
Deposit received		**28**	-	**-**	-
		44,260	28,918	**-**	-
Non-trade					
Amounts due to subsidiaries	20.3	**-**	-	**18,718**	6,866
Other payables		**1,789**	3,202	**-**	-
Accrued expenses		**2,730**	2,479	**298**	314
		4,519	5,681	**19,016**	7,180
		48,779	34,599	**19,016**	7,180

Trade and other payables are denominated in Ringgit Malaysia.

20.1 Third parties - Group

Included in trade third parties are landowners' entitlement in respect of development projects as described in Note 10 to the financial statements amounting to RM5,611,963 (2014 : RM4,549,000). Payments are made to the landowners based on the collections received from the respective housing projects on a yearly basis. Also included in trade third parties are subcontractors' retention sums amounting to RM9,649,163 (2014 : RM7,268,000).

20.2 Amounts due to related parties - Group

The trade amounts due to related parties were subject to normal trade terms.

20.3 Amounts due to subsidiaries - Company

The non-trade amounts due to subsidiaries of the Company are unsecured, bear interest at 4% (2014 : Nil) per annum and payable on demand.

21 Revenue

	Group		Company	
	2015	2014	**2015**	2014
	RM'000	RM'000	**RM'000**	RM'000
Property development revenue based on stage of completion	**127,086**	75,781	**-**	-
Construction contracts	**81,397**	3,414	**-**	-
Sales of developed properties	**6,286**	1,158	**-**	-
Sales of vacant land	**311**	13,677	**-**	-
Sales of fresh fruit bunches of oil palm	**1,572**	2,275	**-**	-
Income from hotel operations	**1,285**	1,066	**-**	-
Income from marketing operations	**1,437**	292	**-**	-
Dividend income from subsidiaries	**-**	-	**10,098**	-
Management fees	**288**	-	**100**	-
Interest income from subsidiaries	**-**	-	**1,979**	253
	219,662	97,663	**12,177**	253

22 Cost of sales - Group

	2015	2014
	RM'000	RM'000
Property development expenses	**93,814**	52,263
Constructions contract	**70,780**	2,969
Cost of developed properties sold	**3,918**	953
Cost of vacant land sold	**43**	10,789
Cost of oil palm fresh fruit brunches sold	**1,168**	1,105
Hotel operations and related services	**1,232**	933
Marketing expenses	**182**	13
Management expenses	**197**	-
	171,334	69,025

23 Finance costs

	Group		Company	
	2015	2014	**2015**	2014
	RM'000	RM'000	**RM'000**	RM'000
Revolving credit	**210**	-	**16**	-
Overdraft	**-**	2	**-**	2
Term loan	**204**	-	**-**	-
	414	2	**16**	2
Less : Capitalised under land held for property development	**(204)**	-	**-**	-
Recognised in profit or loss	**210**	2	**16**	2

24 Staff costs - Group

	2015 RM'000	2014 RM'000
Wages, salaries and bonuses	**6,726**	6,440
Contributions to defined contribution retirement plan	**881**	771
Other employee benefits	**705**	278
	8,312	7,489

25 Key management personnel compensations

The aggregate amount of emoluments receivable by Directors and other members of key management during the financial year are as follows :

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Non-executive Directors :				
- Fees receivable	**105**	87	**105**	87
- Allowances	**28**	46	**28**	46
	133	133	**133**	133
Executive Directors :				
- Fees receivable	**90**	86	**90**	86
- Salaries and bonuses	**2,177**	1,849	**-**	-
- Contributions to defined contribution retirement plan	**261**	193	**-**	-
- Allowances	**13**	26	**13**	26
- Estimated monetary value of benefits otherwise than in cash	**41**	155	**-**	-
	2,582	2,309	**103**	112
Key management :				
- Salaries and bonuses	**427**	360	**-**	-
- Contributions to defined contribution retirement plan	**52**	43	**-**	-
	479	403	**-**	-
	3,194	2,845	**236**	245

26 Profit before tax

	Group		Company	
	2015	2014	**2015**	2014
	RM'000	RM'000	**RM'000**	RM'000
Profit for the financial year is arrived at after charging :				
Amortisation of biological assets (Note 6)	**53**	51	**-**	-
Auditors' remuneration :				
- statutory audit (current year)	**232**	251	**37**	41
- statutory audit (prior year)	**(1)**	18	**-**	-
- other services	**56**	70	**56**	29
Directors' emoluments				
Executive				
- fees	**90**	86	**90**	86
- others	**2,492**	2,223	**13**	26
Non-executive				
- fees	**105**	87	**105**	87
- others	**28**	46	**28**	46
Developed properties written down to net realisable value	**-**	88	**-**	-
Depreciation of :				
- property, plant and equipment (Note 3)	**1,326**	1,188	**-**	-
- investment properties (Note 5)	**97**	80	**-**	-
Hire of plant and machinery	**833**	572	**-**	-
Impairment loss on :				
- investment in subsidiaries	**-**	-	**25**	-
- trade receivables	**-**	28	**-**	-
Property, plant and equipment written off (Note 3)	**5**	154	**-**	-
Rental expense of land and buildings	**173**	121	**-**	-
Loss on disposal of property, plant and equipment	**-**	111	**-**	-
and after crediting :				
Rental income	**656**	505	**-**	-
Interest income from :				
- subsidiaries	**-**	-	**1,979**	253
- others	**640**	1,456	**83**	98
Reversal of impairment loss on :				
- investment in subsidiaries	**-**	-	**-**	1,260
- trade receivables	**-**	284	**-**	-
Gain on disposal of property, plant and equipment	**50**	-	**-**	-
Gain on disposal of investment properties	**-**	97	**-**	-
Reclassification of fair value upon disposal of available-for-sale financial assets	**1,019**	608	**1,019**	608

27 Taxation

	Group		Company	
	2015	2014	**2015**	2014
	RM'000	RM'000	**RM'000**	RM'000
Current tax expense				
- current year	**10,185**	3,485	**459**	-
- prior year	**37**	262	**-**	(14)
	10,222	3,747	**459**	(14)
Deferred tax expense				
- current year	**(613)**	228	**-**	-
- prior year	**(29)**	-	**-**	-
	(642)	228	**-**	-
	9,580	3,975	**459**	(14)

Reconciliation of effective tax expense :

	Group		Company	
	2015	2014	**2015**	2014
	RM'000	RM'000	**RM'000**	RM'000
Profit for the financial year	**26,194**	12,947	**11,676**	550
Total tax expense	**9,580**	3,975	**459**	(14)
Profit excluding tax	**35,774**	16,922	**12,135**	536

Recognised in profit or loss

	Group		Company	
	2015	2014	**2015**	2014
	RM'000	RM'000	**RM'000**	RM'000
Tax at Malaysian tax rate of 25% (2014 : 25%)	**8,943**	4,231	**3,034**	134
Tax effects of :				
Non-deductible expenses	**698**	728	**94**	333
Income not subject to tax	**(146)**	(474)	**(2,670)**	(467)
Recognition of previously unrecognised temporary differences	**(2)**	(118)	**-**	-
Reversal/(Utilisation) of previously unrecognised tax losses	**305**	(322)	**-**	-
Effect of change in tax rate*	**(138)**	-	**-**	-
Others	**(88)**	(332)	**1**	-
	9,572	3,713	**459**	-
Under/(Over) provided in prior years	**8**	262	**-**	(14)
	9,580	3,975	**459**	(14)

27 Taxation (continued)

Recognised in profit or loss (continued)

* The Malaysian budget 2014 announced the reduction of corporate tax to 24% with effect from year of assessment 2016. Consequently the deferred tax assets and liabilities which are expected to reverse in 2016 and beyond are measured using tax rate of 24%.

28 Earnings per ordinary share - Group

Basic earnings per ordinary share

The basic earnings per ordinary share has been calculated based on the profit attributable to ordinary shareholders of RM19,988,000 (2014: RM9,210,000) and a weighted average number of ordinary shares of 90,545,002 (2014: 90,545,002) ordinary shares in issue during the financial year.

Diluted earnings per ordinary share

The diluted earnings per ordinary share for the financial year as at 30 June 2015 and 30 June 2014 is the same as the basic earnings per ordinary share as there are no potential dilutive ordinary shares.

29 Dividends

	Sen per share	Total amount RM'000	Date of payment
Paid :			
2015			
2014 first and final single-tier dividend	5	4,527	12 December 2014
2014			
2013 first and final dividend	10	6,791	12 December 2013

Subsequent to the year end, the Directors declared an interim single-tier dividend of 12 sen per ordinary share, totalling RM10,865,400 in respect of the financial year ended 30 June 2015 on 10 July 2015 and paid on 10 August 2015. The financial statements do not reflect this dividend declared after 30 June 2015, which will be accounted for as appropriation of retained earnings in the financial year ending 30 June 2016.

30 Operating segments

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's Executive Directors (as the chief operating decision maker ("CODM")) reviews internal management reports at least on a quarterly basis. The Group has the following reportable segments :

- Property development
- Construction
- Investment holding
- Oil palm cultivation

Other operations of the Group comprise hotel operation.

Performance is measured based on segment profit before tax as included in the internal management reports that are reviewed by the CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

The total of segment asset is measured based on all assets of a segment. Total segment asset is used to measure the return on assets of each segment.

Segment liabilities

Segment liabilities are measured based on all liabilities of a segment.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment, biological assets, land held for property development and investment properties.

30 Operating segments (continued)

	Property development RM'000	Construction RM'000	Investment holding RM'000	Oil palm RM'000	Others RM'000	Group RM'000
2015						
Revenue						
Total revenue	135,120	173,291	12,177	1,572	1,573	323,733
Inter-segment revenue	-	(91,894)	(12,177)	-	-	(104,071)
Revenue from external customers	135,120	81,397	-	1,572	1,573	219,662
Segment profit/(loss)						
Reportable segment profit/(loss)	27,096	7,877	659	405	(270)	35,767
Share of results of an associate	-	-	7	-	-	7
Profit before tax						35,774
Net assets						
Total segment assets	326,221	72,937	260,429	44,724	23,102	727,413
Inter-segment assets	(15,841)	(23,164)	(258,433)	-	(1,978)	(299,416)
Associate	-	-	5,192	-	-	5,192
Total assets per statement of financial position						433,189
Net liabilities						
Total segment liabilities	130,509	53,253	33,701	-	382	217,845
Inter-segment liabilities	(88,372)	(19,926)	(18,731)	-	(325)	(127,354)
Total liabilities per statement of financial position						90,491
Other information						
Capital expenditure	64,868	519	-	-	259	65,646
Interest income	468	-	172	-	-	640
Interest expense	94	100	16	-	-	210
Taxation	6,763	1,923	575	101	218	9,580
Reclassification of fair value upon disposal of available-for-sale financial assets	-	-	1,019	-	-	1,019
Depreciation and amortisation	795	62	-	53	566	1,476

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

30 Operating segments (continued)

	Property development RM'000	Investment holding RM'000	Oil palm RM'000	Others RM'000	Group RM'000
2014					
Revenue					
Total revenue	94,322	2,451	2,275	1,066	100,114
Inter-segment revenue	-	(2,451)	-	-	(2,451)
Revenue from external customers	94,322	-	2,275	1,066	97,663
Segment profit/(loss)					
Reportable segment profit/(loss)	16,246	(225)	1,170	(264)	16,927
Share of results of an associate	-	(5)	-	-	(5)
Profit before tax					16,922
Net assets					
Total segment assets	307,378	230,645	30,903	23,591	592,517
Inter-segment assets	(30,329)	(198,533)	-	(2,540)	(231,402)
Associate	-	5,185	-	-	5,185
Total assets per statement of financial position					366,300
Net liabilities					
Total segment liabilities	75,231	7,234	-	302	82,767
Inter-segment liabilities	(33,795)	(6,883)	-	(190)	(40,868)
Total liabilities per statement of financial position					41,899
Other information					
Capital expenditure	1,030	-	391	-	1,421
Interest income	834	622	-	-	1,456
Interest expense	-	2	-	-	2
Taxation	3,583	100	292	-	3,975
Reclassification of fair value upon disposal of available-for-sale financial assets	-	608	-	-	608
Depreciation and amortisation	593	88	52	586	1,319
Developed properties written down	88	-	-	-	88

31 Financial instruments

31.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Loans and receivables ("L&R");
(b) Available-for-sale financial assets ("AFS"); and
(c) Financial liabilities measured at amortised cost ("FL").

	Carrying amount RM'000	L&R RM'000	AFS RM'000
Financial assets			
2015			
Group			
Trade and other receivables (excluding accrued billings)	**92,161**	**92,161**	**-**
Available-for-sale financial assets	**906**	**-**	**906**
Cash and cash equivalents	**39,569**	**39,569**	**-**
	132,636	**131,730**	**906**
Company			
Trade and other receivables	**64,555**	**64,555**	**-**
Available-for-sale financial assets	**278**	**-**	**278**
Cash and cash equivalents	**2,818**	**2,818**	**-**
	67,651	**67,373**	**278**
2014			
Group			
Trade and other receivables (excluding accrued billings)	61,609	61,609	-
Available-for-sale financial assets	6,978	-	6,978
Cash and cash equivalents	57,890	57,890	-
	126,477	119,499	6,978
Company			
Trade and other receivables	27	27	-
Available-for-sale financial assets	6,978	-	6,978
Cash and cash equivalents	5,890	5,890	-
	12,895	5,917	6,978

31 Financial instruments (continued)

31.1 Categories of financial instruments (continued)

	Carrying amount RM'000	FL RM'000
Financial liabilities		
2015		
Group		
Loans and borrowings	**39,320**	**39,320**
Trade and other payables (excluding progress billings)	**43,881**	**43,881**
	83,201	**83,201**
Company		
Loans and borrowings	**14,500**	**14,500**
Trade and other payables	**19,016**	**19,016**
	33,516	**33,516**
2014		
Group		
Trade and other payables (excluding progress billings)	32,416	32,416
Company		
Trade and other payables	7,180	7,180

31.2 Net gains and losses arising from financial instruments :

	Group		Company	
	2015 RM'000	2014 RM'000	**2015 RM'000**	2014 RM'000
Net gains/(losses) arising on :				
- Loans and receivables	**640**	1,456	**2,062**	98
- Available-for-sales financial assets	**1,019**	608	**1,019**	608
- Finance liabilities measured at amortised cost	**(210)**	(2)	**(16)**	(2)

31.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk

31.4 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers. The Company's exposure to credit risk arises principally from advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries.

31 Financial instruments (continued)

31.4 Credit risk (continued)

Receivables

Risk management objectives, policies and processes for managing the risk.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally, credit evaluations are performed on cash purchases.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 60 days, which are deemed to have higher credit risk, are monitored individually.

Impairment losses

The Group maintains an ageing analysis in respect of trade receivables (excluded accrued billings) only. The ageing of receivables as at the end of the reporting period was :

	Gross RM'000	Individual impairment RM'000	Net RM'000
2015			
Not past due	**12,099**	**-**	**12,099**
Past due less than 30 days	**4,161**	**-**	**4,161**
Past due 31 - 90 days	**32,270**	**-**	**32,270**
Past due more than 90 days	**9,807**	**(36)**	**9,771**
	58,337	**(36)**	**58,301**
2014			
Not past due	11,423	-	11,423
Past due less than 30 days	3,096	-	3,096
Past due 31 - 90 days	2,003	-	2,003
Past due more than 90 days	6,701	(36)	6,665
	23,223	(36)	23,187

The movements in the allowance for impairment losses of trade receivables during the financial year were :

	Group 2015 RM'000	Group 2014 RM'000
At 1 July 2014/2013	**36**	292
Impairment loss recognised	**-**	28
Impairment loss reversed	**-**	(284)
At 30 June	**36**	36

31 Financial instruments (continued)

31.4 Credit risk (continued)

Intercompany balances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amounts in the statements of financial position.

Impairment losses

As at the end of the reporting period, there was no indication that the advances to the subsidiaries are not recoverable. The Company does not specifically monitor the ageing of the advances to the subsidiaries.

Cash and cash equivalents

Risk management objectives, policies and processes for managing the risk

The Group's and Company's short term deposits are placed as fixed rates investments and upon which management endeavours to obtain the best rate available in the market.

Cash and cash equivalents are placed with reputable financial institutions.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Impairment losses

As at the end of the reporting period, there was no indication that cash and cash equivalents were not recoverable.

31.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group and the Company manage its debt maturity profile, operating cash flows and the availability of funding so as to ensure that repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements.

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

31 Financial instruments (continued)

31.5 Liquidity risk (continued)

Maturity analysis

	Carrying amount RM'000	Contractual interest rates %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2015							
Group							
Non-derivative financial liabilities							
Secured bank loans	**24,820**	**4.95**	**28,864**	**2,562**	**5,998**	**16,520**	**3,784**
Revolving credit	**14,500**	**4.49**	**14,500**	**14,500**	**-**	**-**	**-**
Trade and other payables (excluding progress billings) *	**43,881**	**-**	**43,881**	**35,846**	**1,477**	**6,558**	**-**
	83,201		**87,245**	**52,908**	**7,475**	**23,078**	**3,784**

* 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.

	Carrying amount RM'000	Contractual interest rates %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
Company							
Non-derivative financial liabilities							
Revolving credit	**14,500**	**4.49**	**14,500**	**14,500**	**-**	**-**	**-**
Trade and other payables	**298**	**-**	**298**	**298**	**-**	**-**	**-**
Amount owing to subsidiaries	**18,718**	**4.00**	**18,718**	**18,718**	**-**	**-**	**-**
	33,516		**33,516**	**33,516**	**-**	**-**	**-**
2014							
Group							
Non-derivative financial liabilities							
Trade and other payables (excluding progress billings) *	32,416	-	32,416	28,281	1,283	2,852	-
Company							
Non-derivative financial liabilities							
Trade and other payables	7,180	-	7,180	7,180	-	-	-
Financial guarantees	-	-	12	12	-	-	-
	7,180		7,192	7,192	-	-	-

* 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.

31 Financial instruments (continued)

31.6 Interest rate risk

The Group's exposure to the risk of changes in interest rates mainly arises from floating rate term loan 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.

Exposure to interest rate risk

The interest rate profile of the Group's and of the Company's significant interestbearing financial instruments, based on carrying amounts as at the end of the reporting period was :

	Group		Company	
	2015	2014	**2015**	2014
	RM'000	RM'000	**RM'000**	RM'000
Fixed rate instrument				
Financial assets				
- Deposits placed with licensed banks	**7,168**	38,633	**-**	5,000
- Amount due from subsidiaries	**-**	-	**64,526**	-
Financial liabilities				
- Amount due to subsidiaries	**-**	-	**18,718**	-
- Revolving credit	**14,500**	-	**14,500**	-
Floating rate instrument				
Financial liabilities				
- Term loans	**24,820**	-	**-**	-

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedged accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Sensitivity analysis for interest rate risk

An increase/(decrease) of 50 basis points (bp) in interest rates at the end of the reporting period would have (decreased)/increased equity and post-tax profit or loss of the Group by RM93,075 (2014: RM Nil). This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

31 Financial instruments (continued)

31.7 Fair value information

The carrying amounts of cash and cash equivalents, receivables, payables and revolving credit approximate their fair values due to the relatively short term nature of these financial instruments.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	RM'000	RM'000
Group										
2015										
Financial asset										
Available-for-sale financial assets	**-**	**906**	**-**	**906**	**-**	**-**	**-**	**-**	**906**	**906**
Financial liability										
Term loan - secured	**-**	**-**	**-**	**-**	**-**	**-**	**24,820**	**24,820**	**24,820**	**24,820**
2014										
Financial asset										
Available-for-sales financial assets	-	6,978	-	6,978	-	-	-	-	6,978	6,978
Company										
2015										
Financial asset										
Available-for-sale financial assets	**-**	**278**	**-**	**278**	**-**	**-**	**-**	**-**	**278**	**278**
2014										
Financial asset										
Available-for-sale financial assets	-	6,978	-	6,978	-	-	-	-	6,978	6,978

32 Capital 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.

33 Commitments

	Company	
	2015	2014
	RM'000	RM'000
Corporate guarantees issued to banks for banking facilities granted to certain subsidiaries (unsecured)		
- Limit	**1,300**	3,250
- Utilised as at 30 June	**-**	12

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.

	Group	
	2015	2014
	RM'000	RM'000
Bankers' guarantees issued to third parties in favour of subsidiaries (unsecured)	**4,128**	2,576
Property development expenditure contracted for at the end of the reporting period but not yet incurred is as follows :		
- Landowners' entitlement	**43,088**	38,924
Commitments contracted for at the end of the reporting period but not yet provided for are as follows :		
- Development land	**-**	36,950
- Property, plant and equipment	**293**	-
- Investment properties	**3,756**	-

34 Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities and may include close members of the family of key management personnel.

The Group has related party relationships with the following :

i) Its subsidiaries and associate as disclosed in Note 7 and 8
ii) Other related parties as disclosed below
iii) The Directors and the key management personnel of the Group

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group, and certain members of senior management of the Group.

Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Group and the Company are shown below. The balances related to the below transactions are shown in Notes 13 and 20.

Name of related parties	Relationship
Chinhinhome Sdn Bhd, Glamour Living Sdn Bhd, Macro Dimension Concrete Sdn Bhd, MDC Precast Industries Sdn Bhd and Mutual Delights Sdn Bhd	Low Kok Aun, Low Kok Kean and Low Ping Kun are Directors and substantial shareholders of the Company and substantial shareholders of these entities by virtue of their interest in Famivest Sdn Bhd, a substantial shareholder of the Company which in turn has interest in these entities.
Teong Choon Enterprise (M) Sdn Bhd, Hijaujaya Estate Sdn Bhd and Ladang Sin Hock Sdn Bhd	Entities in which a substantial interest is owned directly by a person connected with Goh Cheng Guan @ Goo Beng who is a Director of SW.
Kubang Pasu Development Sdn Bhd and Eng Chuan Chan Sdn Bhd	Low Kok Aun, Low Kok Kean and Low Ping Kun are Directors and substantial shareholders of the Company and substantial shareholders of these entities by virtue of their interest in LLSB 1980 Holdings Sdn Bhd, a substantial shareholders of the Company which in turn has interest in these entities.
Hazrin Bin Thobrani	Persons connected with Dato' Wira Haji Thobrani Bin Haji Hanafi and Hazman Bin Thobrani, who were previously Executive Directors of the Company.

34 Related parties (continued)

Significant related parties transactions (continued)

	Group 2015 RM'000	Group 2014 RM'000
Transactions with related parties		
Progress billings received and receivable	**80,832**	3,414
Purchases of construction materials	**36,992**	6,567
Purchases of fertilizer and chemical products	**308**	228
Purchase of oil palm cultivation service	**63**	73
Sales and marketing service received and receivable	**1,437**	292
Rental expenses paid and payable	**-**	56
Sales of motor vehicles (to former director)	**-**	116
Amounts owing to OIB Services Sdn Bhd by certain subsidiaries assumed by the Company	**-**	43,600
Provision of renovation works, interior design, landscape and maintenance works	**2,675**	-

	Company 2015 RM'000	Company 2014 RM'000
Transactions with subsidiaries		
Dividend income	**10,098**	-
Interest income received and receivable	**3,287**	253
Interest expense paid and payable	**1,308**	-
Management fees received and receivable	**100**	53
Advances to	**92,567**	9,875
Advances from	**67,600**	12,358
Redemption for Redeemable Preference Shares	**-**	63,540

35 Subsequent event

The Company had, on 24 August 2015, announced its proposal to undertake a bonus issue of 54,327,001 new ordinary shares of RM1 each in OIB ("OIB Shares") ("Bonus Share(s)") on the basis of three (3) Bonus Shares for every five (5) existing OIB Shares held at a date to be determined and announced later ("Entitlement Date") ("Proposed Bonus Issue"). The Proposed Bonus Issue is subject to the approval of:

i) the shareholders of the Company at a general meeting to be convened, and
ii) Bursa Malaysia Securities Berhad for the listing of and quotation for the Bonus Shares on the Main Market of Bursa Malaysia Securities Berhad; and
iii) any other relevant authorities / parties, if required.

36 Supplementary financial information on the breakdown of realised and unrealised profits or losses

The breakdown of the retained earnings of the Group and of the Company as at 30 June, into realised and unrealised profits, pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements, are as follows :

	Group		Company	
	2015 RM'000	2014 RM'000	**2015 RM'000**	2014 RM'000
Total retained earnings :				
- realised	**192,966**	169,458	**127,551**	120,402
- unrealised	**161**	234	**-**	-
Total share of retained earnings of associate :				
- realised	**23**	16	**-**	-
- unrealised	**-**	-	**-**	-
Less : Consolidation adjustments	**(9,915)**	(3,036)	**-**	-
Total retained earnings	**183,235**	166,672	**127,551**	120,402

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

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

In the opinion of the Directors, the financial statements set out on pages 33 to 99 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2015 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out in Note 36 on page 100 to the financial statements has been compiled in accordance with the Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors :

Low Kok Aun

Low Kok Kean
Kedah Darul Aman,
Date : 23 September 2015

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

I, Khaw Eng Peng, 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 33 to 100 are, to the best of my knowledge and belief, 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.

Subscribed and solemnly declared by the abovenamed at Georgetown in the State of Penang on 23 September 2015.

Khaw Eng Peng

Before me:

Goh Suan Bee (No. P125)
Commissioner for Oaths

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, which comprise the statements of financial position as at 30 June 2015 of the Group and of the Company, and the statements of profit or loss and other 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 information, as set out on pages 33 to 99.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of the 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 about 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 the 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 2015 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 of which we have acted as auditor have been properly kept in accordance with the provisions of the Act.
b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
c) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 36 on page 100 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements and is not required by the Financial Reporting Standards in Malaysia. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements,* issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Other Matters

The financial statements of the Group and of the Company as at and for the financial year ended 30 June 2014 were audited by another auditor who expressed an unmodified opinion on those statements on 23 September 2014.

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.

KPMG
Firm Number: AF 0758
Chartered Accountants

Ooi Kok Seng
2432/05/17 (J)
Chartered Accountant

23 September 2015

Penang

ANALYSIS OF SHAREHOLDINGS
AS AT 1 OCTOBER 2015

Thirty Largest Shareholders as at 1 October 2015

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

	Name	No. of Shares	% of Shares
1	RHB Nominees (Tempatan) Sdn Bhd Pledged 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	Chia Beng Tat	1,600,000	1.77
5	Goh Aik Lean Holdings Sdn Bhd	1,562,000	1.73
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	Chan Boon Aik	799,200	0.88
10	Goh Say Seah Realty Sdn Bhd	604,000	0.67
11	Alliancegroup Nominees (Tempatan) Sdn Bhd Lor Cheng Yoon (8070973)	545,000	0.60
12	Lim Lean Peng & Sons Sdn Bhd	525,000	0.58
13	Chua Keng Lim & Sons Sdn Bhd	500,000	0.55
14	HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tawaria Sdn Bhd	500,000	0.55
15	Lim Lean Brothers Enterprise Sdn Bhd	500,000	0.55
16	YSH Realty Sdn Bhd	294,000	0.32
17	Poh Chow Kok	250,000	0.28
18	Perfect Scores Sdn Bhd	212,501	0.23
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	Saw Lai Choo	191,000	0.21
23	Chua Keng Huat	165,000	0.18
24	Loke Chong Hooi	146,000	0.16
25	Ooi Say Tiong	140,000	0.15
26	CIMSEC Nominees (Asing) Sdn Bhd Exempt an for CIMB Securities (Singapore) Pte Ltd (Retail Clients)	136,500	0.15
27	Yu Chee Guan	135,000	0.15
28	Yian May Fun	134,800	0.15
29	Tok Chuan Huat	133,000	0.15
30	Ooi Lee Teng	132,000	0.15
		6,039,001	**88.64**

Distribution of Shareholders as at 1 October 2015

Size of Shareholders	No. of Shareholders	% of Shareholders	No. of Shares Held	%of Issued Share Capital
Less than 100	12	0.79	333	-
100 – 1,000	702	45.85	677,483	0.75
1,001 – 10,000	595	38.86	2,482,000	2.74
10,001 – 100,000	185	12.08	6,347,502	7.01
100,001 – 4,527,249	36	2.35	17,476,443	19.30
4,527,250 and above	1	0.07	63,561,241	70.20
Total	**1,531**	**100.00**	**90,545,002**	**100.00**

Directors' Shareholdings as per register as at 1 October 2015

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

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

Substantial Shareholders as per register as at 1 October 2015

Name	Direct Interest No.	Direct Interest %	Deemed Interest No.	Deemed Interest %
Jupiter Sunrise Sdn Bhd	65,548,180	72.39	-	-
Famivest Sdn Bhd	-	-	65,548,180*	72.39
Ripro Sdn Bhd	-	-	65,548,180*	72.39
Kemboja Jati Sdn Bhd	-	-	65,548,180*	72.39
LLSB 1980 Holdings Sdn Bhd	-	-	65,548,180*	72.39
LLS & Sons Sdn Bhd	-	-	65,548,180*	72.39
Low Keong Koon Sdn Bhd	-	-	65,548,180*	72.39
Low Ping Kun Sdn Bhd	-	-	65,548,180*	72.39
Low Ping Kun	-	-	65,548,180*	72.39
Low Kok Kean	-	-	65,548,180*	72.39
Low Kok Aun	-	-	65,548,180*	72.39
Low Kok Shyan	-	-	65,548,180*	72.39
Low Peik Shin	-	-	65,548,180*	72.39
Low Keong Koon	-	-	65,548,180*	72.39

Substantial Shareholders as per register as at 1 October 2015

Name	Direct Interest No.	Direct Interest %	Deemed Interest No.	Deemed Interest %
Low Kok Foong	-	-	65,548,180*	72.39
Low Kok Shen	-	-	65,548,180*	72.39
Ooi Lee Yeong	-	-	65,548,180*	72.39
Tan Poh Sim	-	-	65,548,180*	72.39
Tan Eian Hoe	-	-	65,548,180*	72.39
Tan Swee Huat Sdn Bhd	-	-	65,548,180*	72.39
Tan Ean Poe	-	-	65,548,180*	72.39
Tan Yen Sooh	-	-	65,548,180*	72.39
Tan Swee Bee Sdn Bhd	-	-	65,548,180*	72.39
Tan Yen Tong	-	-	65,548,180*	72.39
Tan Yean Sim	-	-	65,548,180*	72.39
HSPS Holdings Sdn Bhd	-	-	65,548,180*	72.39
Tan Ean Pin	-	-	65,548,180*	72.39
Tan Ean See	-	-	65,548,180*	72.39
Tan Chang Tok Sdn Bhd	-	-	65,548,180*	72.39
Tan Ean Hoon	-	-	65,548,180*	72.39
Tan Chung Yi	-	-	65,548,180*	72.39

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

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 / Kulim				
Mukim Teloi Kiri District of Kuala Muda Kedah Darul Aman	Agriculture Land for Oil Palm Cultivation	244.15 acres	Freehold	3,759
343 Jalan Tunku Mohd Asaad Kulim Kedah Darul Aman	Sales Office (Bungalow)/ 1996	62,483 sq ft	Freehold/58	1,042
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 years lease expiring in 2076/25	492
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 2092/19	112
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/3	18,993
Mukim Setul Seremban Negeri Sembilan Darul Khusus	Agriculture Land for Oil Palm Cultivation	172.90 acres	99 years lease expiring in 2081	10,709

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 Ampang Kuala Lumpur	Development Land Approved for Housing	0.24 acres	99 years lease expiring in 2091	753
Investment Properties				
Sungai Petani / Kulim				
1 & 2 Jalan Bank Sungai Petani Kedah Darul Aman	6 Storey Office Building/ 1993	25,254 sq ft	Freehold/19	2,024
7 & 8 Jalan Bank Sungai Petani Kedah Darul Aman	3 Storey Office Building/ 2004	12,861 sq ft	Freehold/12	1,307
Mukim Sungai Petani District of Kuala Muda Kedah Darul Aman	Vacant development land/ 2015	4.29 acres	Freehold	10,268
32 - 42 Lorong Semarak 2 Taman Semarak Kulim Kedah Darul Aman	3 Storey Shophouses/ 1996	49,050 sq ft	Freehold/20	1,336
968 - 990 Jalan Lembah Impiana 7 Lembah Impiana III Kulim Kedah Darul Aman	2 Storey Shophouses/ 2015	78,943 sq ft	Freehold/ under construction	3,771
Mukim Sidam Kanan District of Kulim Kedah Darul Aman	1½ Storey Detached Supermarket In progress	73,761 sq ft	Freehold	814

Address / Location	Description/Year of Acquisition or Revaluation	Approximate Land/ Floor Area	Tenure/Age of Building (years)	Carrying Value (RM'000)

Investment Properties (continued)

Sepang

Address / Location	Description/Year of Acquisition or Revaluation	Approximate Land/ Floor Area	Tenure/Age of Building (years)	Carrying Value (RM'000)
No. 20 Jalan Seroja 6 Taman Seroja Bandar Baru Salak Tinggi Sepang Selangor Darul Ehsan	2 Storey Shop/ 2009	3,080 sq ft	99 years lease expiring in 2094/6	225
Mukim Dengkil District of Sepang Selangor Darul Ehsan	Vacant development land	3.06 acres	Freehold	2,355

Land Held for Property Development

Sungai Petani / Kulim / Baling

Address / Location	Description/Year of Acquisition or Revaluation	Approximate Land/ Floor Area	Tenure/Age of Building (years)	Carrying Value (RM'000)
Mukim Sungai Petani District of Kuala Muda Kedah Darul Aman	Development Land Approved for Housing	62.13 acres	Freehold	18,081
Bandar Kulim District of Kulim Kedah Darul Aman	Development Land Approved for Housing	18.84 acres	Freehold	4,901
Bandar Kulim District of Kulim Kedah Darul Aman	Vacant Land for Future Development	28.48 acres	Freehold	946
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	2,984

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 (continued)				
Sungai Petani / Kulim / Baling (continued)				
Mukim Pekan Pulai District of Baling Kedah Darul Aman	Development Land Approved for Housing	3.23 acres	Freehold	2,948
Sepang				
Mukim Dengkil District of Sepang Selangor Darul Ehsan	Development Land Approved for Housing	63.82 acres	Freehold	42,039
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	3.35 acres	Freehold	895

DEVELOPMENT LAND UNDER LANDOWNER AND DEVELOPER AGREEMENT AS AT 30 JUNE 2015

Location	Approximate Land Area	Tenure	Advances to Landowners (RM'000)
Sepang / Gombak / Melaka / Kuala Lumpur			
Mukim Labu District of Sepang Selangor Darul Ehsan	17.73 acres	Freehold	4,270
Mukim Dengkil District of Sepang Selangor Darul Ehsan	77.66 acres	99 years lease expiring between 2093 - 2106	12,333
Mukim Dengkil District of Sepang Selangor Darul Ehsan	22.97 acres	Freehold	6,732
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 Tegah Melaka	16.19 acres	99 years lease expiring between 2105 - 2110	-
Mukim Ampang Kuala Lumpur	0.29 acres	99 years lease expiring in 2104	300

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Second Annual General Meeting ("AGM") of ORIENTAL INTEREST BERHAD ("OIB" or "the Company") will be held at Dewan Bankuet Jubli Emas, Royal Kedah Club, Pumpong, 05250 Alor Setar, Kedah Darul Aman on Monday, 23 November 2015 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 2015 together with the Reports of the Directors and Auditors thereon. — **Please refer to the Explanatory Note**

2. To re-elect the following Directors retiring pursuant to Article 80 of the Articles of Association of the Company:

   (a) Dato' Wira Lim Teong Kiat — **Ordinary Resolution 1**
   (b) Mr Low Ping Kun — **Ordinary Resolution 2**

3. To approve the payment of Directors' fees for the financial year ended 30 June 2015. — **Ordinary Resolution 3**

4. To re-appoint Messrs KPMG and to authorise the Directors to fix their remuneration. — **Ordinary Resolution 4**

AS SPECIAL BUSINESS

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

5. **AUTHORITY TO ALLOT AND ISSUE SHARES BY DIRECTORS PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965** — **Ordinary Resolution 5**

   "THAT pursuant to Section 132D of the Companies Act, 1965 ("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."

6. **PROPOSED ADDITIONAL AND RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** — **Ordinary Resolution 6**

   "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 30 October 2015, 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 during 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."

7. **Proposed Bonus Issue of 54,327,001 new ordinary Shares of RM1.00 each in OIB ("OIB Shares") ("Bonus Share(s)") to be credited as fully paid-up at par, on the basis of three (3) Bonus Shares for every five (5) existing OIB Shares held by the entitled Shareholders of OIB on an entitlement date to be determined later ("Proposed Bonus Issue")** **Ordinary Resolution 7**

"THAT, subject to the approvals of all relevant authorities and/or parties (where required) for listing of and quotation for the new OIB Shares to be issued hereunder, authority be and is hereby given to the Board of Directors of the Company ("Board") to capitalise up to RM54,327,001 from the share premium and retained earnings of the Company and the same be applied for the allotment and issuance of 54,327,001 new OIB Shares, credited as fully paid-up at par, to the shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business on an Entitlement Date to be determined later by the Board, on the basis of three (3) Bonus Shares for every five (5) existing OIB Shares held.

THAT the Board be and is hereby authorised to deal with any fractional entitlements of the new OIB Shares that may arise from the Proposed Bonus Issue, in such manner as the Board deems fit and expedient in the best interest of the Company.

THAT the Bonus Shares to be issued pursuant to the Proposed Bonus Issue shall upon allotment and issuance, rank pari passu in all respect with the existing OIB Shares, save and except that they shall not be entitled to any dividends, rights, allotment and/or other forms of distribution that may be declared, made or paid where the entitlement date precedes the date of allotment and issuance of the Bonus Shares.

AND THAT the Board be and is hereby authorised to take all such necessary steps to give effect to the Proposed Bonus Issue with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required by the relevant authorities or deemed by the Board to be in the best interest of the Company, and to take all steps and to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Bonus Issue."

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

By Order of the Board

TAI YIT CHAN (MAICSA 7009143)
ONG TZE-EN (MAICSA 7026537)
Company Secretaries
Selangor Darul Ehsan
30 October 2015

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 16 November 2015 (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 5

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

The proposed Ordinary Resolution 5, 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 25 November 2014 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 Twenty-First AGM of the Company.

Ordinary Resolution 6

Proposed Additional and Renewal of Shareholders' Mandate

The proposed Ordinary Resolution 6, 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 in relation to the Proposed Additional and Renewal of Shareholders' Mandate dated 30 October 2015.

Ordinary Resolution 7

Proposed Bonus Issue

The proposed Ordinary Resolution 7, if passed, will approve the Proposed Bonus Issue which is to reward OIB's shareholders for their continued support and loyalty to OIB. It is also to increase the number of OIB Shares held by the shareholders of OIB whilst maintaining their percentage of equity interest in the Company. Further details are set out in the Circular to the Shareholders in relation to the Proposed Bonus Issue dated 30 October 2015.

Statement Accompanying Notice of AGM

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

No individual is standing election as a Director at the forthcoming Twenty-Second AGM of the Company

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
Non-audit fees incurred by both the Company and the Group for services rendered by external auditors of the Company for the financial year amounted to RM56,000.

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 2015 pursuant to the shareholders' mandate obtained by the Company at the Annual General Meeting held on 25 November 2014 are as set out under Note 34 of the Audited Financial Statements for the financial year ended 30 June 2015 in this Annual Report and also in the Circular to Shareholders dated 30 October 2015 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-Second Annual General Meeting of the Company to be held Dewan Bankuet Jubli Emas, Royal Kedah Club, Pumpong, 05250 Alor Setar, Kedah Darul Aman on Monday, 23 November 2015 at 11.00 a.m. and at any adjournment thereof in the manner indicated below:

Ordinary Resolutions	For	Against
1. Re-election of Dato' Wira Lim Teong Kiat		
2. Re-election of Low Ping Kun		
3. Approval of Directors' Fees		
4. Re-appointment of Messrs KPMG as Auditors of the Company		
5. Authority under Section 132D of the Companies Act, 1965 for the Directors to allot and issue shares		
6. Proposed Additional and Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		
7. Proposed Bonus Issue		

(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, 2015

....
Signature/Common Seal

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

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 16 November 2015 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

Personal Data Privacy

By submitting the duly executed proxy form, the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the Annual General Meeting of the Company and any adjournment thereof.

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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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