ORIENTAL HOLDINGS BERHAD (5286-U)

ANNUAL REPORT 2013

CONTENTS

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Fifty-Second Annual General Meeting of stockholders of Oriental Holdings Berhad will be held at Sri Mas Ballroom, Level 4, Bayview Hotel Georgetown Penang, 25A Farquhar Street, 10200 Penang on Friday, 6 June 2014 at 2.30 pm for the following purposes:

1. To receive the audited Financial Statements for the financial year ended 31 December 2013 together with the Directors' Report and Auditors' Report thereon.

2. To declare a Final Single Tier Dividend of 3.5% for the financial year ended 31 December 2013. — Ordinary Resolution 1

3. To re-elect the following Directors who retire in accordance with Section 129 of the Companies Act, 1965:
   (a) Dato' Seri Loh Cheng Yean — Ordinary Resolution 2
   (b) Dato' Robert Wong Lum Kong, DSSA, JP — Ordinary Resolution 3
   (c) YM Tengku Tan Sri Dato' Seri Ahmad Rithauddeen Bin Tengku Ismail — Ordinary Resolution 4
   (d) Puan Sharifah Intan Binti S.M. Aidid — Ordinary Resolution 5
   (e) Dato' Ghazi Bin Ishak — Ordinary Resolution 6

4. To re-elect Dato' Seri Lim Su Tong who retires in accordance with Article 133 of the Company's Articles of Association. — Ordinary Resolution 7

5. To re-elect the following Directors who retire in accordance with Article 138 of the Company's Articles of Association:
   (a) Dato' Sri Tan Hui Jing — Ordinary Resolution 8
   (b) Mr Koji Onishi — Ordinary Resolution 9

6. To approve the Directors' Fees of RM80,000 each for the financial year ended 31 December 2013. — Ordinary Resolution 10

7. To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration. — Ordinary Resolution 11

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

8. **Proposed New and Renewal of Stockholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

   "THAT pursuant to Chapter 10.09 of the Listing Requirements of Bursa Malaysia Securities Berhad, a general mandate of the Stockholders be and is hereby granted to the Company and/or its subsidiaries to enter into the recurrent arrangements or transactions of a revenue or trading nature, as set out in the Company's Circular to Stockholders dated 15 May 2014 ("the Circular") with any person who is a related party as described in the Circular as follows, provided that such transactions are undertaken in the ordinary course of business, on an arm's length basis, and on normal commercial terms, or on terms not more favourable to the Related Party than those generally available to the public and are not, in the Company's opinion, detrimental to the minority stockholders; and that disclosure will be made in the annual report of the aggregate value of transactions conducted during the financial year; and that such approval, unless revoked or varied by the Company in general meeting, shall continue to be in force until the conclusion of the next Annual General Meeting of the Company:-

   (a) Recurrent Related Party Transactions of a revenue or trading nature involving Boon Siew Sdn Bhd Group; — Ordinary Resolution 12
   (b) Recurrent Related Party Transactions of a revenue or trading nature involving Dato' Syed Mohamad Bin Syed Murtaza and family; — Ordinary Resolution 13
   (c) Recurrent Related Party Transactions of a revenue or trading nature involving Honda Motor Co. Ltd.; — Ordinary Resolution 14
   (d) Recurrent Related Party Transactions of a revenue or trading nature involving Karli Boenjamin; — Ordinary Resolution 15
   (e) Recurrent Related Party Transactions of a revenue or trading nature involving Ooi Soo Pheng; — Ordinary Resolution 16

NOTICE OF MEETING
(CONT'D)

(f) Recurrent Related Party Transactions of a revenue or trading nature involving Tan Liang Chye; — Ordinary Resolution 17

(g) Recurrent Related Party Transactions of a revenue or trading nature involving Datuk Loh Kian Chong." — Ordinary Resolution 18

9. **Proposed Renewal of Stock Buy-Back** — Ordinary Resolution 19

"THAT, subject to compliance with Section 67A of the Companies Act, 1965 (as may be amended, modified or re-enacted from time to time) and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities, approval be and is hereby given to the Company to utilise up to RM328.9 million which represents the audited retained profits reserve of the Company as at 31 December 2013, otherwise available for dividend for the time being, to purchase on Bursa Malaysia Securities Berhad ("Bursa Securities") its own stocks up to 62,039,364 ordinary stocks of RM1.00 each representing 10% of the issued and paid up share capital of the Company of 620,393,638 ordinary stocks of RM1.00 each as at 17 April 2014 (including 31,808 Stocks retained as Treasury Stocks) AND THAT upon completion of the purchase(s) of the Stocks by the Company, the Stocks shall be dealt with in the following manner:-

(i) to cancel the Stocks so purchased; or
(ii) to retain the Stocks so purchased as treasury stocks for distribution as dividends to the stockholders and/or resell on the market of Bursa Securities; or
(iii) to retain part of the Stocks so purchased as treasury stocks and cancel the remainder.

whereby an announcement regarding the intention of the Directors of the Company in relation to the proposed treatment of the stocks purchased and rationale thereof will be made to Bursa Securities AND THAT such authority from the stockholders would be effective immediately upon passing of this Ordinary Resolution up till the conclusion of the next Annual General Meeting ("AGM") of the Company or the expiry of the period within which the next AGM is required by law to be held (unless earlier revoked or varied by Ordinary Resolution in a general meeting of stockholders of the Company) but not so as to prejudice the completion of a purchase by the Company or any person before the aforesaid expiry date, in any event, in accordance with the provisions of the guidelines issued by Bursa Securities or any other relevant authorities; AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary or expedient to implement or to effect the purchase of OHB Stocks."

10. **Retention as Independent Non-Executive Director** — Ordinary Resolution 20

"THAT YM Tengku Tan Sri Dato' Seri Ahmad Rithauddeen Bin Tengku Ismail be retained as Independent Non-Executive Director of the Company, in accordance with the Malaysian Code on Corporate Governance 2012 until the conclusion of the next Annual General Meeting."

11. To transact any other businesses of which due notice shall have been given in accordance with the Company's Articles of Association.

By Order of the Board

TAI YIT CHAN (MAICSA 7009143)
ONG TZE-EN (MAICSA 7026537)
Joint Company Secretaries

Penang, 15 May 2014

NOTICE OF MEETING
(CONT'D)

Notes:

1. A Member entitled to attend and vote at this meeting may appoint a proxy to attend and, on a poll, to vote on his behalf. A Member may appoint 2 proxies to attend on the same occasion. A proxy may but need not be a Member and the provisions of Section 149(1)(b) of the Act shall not, apply to the Company. If a Member appoints 2 proxies, the appointment shall be invalid unless he specifies the proportions of his stockholdings to be represented by each proxy.

2. Where a Member of the Company is authorised nominee as defined under the Securities Industries (Central Depositories) Act, 1991 ("SICDA"), it may appoint at least one (1) proxy in respect of each securities account it may holds with ordinary shares of the Company standing to the credit of the said securities account.

3. Where a Member of the Company is an exempt authorised nominee which hold ordinary stocks in the Company for multiple beneficial owner in one (1) securities account ("omnibus account"), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

   An exempt authorised nominee refers to an authorized nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

4. If the appointer is a corporation, the Form of Proxy must be executed under the Common Seal of the Company or under the hand of its attorney duly authorised in writing.

5. For a proxy to be valid, the Form of Proxy duly completed must be deposited at the Registered Office of the Company, Suite 16-1 (Penthouse Upper), Menara Penang Garden, 42A Jalan Sultan Ahmad Shah, 10050 Penang, Malaysia not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.

6. Should you desire your Proxy to vote on the Resolutions set out in the Notice of Meeting, please indicate with an "X" in the appropriate space. If no specific direction as to voting is given, the Proxy will vote or abstain at his discretion.

7. In respect of deposited securities, only a Depositor whose name appears on the Record of Depositors on 30 May 2014 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy to attend and/or vote in his/her behalf.

Explanatory Note on Ordinary Business:

1. Agenda 1 is meant for discussion only as the provision of section 169(1) of the Companies Act, 1965 does not require a formal approval of shareholders of the Company, and hence, Agenda 1 is not put forward for voting.

Explanatory Notes on Special Business:

1. **Resolutions pursuant to Proposed New and Renewal of Stockholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**
   The Ordinary Resolutions 12 to 18, if passed, will approve the stockholders' mandate on Recurrent Related Party Transactions and allow the Company and/or its subsidiaries to enter into Recurrent Related Party Transactions in accordance with Chapter 10 of the MMLR of Bursa Securities. This approval shall continue to be in force until the conclusion of the next Annual General Meeting or the expiration of the period within which the next Annual General Meeting is required by the law to be held or revoked/varied by resolution passed by the stockholders in general meeting whichever is the earlier.

NOTICE OF MEETING
(CONT'D)

Explanatory Notes on Special Business: (cont'd)

2. **Resolution pursuant to Proposed Renewal of Stock Buy-Back**
   The Ordinary Resolution 19, if passed, will allow the Company to purchase its own stocks. The total number of stocks purchased shall not exceed 62,039,364 stocks representing 10% of the issued and paid up share capital of the Company. This authority will, unless revoked or varied by the Company in general meeting, expires at the next Annual General Meeting of the Company.

3. **Resolution pursuant to Retention of Independent Non-Executive Director**
   YM Tengku Tan Sri Dato' Seri Ahmad Rithauddeen Bin Tengku Ismail was appointed as an Independent Non-Executive Director on 9 February 2000. He has served the Company for a cumulative term of more than 9 years as at the date of the notice of AGM. The Board of Directors has recommended him to continue to act as Independent Non-Executive Director of the Company based on the following justifications:-

   - YM Tengku Tan Sri Dato' Seri Ahmad Rithauddeen Bin Tengku Ismail fulfils the criteria under the definition on Independent Director as stated in the MMLR of Bursa Securities and, therefore, is able to bring independent and objective judgment to the Board;
   - his service in the public sector enables him to share his valuable experience, skills and expertise with the Board;
   - he has been with the Company long and therefore understands the Company's business operations which enables him to contribute actively and effectively during deliberations or discussions at Board meetings;
   - he has contributed sufficient time and efforts in attending the Board meetings;
   - he has actively participated in Board deliberations, provided objectivity in decision making and an independent voice to the Board; and
   - he has exercised due care during his tenure as Independent Non-Executive Director of the Company and carried out his professional duties in the best interest of the Company and stockholders.

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

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

DIVIDEND ANNOUNCEMENT

NOTICE IS HEREBY GIVEN that a depositor shall qualify for entitlement to the Final Single Tier Dividend only in respect of:

(a) Stocks transferred into the Depositor's Securities Account before 4.00 p.m. on 16 July 2014 in respect of ordinary transfers; and

(b) Stocks bought on Bursa Malaysia Securities Berhad on a cum dividend entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

The Final Single Tier Dividend, if approved, will be paid on 8 August 2014 to depositors registered in the Records of Depositors at the close of business on 16 July 2014.

STATEMENT ON PROPOSED RENEWAL OF AUTHORITY TO PURCHASE ITS OWN STOCKS

1. INTRODUCTION

At the AGM of the Company held on 12 June 2013, the Directors had obtained stockholders' approval to undertake the Proposed Stock Buy-Back of up to 10% of the issued and paid-up share capital of Oriental Holdings Berhad ("the Company" or "OHB") through Bursa Malaysia Securities Berhad ("Bursa Securities"). The Company's authority to undertake the Proposed Stock Buy-Back shall, in accordance with Bursa Securities's Guidelines Governing Share Buy-Back, lapses at the conclusion of the forthcoming AGM unless a new mandate is obtained from stockholders for the Proposed Stock Buy-Back.

Accordingly, the Company had on 17 April 2014 announced that the Directors proposed to seek authorisation from stockholders for a renewal of the Proposed Stock Buy-Back.

The purpose of this Statement is to provide you with the details pertaining to the Proposed Stock Buy-Back and to seek your approval for the related resolution which will be tabled at the forthcoming AGM.

2. PROPOSED RENEWAL OF AUTHORITY FOR THE STOCK BUY-BACK

As at the date of this Statement, the Company has bought back 100,000 Stocks from the open market. On 2 March 2001, 68,192 of the Treasury Stocks that were purchased were cancelled.

As at 17 April 2014, the issued and paid up share capital of the Company is RM620,393,638 comprising of 620,393,638 Stocks of RM1.00 each (including 31,808 Stocks retained as Treasury Stocks). The Directors seek the authority from the stockholders of the Company to purchase its Stocks up to ten per centum (10%) of the issued and paid-up share capital of OHB or 62,039,364 Stocks for the time being quoted on the Bursa Securities through its appointed stockbroker, Hwang-DBS Securities Berhad previously notified to the Bursa Securities.

The new mandate from stockholders will be effective immediately upon the passing of the Ordinary Resolution for the Proposed Stock Buy-Back up till the conclusion of the next AGM of OHB in the year 2015 unless the authority is further renewed by an Ordinary Resolution passed at the said AGM (either unconditionally or subject to conditions), or upon the expiration of the period within which the next AGM is required by law to be held, or if earlier revoked or varied by an Ordinary Resolution of the stockholders of the Company in a general meeting.

The Proposed Stock Buy-Back is subject to the compliance with Section 67A of the Companies Act, 1965 (as may be amended, modified or re-enacted from time to time) and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of purchase.

In accordance with the guidelines of the Bursa Securities, the Company may only purchase the Stocks on the Bursa Securities at a price which is not more than fifteen per centum (15%) above the weighted average market price for the past five (5) market days immediately preceding the date of the purchase(s). The Company may only resell the treasury stocks on the Bursa Securities at:

a) a price which is not less than the weighted average market price for the Stocks for the past five (5) market days immediately prior to the resale; or
b) a discount price of not more than 5% to the weighted average market price for the Stocks for the 5 market days immediately prior to the resale provided that:-

    i) the resale takes place no earlier than 30 days from the date of purchase; and
    ii) the resale price is not less than the cost of purchase of the shares being resold.

The Directors will deal with the Stocks so purchased in the following manner:-

a) to cancel the Stocks so purchased; or
b) to retain the Stocks so purchased in treasury for distribution as dividend to the stockholders and/or resell on the market of the Bursa Securities; or
c) to retain part of the Stocks so purchased as treasury stocks and cancel the remainder.

STATEMENT ON PROPOSED RENEWAL OF AUTHORITY TO PURCHASE ITS OWN STOCKS (CONT'D)

2. PROPOSED RENEWAL OF AUTHORITY FOR THE STOCK BUY-BACK (cont'd)

An appropriate announcement will be made to the Bursa Securities in respect of the intention of the Directors whether to retain the Stocks so purchased as treasury stocks or cancel them or both as and when the Proposed Stock Buy-Back is executed.

3. RATIONALE FOR THE PROPOSED STOCK BUY-BACK

The Proposed Stock Buy-Back will give the Directors the flexibility to purchase Stocks, if and when circumstances permit, with a view to enhancing the earnings per stock of the Group and net asset per stock of the Company.

The Proposed Stock Buy-Back is not expected to have any potential material disadvantage to the Company and its stockholders as it will be exercised only after in-depth consideration of the financial resources of the Group and of the resultant impact on its stockholders.

3.1 Potential Advantages

The Proposed Stock Buy-Back if exercised, is expected to potentially benefit the Company and its stockholders as follows:

- The Company would expect to enhance the earnings per stock of the Group (in the case where the Directors resolve to cancel the Stocks so purchased or retain the Stocks in treasury and the treasury stocks are not subsequently resold), and thereby long term and genuine investors are expected to enjoy a corresponding increase in the value of their investments in the Company;
- If the Stocks bought back are kept as treasury stocks, it will give the Directors an option to sell the Stocks so purchased at a higher price and therefore make an exceptional gain for the Company. Alternatively the Stocks so purchased can be distributed as share dividends to stockholders; and
- The Company may be able to stabilize the supply and demand of its Stocks in the open market and thereby supporting its fundamental values.

3.2 Potential Disadvantages

The Proposed Stock Buy-Back, if exercised, will reduce the financial resources of OHB and may result in OHB having to forego other alternative investment opportunities which may emerge in the future, and it may reduce the financial resources of OHB for payment of dividends. Nevertheless, the Directors will be mindful of the interests of OHB and its stockholders when exercising the Proposed Stock Buy-Back.

4. FINANCIAL EFFECTS OF THE PROPOSED STOCK BUY-BACK

4.1 Share Capital

The Proposed Stock Buy-Back, if carried out in full and the Stocks so purchased are cancelled, the proforma effect on the issued and paid-up share capital of the Company will be as follows:

	No. of Stocks
Existing as at 17 April 2014	620,393,638
Proposed Stock Buy-Back *(10% of the issued and paid up share capital, including 31,808 Treasury Stocks)*	62,039,364
	558,354,274

However, there will be no effect on the issued and paid-up share capital of OHB if the Stocks so purchased are retained as Treasury Stocks.

4. FINANCIAL EFFECTS OF THE PROPOSED STOCK BUY-BACK (cont'd)

4.2 Net Assets Per Stock

The effects of the Proposed Stock Buy-Back on the net assets per stock of the Group are dependent on the purchase prices of the OHB Stocks and the effective funding cost to the Company.

If all the OHB Stocks purchased are to be cancelled, the Proposed Stock Buy-Back will reduce the net asset per stock when the purchase price exceeds the net asset per stock at the relevant point in time. However, the net asset per stock will be increased when the purchase price is less than the net asset per stock at the relevant point in time. The net asset per stock is RM7.65 as per audited financial statements as at 31 December 2013.

4.3 Working Capital

The Proposed Stock Buy-Back, if exercised, will reduce the working capital of the Group, the quantum of which depends on the purchase price of OHB Stocks and the actual number of OHB Stocks purchased.

4.4 Earnings Per Stock

The effects of the Proposed Stock Buy-Back on the earnings per stock of the Group are dependent on the actual number of OHB Stocks bought back and the purchase prices of OHB Stocks and the effective funding cost to the Company.

4.5 Dividends

Assuming the Proposed Stock Buy-Back is implemented in full and the dividend quantum is maintained at historical levels, the Proposed Stock Buy-Back will have the effect of increasing the dividend rate of OHB as a result of the reduction in the issued and paid-up share capital of OHB as described under Section 3.1 above.

5. SOURCE OF FUNDS FOR THE PROPOSED STOCK BUY-BACK

The Proposed Stock Buy-Back will allow the Company to purchase its own stocks at any time within the above mentioned time period using internally generated funds of the Company.

The actual number of Stocks to be purchased, the total amount of funds to be utilized for each purchase and the timing of any purchase will depend on the market conditions and sentiments of the stock market, the financial resources available to the Company as well as the availability of the retained profits reserve and the share premium reserve of the Company.

The maximum amount of funds to be utilised for the Proposed Stock Buy-Back shall not exceed the aggregate of the retained profits reserve of the Company, otherwise available for dividend for the time being. Based on the audited financial statements as at 31 December 2013, the Company's retained earnings is RM328.9 million.

6. OTHER DISCLOSURES IN RELATION TO THE PROPOSED STOCK BUY-BACK

6.1 Public Stockholding Spread

The Proposed Stock Buy-Back will be made in compliance with the 25% stockholding spread as required by the Listing Requirements of Bursa Securities. As at 17 April 2014, the public stockholding spread of the Company is approximately 42.1% of its issued share capital.

6. OTHER DISCLOSURES IN RELATION TO THE PROPOSED STOCK BUY-BACK (cont'd)

6.2 Purchases and Resale Made in the Previous Twelve (12) Months

OHB has not purchased any stocks in the previous 12 months preceding the date of this Statement. There was also no resale or cancellation of treasury stocks during the same period.

As at 31 December 2000, OHB had purchased a total of 100,000 of its own stocks and retained as Treasury Stocks. Out of 100,000 Stocks, 68,192 Stocks have been cancelled on 2 March 2001 and delisted from the Bursa Securities. The remaining of 31,808 Stocks are retained as Treasury Stocks. Treasury Stocks have no rights to voting, dividends, bonus issue and participation in other distribution.

6.3 Implication on The Malaysian Code On Take-Overs and Mergers 2010 ("the Code")

Boon Siew Sdn Bhd, a major stockholder of OHB by virtue of the management control exercised collectively by Dato' Seri Loh Cheng Yean, Datuk Loh Kian Chong, Dato' Robert Wong Lum Kong, DSSA, JP, Dato' Seri Lim Su Tong @ Lim Chee Tong and Dato' Sri Tan Hui Jing, is deemed to be a Party Acting in Concert with these Directors.

The Proposed Stock Buy-Back, if fully exercised will result in the equity interest of Boon Siew Sdn Bhd increasing from 43.0% to 47.8%. If the increase is more than 2% over a 6 month period, Boon Siew Sdn Bhd will be obliged under Part II of the Code to undertake a Mandatory General Offer for the remaining ordinary stocks in OHB not already held by them.

The Directors, Dato' Seri Loh Cheng Yean, Datuk Loh Kian Chong, Dato' Robert Wong Lum Kong, DSSA, JP, Dato' Seri Lim Su Tong @ Lim Chee Tong, Dato' Sri Tan Hui Jing and Boon Siew Sdn Bhd will seek Securities Commission's approval for a waiver from the obligation to undertake a Mandatory General Offer under Practice Note 9 of the Code, which is in respect of exemption for holders of voting shares, directors and persons acting in concert when a company purchases its own voting shares.

In the event the Proposed Waiver is not granted, the Company will not proceed with the Proposed Stock Buy-Back.

7. INTERESTS OF DIRECTORS, SUBSTANTIAL STOCKHOLDERS AND PERSONS CONNECTED

The Directors, Substantial Stockholders and Persons Connected with the Directors and/or Substantial Stockholders of the OHB Group have no direct or indirect interest in the Proposed Stock Buy-Back and resale of treasury stocks.

8. DIRECTORS' RECOMMENDATION

Having considered all aspects of the Proposed Stock Buy-Back, the Directors are of the opinion that the Proposed Stock Buy-Back is in the best interest of the Group. The Directors recommend that you vote in favour of the resolution pertaining to the Proposed Stock Buy-Back to be tabled at the forthcoming AGM.

9. BURSA SECURITIES

Bursa Securities takes no responsibility for the contents of this Statement, makes no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or reliance upon the whole or any part of the contents of this Statement. Bursa has not reviewed this Statement prior to its issuance.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Chairman
- Dato' Seri Loh Cheng Yean
  D.G.P.N., D.S.P.N.

Deputy Chairman
- Datuk Loh Kian Chong
  D.M.S.M.

Group Managing Directors
- Dato' Robert Wong Lum Kong
  D.S.S.A., J.P
- Dato' Seri Lim Su Tong
  D.G.P.N., D.S.P.N.

Other Directors
- YM Tengku Tan Sri Dato' Seri Ahmad Rithauddeen bin Tengku Ismail
  P.M.N., S.P.M.P., S.S.A.P., P.M.K.
- Sharifah Intan binti S. M. Aidid
- Mary Geraldine Phipps
- Dato' Ghazi bin Ishak
- Koji Onishi
- Dato' Sri Tan Hui Jing
  S.S.A.P., P.K.T., P.J.K.
- Datin Loh Ean
  (Alternate director to Dato' Robert Wong Lum Kong D.S.S.A., J.P)
- Tan Kheng Hwee
  (Alternate director to Dato' Seri Loh Cheng Yean)

EXCO COMMITTEE

Chairman
- Dato' Seri Loh Cheng Yean

Members
- Dato' Robert Wong Lum Kong
  D.S.S.A., J.P
- Dato' Seri Lim Su Tong
- Datuk Loh Kian Chong

AUDIT COMMITTEE

Chairman
- Mary Geraldine Phipps

Members
- Dato' Ghazi bin Ishak
- Sharifah Intan binti S. M. Aidid

REMUNERATION COMMITTEE

Chairman
- Dato' Ghazi bin Ishak

Members
- Mary Geraldine Phipps
- Sharifah Intan binti S. M. Aidid

NOMINATION COMMITTEE

Chairman
- Mary Geraldine Phipps

Members
- Dato' Ghazi bin Ishak
- Sharifah Intan binti S. M. Aidid

RISK MANAGEMENT COMMITTEE

Chairman
- Mary Geraldine Phipps

Members
- Dato' Robert Wong Lum Kong
  D.S.S.A., J.P
- Dato' Seri Lim Su Tong
- Tan Kheng Hwee
- Wong Tet Look

COMPANY SECRETARIES

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

REGISTERED OFFICE

Suite 16-1 (Penthouse Upper)
Menara Penang Garden
42A, Jalan Sultan Ahmad Shah
10050 Penang
Tel No : 04-2294390
Fax No : 04-2265860

SHARE REGISTRAR

AGRITEUM Share Registration Services Sdn. Bhd.
2nd Floor, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah
10050 Penang
Tel No : 04-2282321
Fax No : 04-2272391

AUDITORS

KPMG, Penang
Chartered Accountants

MAJOR BANKERS

- Citibank Berhad
- The Nova Scotia Bank Berhad
- Standard Chartered Bank Malaysia Berhad
- United Oversea Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market
Stock Code : 4006

WEBSITE

www.ohb.com.my

PROFILE OF DIRECTORS

Dato' Seri Loh Cheng Yean
Executive Chairman

Dato' Seri Loh Cheng Yean has been a director at Oriental Holdings Berhad since 1987. She was appointed Group Chairman in 1995, and is currently chairman of the Executive Committee.

A Malaysian citizen, Dato' Seri Loh, aged 70, obtained her higher education in England. She was appointed a director of Kah Motor Company Sdn Bhd in 1967, subsequently becoming managing director of the Singapore branch in 1974. She incorporated the hospitality management companies, Bayview International Hotels and Resorts (Malaysia and Singapore) in 1990, and Kah Power Products Pte. Ltd., Singapore in 2008.

Dato' Seri Loh is one of four executive directors on the Executive Board of Oriental Holdings Berhad, and Executive Chairman of Kah Australia properties, Kah Motor Company investments portfolio in Singapore, Hotels and Resorts division (including Bayview International chain of hotels in Malaysia, Singapore, Australia, and New Zealand, as well as Kah Motor Hotels in Bangkok and United Kingdom), and Honda automotive division (Kah Motor Company Sdn Bhd retail network in Malaysia and distributor in Singapore).

She is Chairman of Boon Siew Sdn Bhd, a private company with controlling interest in Oriental Holdings Berhad, and Non-Executive Chairman of Boon Siew Honda Sdn Bhd, a 49/51 joint venture between Oriental Holdings Berhad and Honda Motor Co. Ltd., Japan. She is also Chairman of Singapore Safety Driving Centre Ltd., and a Director of Bukit Batok Driving Centre Ltd. and Honda Malaysia Sdn Bhd.

She attended all the 7 Board meetings held in 2013.

Dato' Seri Loh is the sister of Datin Loh Ean, sister-in-law of Dato' Robert Wong Lum Kong, DSSA, JP, Dato' Dr Tan Chong Siang, Dato' Seri Lim Su Tong, mother of Tan Kheng Hwee and the aunt of Datuk Loh Kian Chong and Dato' Sri Tan Hui Jing.

Datuk Loh Kian Chong
Deputy Chairman

Datuk Loh Kian Chong, aged 38, a Malaysian, was appointed to the Board as an Executive Director on 15 May 2009 and appointed as Deputy Chairman on 8 November 2013. Datuk Loh Kian Chong holds a Bachelor of Business in Property from Royal Melbourne Institute of Technology (RMIT), Australia.

He began his career as Director of Boon Siew Group of Companies in 2000. In May 2007, he was appointed as Deputy Chairman of Boon Siew Sdn. Bhd. He is a major shareholder of Boon Siew Sdn Bhd. and a major stockholder of Oriental Holdings Berhad.

He is a director of Penang Yellow Bus Company Berhad and Boon Siew Credit Berhad.

He attended all the 7 Board Meetings held in 2013.

He is the nephew of Dato' Seri Loh Cheng Yean, Dato' Robert Wong Lum Kong, DSSA, JP, Datin Loh Ean, Dato' Dr Tan Chong Siang, Dato' Seri Lim Su Tong and the cousin of Dato' Sri Tan Hui Jing and Tan Kheng Hwee.

PROFILE OF DIRECTORS
(CONT'D)

Dato' Robert Wong Lum Kong, DSSA, JP
Group Managing Director

Dato' Robert Wong Lum Kong, DSSA, JP, aged 73, a Malaysian, was appointed to the Board on 12 April 1976. He is the Group Managing Director in charge of the automotive division for Honda distributorship in Malaysia (until 2001) and Hyundai, plastic division and industrial and commercial property division (Malaysia).

A Chartered Accountant and a Fellow of CPA Australia, Dato' Wong became a member of CPA Australia in 1965, followed by membership in the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants. He is also a member of The Malaysian Institute of Directors and a Fellow of The Institute of The Motor Industry.

He has 50 years experience in the business, corporate and entrepreneurship sectors, which started in 1964 when he assumed the post of General Manager and Director of a manufacturing and trading concern dealing in non-consumable products. From 1967 to 1971, he joined a Certified Public Accounting firm as Senior Accountant, and during this period, he was seconded to a Stock Broking firm for 1½ years to reorganize and manage the business. In 1971, he started his own Certified Public Accounting firm.

Dato' Wong joined Oriental Holdings Berhad Group in 1972 as General Manager and Advisor, with emphasis in the motor and motor-related businesses.

He is one of the four executive directors responsible for the overall business and management operations of the Group.

In addition, he is the Managing Director of the following Oriental Holdings Berhad subsidiaries, namely:
- Kah Motor Company Sdn Bhd – (Malaysia's branches) since 1987;
- Kah Bintang Auto Sdn Bhd;
- Happy Motoring Company Sdn Bhd, exclusive distributor of Honda automobiles in Brunei.

He also established Teck See Plastic Group as an integrated one-stop centre for designing, compounding and manufacturing of automotive and consumer products.

Dato' Wong is in charge of the automotive business in Malaysia and Brunei as well as the plastic division of the Group locally and abroad. He is highly experienced in the motor industry, and has 42 years experience encompassing distribution, assembly and marketing in both car and motorcycle, as well as the manufacturing of components for the automotive (2-wheelers and 4-wheelers), electronics and parts industry both locally and overseas.

Dato' Wong is also very much devoted to public services and has held some notable memberships and positions, including among them, Associate Member of Commonwealth Magistrates & Judges Association, Honorary Rotarian, Trustee of The Spastic Children's Association of Selangor and Federal Territory, and Chairman of the 5th New Honda Circle Asia-Oceania Bloc Committee.

In recognition for achieving 11 consecutive years (1990 – 2000) in the No. 1 position for Honda in Malaysia in the non-national passenger car segment, the only company and country in the world to achieve this magnificient result, Dato' Wong received formal recognition during this period from various Honda directors, including the President and Managing Director of Honda Motor Co. Ltd. (Japan).

In recognition of his outstanding and exemplary achievements in entrepreneurship, Dato' Wong was awarded the Entrepreneur of the Year Award by Enterprise Asia in its Asia Pacific Entrepreneurship Awards 2010 (APEA 2010), the Great Entrepreneur Brand Icon Leadership Award 2011 and the Brand Personality Award 2012-2013 from the BrandLaureate Asia Pacific Brands Foundation as well as the Malaysia Business Leadership Awards 2010 – Automotive Award from the Kuala Lumpur Malay Chamber of Commerce and The Leaders Magazine. In addition, in recognition of his lifetime achievements, he was awarded the Lifetime Achievement Global Leadership Award 2011 and the Lifetime Achievement Master Class Award in 2011 from ASEAN Retail Chains & Franchise Federation.

PROFILE OF DIRECTORS
(CONT'D)

Dato' Robert Wong Lum Kong, DSSA, JP
Group Managing Director (cont'd)

He is a director of several subsidiaries of Oriental Holdings Berhad involving in hotels and resorts, plantation, property development, healthcare, construction machinery, safety driving centre, leasing and finance.

He is the Managing Director of Boon Siew Sdn Bhd since 1987, a company, with controlling interest in Oriental Holdings Berhad, and its subsidiary companies. Amongst his other directorships, he is a director of Hicom-Honda Manufacturing Malaysia Sdn Bhd, a joint-venture between DRB-Hicom, Honda and Boon Siew in the manufacture of motorcycle engines and components. He is also a director of Hitachi Construction Machinery (Malaysia) Sdn Bhd, and Singapore Safety Driving Centre Ltd.

He was a member of the Audit Committee since its formation on 27 April 1994 until his resignation on 31 January 2009.

He attended all the 7 Board meetings held in 2013.

He is spouse of Datin Loh Ean. Dato' Robert Wong Lum Kong, DSSA, JP is the eldest brother-in-law of Dato' Seri Loh Cheng Yean, Dato' Dr. Tan Chong Siang, Dato' Seri Lim Su Tong and the uncle of Datuk Loh Kian Chong, Dato' Sri Tan Hui Jing and Tan Kheng Hwee.

Dato' Seri Lim Su Tong
Group Managing Director

Dato' Seri Lim, aged 69, a Malaysian, was appointed to the Board on 1 July 1974. He is currently the Group Managing Director in charge of the property development and plantation divisions of the Group.

Dato' Seri Lim, a Bachelor of Arts (Hons) Economics graduate has over 30 years of experience in business operations.

He is one of the four executive directors responsible for the overall business and management operations of the Group.

In addition, Dato' Seri Lim is the CEO of the property development and plantation divisions of the Group.

He is currently a director of several subsidiaries of Oriental Holdings Berhad involved in hotels and resorts, automotive industries and plastic parts industries.

He is also a managing director of Boon Siew Sdn Bhd. and Boon Siew Credit Berhad and a director of Penang Yellow Bus Co. Berhad.

He attended all the 7 Board Meetings held in 2013.

He is the brother-in-law of Dato' Seri Loh Cheng Yean, Dato' Robert Wong Lum Kong, DSSA, JP, Datin Loh Ean, Dato' Dr Tan Chong Siang and the uncle of Datuk Loh Kian Chong, Dato' Sri Tan Hui Jing and Tan Kheng Hwee.

PROFILE OF DIRECTORS
(CONT'D)

YM Tengku Tan Sri Dato' Seri Ahmad Rithauddeen Bin Tengku Ismail
Independent Non-Executive Director

YM Tengku, aged 82, a Malaysian, is an Independent Non-Executive Director and was appointed to the Board on 9 February 2000.

YM Tengku, a former Cabinet Minister, served with the government for 20 years in various ministries as Minister of Foreign Affairs, Minister of International Trade and Industry, Minister at the Prime Minister's Office and Minister of Defence before retiring in 1990.

Tengku holds a Bachelor of Law degree from the University of Nottingham, United Kingdom and is a Barrister-at-Law from Lincoln's Inn.

He is also currently the Pro-Chancellor of University Kebangsaan Malaysia, Chairman of University of Nottingham Malaysia Sdn. Bhd., President of United Nations Association Malaysia and Honorary President for Life of Islamic Chambers of Commerce Malaysia. Tengku is a member of Advisory Trustee of Uthant Institute Inc., New York, USA.

YM Tengku was also awarded Foreign Orders and Decorations by the Federal Republic of Germany, Saudi Arabia, Republic of Korea and Thailand.

In January 2002, YM Tengku was conferred Doctor of Laws (Honoris Causa) by the University of Nottingham and also conferred Doctor of Philosophy by Universiti Kebangsaan Malaysia in August 2007.

He resigned as the Chairman of the Nomination Committee and Remuneration Committee on 29 November 2013; and a member of Audit Committee on 27 August 2013.

He attended 5 out of 7 Board Meetings held in 2013.

YM Tengku does not have any family relationship with any other Director and/or major stockholder of the Company.

Sharifah Intan Binti S.M. Aidid
Non-Independent Non-Executive Director

Puan Sharifah, aged 79, a Malaysian, is a Non-Independent Non-Executive Director. She was appointed as a Director on 25 July 2002.

After 20 years in the teaching profession, she took up law in 1980, and was called to the Bar in 1985. She is currently a consultant of Messrs. Lim Huck Aik & Co, Advocates & Solicitors.

In addition, she is a director of Boon Siew Honda Sdn. Bhd., Penang Yellow Bus Co. Berhad and Chainferry Development Sdn. Bhd.

She is a member of the Audit Committee, Nomination Committee and Remuneration Committee.

She attended all the 7 Board Meetings held in 2013.

Puan Sharifah does not have any family relationship with any other Director and/or major stockholder of the Company.

PROFILE OF DIRECTORS
(CONT'D)

Mary Geraldine Phipps
Independent Non-Executive Director

Ms. Mary Geraldine Phipps, aged 65, a Malaysian, was appointed to the Board as an Independent Non-Executive Director of the Company on 14 August 2009. In 1976, she became a member of the Malaysian Institute of Certified Public Accountants and a member of the Malaysian Institute of Accountants in 1982. In 1992, she became a member of the Malaysian Institute of Taxation and is currently a Fellow of the Malaysian Institute of Taxation.

She joined KPMG, Penang as an articled student in 1969 and remained in public practice until her retirement in December 2004. In 1982, she was made a partner of KPMG and in 1990 she was appointed Managing Partner of KPMG Penang practice. During this time, she was also a Director of KPMG Tax Services Sdn Bhd. Her expertise is in taxation and her experience in tax advisory and consultancy services covered a diversified range of industries. She was the Tax/Client Partner for multinational clients of KPMG's overseas offices which have manufacturing facilities in Penang.

She currently sits on the Board of SLP Resources Berhad.

She is the Chairman of the Audit Committee, Risk Management Committee and Nomination Committee. She is also a member of Remuneration Committee.

She attended all the 7 Board Meetings held in 2013.

She does not have any family relationship with any other Director and/or major stockholder of the Company.

Dato' Ghazi Bin Ishak
Independent Non-Executive Director

Dato' Ghazi, aged 70, a Malaysian, was appointed to the Board as an Independent Non-Executive Director on 22 September 2010.

Dato' Ghazi, a lawyer by profession is a Barrister at Law from Lincoln's Inn London, United Kingdom. He was called to the English Bar in 1971 and joined the Malaysian Government Legal Services upon his return in 1971. He was posted as a Magistrate in Kuala Lumpur and later as Acting President of Sessions Court in Malacca and Kuala Kubu Bahru. He was appointed as Deputy Public Prosecutor Penang in 1975 and for a spell acted as State Legal Adviser, Penang.

He resigned from Government Service on 31 December 1976 and joined a legal firm, Messrs Presgrave & Matthews, as a Partner from 1 March 1977 until 1992 when he formed Messrs Ghazi & Lim.

Dato' Ghazi is one of the most prominent litigation lawyers in Malaysia having litigated in landmark Malaysian cases in fields ranging from criminal, commercial, company, banking, construction, constitutional, land law and complex probate and administration matters involving jurisdictions in Australia, Singapore, America and England. He also handles labour, employment and industrial disputes. Dato' Ghazi also advises local authorities and other statutory bodies, including Universiti Sains Malaysia.

His corporate experience includes joint venture agreements involving foreign partners. He currently sits on the Board of Wing Tai Malaysia Berhad.

He is the Chairman of Remuneration Committee, a member of Audit Committee and Nomination Committee.

He attended 5 out of 7 Board Meetings held in 2013.

Dato' Ghazi does not have any family relationship with any other Director and/or major stockholder of the Company.

PROFILE OF DIRECTORS
(CONT'D)

Dato' Sri Tan Hui Jing
Non-Independent Non-Executive Director

Dato' Sri Tan Hui Jing, aged 33, a Malaysian, joined the Board as a Non-Independent Non-Executive Director on 1 February 2014. He was previously the Alternate Director to Dato' Dr Tan Chong Siang who retired from the Board on 31 January 2014. Dato' Sri Tan Hui Jing holds a Bachelor of Business Systems degree from Monash University, Clayton Australia.

He began his career as Sales and Marketing Executive in Boon Siew Sdn. Bhd. in 2004. In 2006, he was appointed as Director of Boon Siew Honda Sdn. Bhd.. He is currently the Chief Sales & Marketing Officer and Deputy Chairman of Boon Siew Honda Sdn. Bhd.

He is the son of Dato' Dr Tan Chong Siang, the nephew of Dato' Seri Loh Cheng Yean, Dato' Robert Wong Lum Kong, DSSA, JP, Datin Loh Ean, Dato' Seri Lim Su Tong and the cousin of Datuk Loh Kian Chong and Tan Kheng Hwee.

Koji Onishi
Non-Independent Non-Executive Director

Mr. Koji Onishi, aged 57, a Japanese was appointed to the Board as a Non-Independent Non-Executive on 1 April 2014.

Mr. Koji Onishi holds a Bachelor of Law from Meijo University, Tempaku Nagoya Japan.

He began his career as Staff Member in Honda Motor Co., Ltd. in January, 1982. In July 1982, he worked as Staff Member in Honda Motorcycle Aichi Co., Ltd and was appointed as Senior Staff on April 1988. In October 1990, he worked as Senior Staff in Honda Motor Co., Ltd and was appointed as Assistant Manager in 1993. In 2001, he worked as Assistant Manager in Asian Honda Motor Co., Ltd, Thailand before appointed as Manager of Honda Motor Co., Ltd in 2002. He was appointed as President of Honda Motor (China) Co., Ltd in April 2003 and also President of Honda Vietnam Co., Ltd in April 2007. Previously, he was the Deputy General Manager and General Manager of Honda Motor Co., Ltd in Japan and Myanmar respectively.

Mr. Koji Onishi is the representative of Honda Motor Co., Ltd. He does not have any family relationship with any other Director and/or major stockholder of the Company.

Datin Loh Ean
Alternate Director

Datin Loh Ean, aged 72, a Malaysian, was appointed as an Alternate Director to Dato' Robert Wong Lum Kong, DSSA, JP on 9 September 2010. Datin Loh Ean obtained higher education in England.

She started work in Boon Siew Sdn Bhd since 1965. She is a Director of Boon Siew Credit Berhad, Penang Yellow Bus Company Berhad, NGK Spark Plugs Malaysia Bhd., certain subsidiaries and associated companies of Oriental Holdings Berhad and Boon Siew Sdn Bhd.

She is the spouse of Dato' Robert Wong Lum Kong, DSSA, JP. She is the eldest sister of Dato' Seri Loh Cheng Yean. She is the eldest sister-in-law of Dato' Dr Tan Chong Siang, Dato' Seri Lim Su Tong and the aunt of Datuk Loh Kian Chong, Dato' Sri Tan Hui Jing and Tan Kheng Hwee.

PROFILE OF DIRECTORS
(CONT'D)

Tan Kheng Hwee
Alternate Director

Ms. Tan Kheng Hwee, aged 48, a Singaporean, was appointed to the Board as an Alternate Director to Dato' Seri Loh Cheng Yean on 1 August 2011.

Ms Tan holds a Bachelor of Arts in Economics, Cornell University and also a MBA in Finance, New York University. She worked in Deloitte and Touche in New York City (International Tax) for a year before joining Kah Motor Singapore Branch as a Finance Manager. She is currently the Deputy Managing Director in Kah Motor Singapore Branch.

She is a director of Boon Siew Credit Berhad and Penang Yellow Bus Company Berhad.

She is the daughter of Dato' Seri Loh Cheng Yean. She is the niece of Dato' Robert Wong Lum Kong, DSSA, JP, Datin Loh Ean, Dato' Dr Tan Chong Siang, Dato' Seri Lim Su Tong and the cousin of Datuk Loh Kian Chong and Dato' Sri Tan Hui Jing.

Notes:

(a) *Conflict of Interest*
Non of the Directors has any conflict of interest with the Group.

(b) *Convictions of Offences*
Non of the Directors has been convicted of any offences within the past 10 years.

NAME OF SUBSIDIARIES AND ASSOCIATES

AAP	:	Armstrong Auto Parts Sdn. Berhad
ACP	:	Armstrong Cycle Parts (Sdn). Berhad
ACPV	:	Armstrong Component Parts (Vietnam) Co., Ltd
AI	:	Armstrong Industries Sdn. Bhd.
AR	:	Armstrong Realty Sdn. Bhd.
ATS	:	Armstrong Trading & Supplies Sdn. Bhd.
ATTS	:	AT-TS Marketing Sdn. Bhd.
BBDS	:	Bukit Batok Driving Centre Ltd.
Bint	:	Bayview International Sdn. Bhd.
BSB	:	Boon Siew (Borneo) Sendirian Berhad
BSH	:	Boon Siew Honda Sdn. Bhd.
BSKah	:	B. S. Kah Pte. Ltd.
CC	:	Compounding & Colouring Sdn. Bhd.
ChDev	:	Chainferry Development Sdn. Berhad
DF	:	Dragon Frontier Sdn. Bhd.
Gbay	:	Geographe Bay Motel Unit Trust
HAP	:	Honda Autoparts Manufacturing (M) Sdn. Bhd.
HCM	:	Hitachi Construction Machinery (Malaysia) Sdn. Bhd.
HM	:	Happy Motoring Company Sdn. Bhd.
HS	:	Hymold (Su Zhou) Co., Ltd
HTSM	:	Hicom Teck See Manufacturing Malaysia Sdn. Bhd.
Juta	:	Jutajati Sdn. Bhd.
KC	:	Kah Classic Auto Sdn. Bhd.
Kah M	:	Kah Motor Company Sdn. Berhad
KAust	:	Kah Australia Pty. Limited
KBA	:	Kah Bintang Auto Sdn. Bhd.
Ken	:	Kenanga Mekar Sdn. Bhd.
KMA	:	KM Agency Sdn. Bhd.
KNZ	:	Kah New Zealand Limited
KP	:	Kah Power Products Pte. Ltd.
KPCL	:	Kingdom Properties Co. Limited
KST	:	Kasai Teck See Co. Ltd.
KTSM	:	Kasai Teck See (Malaysia) Sdn. Bhd.
KWE	:	Kwong Wah Enterprise Sdn. Bhd.
KU	:	Konkrit Utara Sdn. Bhd.
LBSE	:	Loh Boon Siew Education Sdn. Bhd.
LEM	:	Lipro Electrical Manufacturing Sdn. Bhd.
LMold	:	Lipro Mold Engineering Sdn. Bhd.
LT	:	Lipro Trading Sdn. Bhd.
MSM	:	Melaka Straits Medical Centre Sdn. Bhd.
NILAM	:	Nilam Healthcare Education Centre Sdn. Bhd.
NME	:	North Malaya Engineers Trading Company Sdn. Berhad
NMEO	:	North Malaya Engineers Overseas Sdn. Bhd.
NMX	:	North Malaya (Xiamen) Steel Co. Ltd.
OA	:	Oriental Assemblers Sdn. Bhd.

NAME OF SUBSIDIARIES AND ASSOCIATES
(CONT'D)

OAM	:	Oriental Asia (Mauritius) Pte. Ltd.
OAMS	:	OAM Asia (Singapore) Pte. Ltd.
OBSM	:	Oriental Boon Siew (Mauritius) Pte. Ltd.
OBS(M)	:	Oriental Boon Siew (M) Sdn. Bhd.
OBSS	:	OBS (Singapore) Pte. Ltd.
OC	:	Syarikat Oriental Credit Berhad
OIM	:	Oriental International (Mauritius) Pte. Ltd.
OIW	:	Oriental Industries (Wuxi) Co. Ltd.
OL	:	Onward Leasing & Credit Sdn. Bhd.
ONDE	:	Oriental Nichinan Design Engineering Sdn. Bhd.
OR	:	Oriental Realty Sdn. Berhad
ORPO	:	Oriental Rubber & Palm Oil Sdn. Berhad
OSI	:	Oriental San Industries Sdn. Bhd.
PgA	:	Penang Amusements Company Sdn. Bhd.
PSH	:	Park Suanplu Holdings Co., Ltd.
PT DAM	:	PT Dapo Agro Makmur
PT GBina	:	PT Gunungsawit Binalestari
PT GML	:	PT Gunung Maras Lestari
PT GSSL	:	PT Gunung Sawit Selatan Lestari
PT BSSP	:	PT Bumi Sawit Sukses Pratama
PT PPA	:	PT Pratama Palm Abadi
PT KTS	:	PT Kasai Teck See Indonesia
PWR	:	Penang Wellesley Realty Sdn. Berhad
SBHL	:	Silver Beech Holdings Limited
SBIOM	:	Silver Beech (IOM) Limited
SBO	:	Silver Beech Operations UK Limited
SBL	:	Suanplu Bhiman Limited
SP	:	Selasih Permata Sdn. Bhd.
SPP	:	Southern Perak Plantations Sdn. Berhad
SOrien	:	Southern Oriental Sdn. Bhd.
SSDC	:	Singapore Safety Driving Centre Ltd.
SU	:	Simen Utara Sdn. Bhd.
TSP	:	Teck See Plastic Sdn. Bhd.
UG	:	Ultra Green Sdn. Bhd.
UMix	:	Unique Mix (Penang) Sdn. Bhd.
UniMix	:	Unique Mix Sdn. Bhd.
UP	:	Unique Pave Sdn. Bhd.
UMS	:	Unique Mix (Singapore) Pte. Ltd.

GROUP STRUCTURE
AS AT 31 DECEMBER 2013

Automotive & Related Products	Kah M	BSB	AAP	OA	ATS	KC	AR	HAP	BBDS	BSKah
	KBA	HM	ACPV	ACP	KP	KMA	BSH	SSDC		

Plastics Products	LEM	TSP	ONDE	DF	KTSM	HS	PT KTS	HTSM
	ATTS	CC	OSI	AI	OIW	LMold	KST	

Hotels & Resorts	KNZ	- Bayview Chateau Tongariro - Bayview Wairakei Resort	Kah M	- Bayview Hotel Melaka - Bayview Hotel Singapore		Bint	PSH	SBL
	KAust	- Bayview Geographe Resort,WA - Bayview Eden, Melbourne - The Sydney Boulevard Hotel - Bayview on the Park, Melbourne - Westfield Towers	Gbay	SBHL	SBO	SBIOM	KPCL		

Plantations	ORPO	PT GBina	PT DAM	PT GSSL
	PT GML	PT BSSP	PT PPA	SPP

Investment Holding & Financial Services	KWE	Juta	OBSM	OAM	OAMS	OC	
	NMEO	SP	OBSS	OIM	OL	UMS	SOrien

Property Development & Related Products	OR	NME	UP	Ken	KU	UniMix	PWR
	UG	SU	UMix	NMX	LT	OBS(M)	ChDev

Healthcare & Others	MSM	NILAM	HCM
	LBSE	PgA	

SUBSIDIARIES ASSOCIATES

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of Oriental Holdings Berhad ('OHB'), it is my privilege to present to you the Annual Report and Audited Financial Statements of OHB for the financial year ended 31 December 2013.

FINANCIAL OVERVIEW

For the financial year under review, the Group recorded revenue of RM2.75 billion compared to RM2.81 billion in 2012, a reduction of 2.1%. Group profit before tax however, decreased by 29.7% to RM264.3 million from RM375.7 million for the previous year, while the after tax position registered a 34.1% drop to RM199.3 million from RM302.6 million in 2012. Earnings per stock unit decreased 7.58% to 29.89 sen from 32.34 sen in 2012.

The marginal decrease in revenue was largely attributable to lower revenue generated by the plantation division, a segment subjected to the uncertainties associated with commodity markets. In the case of the Group's profit level, this was adversely impacted by losses suffered by the automotive parts manufacturing operations following the phase out of a major customer's main model in the motorcycle industry and the low volume assembled at its vehicle assembly plant.

Insofar as the sales of automobiles are concerned, with the addition during the year of two new retail branches at Selayang and Johor Baru, the Group strongly believes that its ten retail and services centres in Peninsular Malaysia and sole distributorships in Singapore and Brunei for its Honda car business will continue to contribute significantly to Group profit.

For the plastic division, revenue was marginally lower because of stiff competition in the electrical and automotive businesses.

Until the fourth quarter of the year, earnings from the plantation operations were squeezed by depressed crude palm oil (CPO) selling prices which at an average of RM2,165 per MT were below that of the previous year. Combined with the record carryover of high CPO inventory levels in a buyers' market, higher operating costs with the introduction of the minimum wage for workers in Malaysia and higher minimum wage in Indonesia and lower yields from its Indonesian estates, earnings from this division fell although it still made a positive contribution to Group Profit. Throughout the year replanting and fertilizer programs have continued unabated. With the gradual improvement in CPO prices towards the end of the fourth quarter and the expectation that the trend will continue, this division will again be a significant contributor to the Group's performance in 2014.

The contribution by the hotels and resorts division has been consistent in spite of global economic uncertainties and intense competition from the increasing supply of new choices to the industry.

The Group's financial position however, remains strong with Shareholders' Funds of RM4.7 billion and cash and bank balances of RM2.8 billion attributable to the robust allocation of capital and efficient management of assets which have given financial flexibility to the Group to capitalize on growth opportunities and to maximize shareholders' value.

DIVIDEND

The Board recommends the payment of a final single tier dividend of 3.5 sen per share for financial year 2013. Combined with the earlier interim dividend of 3.5 sen per share, dividend for the financial year ended 31 December, 2013 total 7 sen per share, amounting to RM43.4 million, which is equivalent to 22% of 2013 net earnings.

CHAIRMAN'S STATEMENT
(CONT'D)

PROSPECTS

The Group's operating environment in 2014 is expected to remain very demanding and challenging with the lingering global economic uncertainties and the volatility of commodity prices. The Group is mindful of the uncertainties that lie ahead. However, the Group's diversified portfolio of businesses and focus on execution and delivery will enable it to withstand any cyclical fluctuation in the global economy.

The automotive division is expected to continue operating under tough market conditions with increased and stiff competition from new players and new products especially from Energy Efficient Vehicles (EEV) with the implementation of the revised National Automotive Policy (NAP) 2014. The division will continue to focus on quality, strengthening its sales and service network and the launching of new models to maintain its market share.

A brighter year is anticipated for the plantation division with prices of CPO, palm kernel and FFB expected to trend higher due to tighter supplies and the rising biodiesel demand from Indonesia and Malaysia. Weather impact, effects of US tapering, crude palm oil prices and biodiesel policies, changes to government's tax policies on edible oils, prospects of the global economy and the anti palm oil lobby will continue to be risks faced by the industry. Key strategies for 2014 will be to expand its planted area, reduce costs and improve yields.

The hotels and resorts division and plastics division will continue to face severe competition in their respective markets but will add positively to the Group's performance.

The performance of the property division will be in line with the expected slowdown in the property market especially with the increase in Real Property Gains Tax rates to curb speculation. Notwithstanding that, Penang is still considered as one of the dynamic real estate markets in the country and the Group will continue to develop and increase its land bank. The completion of the reclamation works on the balance of 501 acres of its concession in Melaka will significantly add to its land bank.

The Group's medical centre in Melaka is expected to commence operations by the end of 2014. The Board is confident that it will be a catalyst for the future expansion of the healthcare division.

RETURN TO STOCKHOLDERS

A holding of 1,000 stocks in Oriental when it was listed in 1964 would translate into 48,306 Oriental stocks worth RM410,118, based on the share price of RM8.49 at the end of 2013. In addition, the stocks would have earned a total gross dividend of RM164,071. The gross dividends received and the appreciation in value is equivalent to a remarkable average return of 13.55% for each of the 50 years.

ACKNOWLEDGEMENT AND APPRECIATION

The Board composition has changed with Dato' Dr Tan Chong Siang and Mr. Satoshi Okada stepping down in January and March 2014 respectively. On behalf of the Board, I wish to record our appreciation to Dato' Dr Tan Chong Siang and Mr. Satoshi Okada for their dedication and invaluable contribution to the Board. We welcome Dato' Sri Tan Hui Jing and Mr. Koji Onishi to the Board as Non-Independent Non-Executive Directors.

On behalf of the Board, I wish to thank the Board committees, management and staff for their professionalism, dedication and commitment towards the continued success of the Group. Our appreciation also goes to our stockholders, customers, business associates and regulatory authorities for their on-going support.

DATO' SERI LOH CHENG YEAN
Chairman
17 April 2014

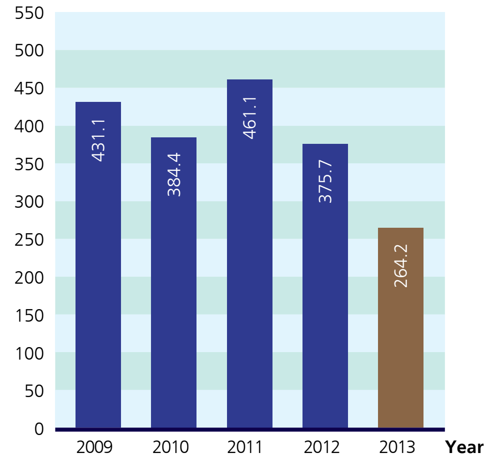
FIVE-YEAR GROUP FINANCIAL SUMMARY
(RM' million)

	2013	2012	2011	2010	2009
FINANCIAL POSITION ANALYSIS					
Share capital	620.4	620.4	620.4	620.4	517.0
Reserves	614.8	595.8	542.2	514.2	504.7
Retained earnings	3,512.4	3,381.1	3,236.3	3,003.3	2,897.2
Treasury stocks	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Total equity attributable to stockholders of the Company	4,747.4	4,597.1	4,398.7	4,137.7	3,918.7
Minority interest	745.3	728.3	669.6	601.0	559.1
TOTAL EQUITY	5,492.7	5,325.4	5,068.3	4,738.7	4,477.8
Property, plant and equipment	1,324.4	1,338.3	1,117.9	1,241.2	1,311.1
Intangible assets	49.7	52.0	57.3	32.3	32.1
Biological assets	235.6	214.1	166.2	137.1	144.5
Investment properties	555.0	492.5	487.9	72.6	62.3
Land held for property development	35.9	35.8	37.8	167.5	158.2
Prepaid land lease payments	33.9	40.0	40.5	52.5	53.1
Investments	705.3	647.4	540.2	542.0	407.6
Current assets	3,403.8	3,309.7	3,511.5	3,262.5	3,026.2
Deferred tax assets	11.5	8.0	6.3	3.8	9.5
TOTAL ASSETS	6,355.1	6,137.8	5,965.6	5,511.5	5,204.6
TOTAL LIABILITIES	(862.4)	(812.4)	(897.3)	(772.8)	(726.8)
	5,492.7	5,325.4	5,068.3	4,738.7	4,477.8
OTHER DATA					
Profit before taxation	264.2	375.7	461.1	384.4	431.1
Taxation	(65.0)	(73.2)	(91.8)	(76.5)	(93.9)
PROFIT FOR THE YEAR	199.2	302.5	369.3	307.9	337.2
Minority interests	(13.8)	(101.9)	(99.1)	(58.4)	(66.5)
NET PROFIT ATTRIBUTABLE TO STOCKHOLDERS OF THE COMPANY	185.4	200.6	270.2	249.5	270.7
DIVIDEND					
Net - RM' million	43.4	49.6	55.8	55.8	38.8
Gross rate - %	7.0	8.0	9.0	9.0	10.0

FINANCIAL HIGHLIGHTS OF THE GROUP

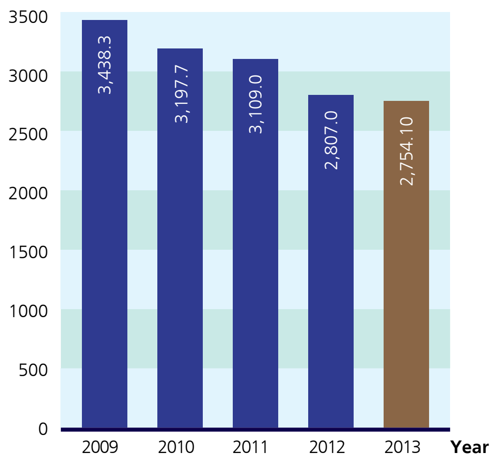
Profit Before Taxation

RM' million



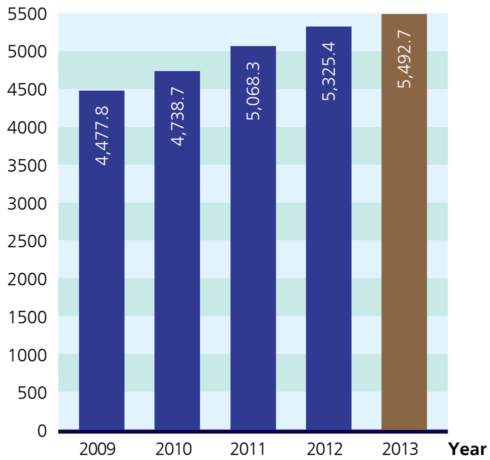
Turnover

RM' million



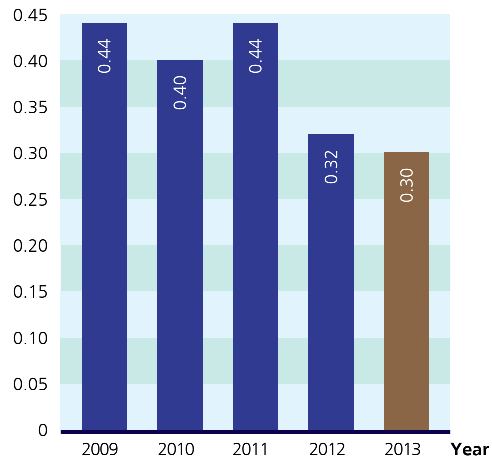
Shareholders' Fund

RM' million



*Earnings Per Stock

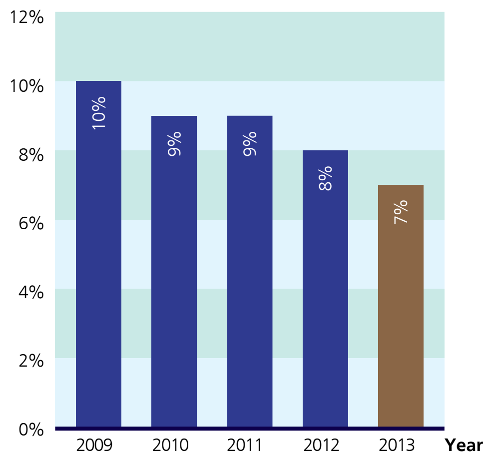
RM



* Adjusted for 2010 Bonus Issue

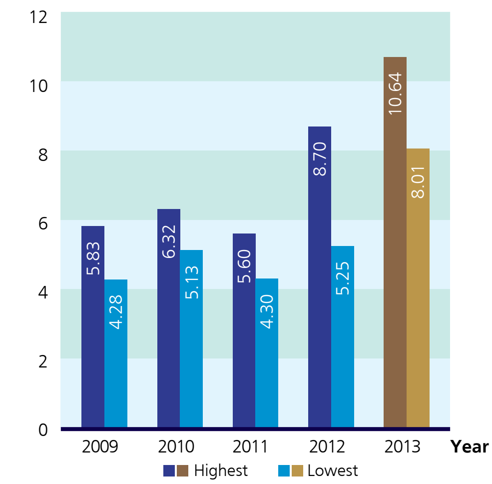
Gross Dividends

%



*Market Price

RM



* Adjusted for 2010 Bonus Issue

PLANTATION STATISTICS

			2013	2012
I	**Estates - Malaysia & Indonesia**			
A	**Area Statement**			
1	Matured	Ha	25,408	25,280
2	Immature	Ha	2,690	2,729
3	**Total Planted**	Ha	28,098	28,009
4	Plantable	Ha	47,239	47,282
5	**Sub total**	Ha	75,337	75,291
6	Buildings, roads, etc	Ha	1,594	1,641
7	**Total**	Ha	76,931	76,932
B	**FFB Yield per Hectare**	MT	21.66	24.84
C	**Estate FFB Production**	MT	550,246	627,843
II	**Oil Mills - Indonesia**			
A	**FFB Throughput**			
1	Own Estates	MT	457,363	533,378
2	External	MT	77,397	121,493
3	**Total**	MT	534,760	654,871
B	**Extraction Rates**			
1	CPO	%	19.90	20.55
2	Palm Kernel	%	5.31	5.32
C	**Production**			
1	CPO	MT	106,405	134,545
2	Palm Kernel	MT	28,384	34,829
III	**Age Profile of Planted Area - 31/12/13**		**Hectares**	**Hectares**
1	Matured			
a	Young (4 to 7 years)		871	835
b	Prime (8 to 18 years)		22,273	22,564
c	Due (more than 18 years)		2,264	1,881
d	**Sub total**		25,408	25,280
2	Immature		2,690	2,729
3	**Total Planted**		28,098	28,009
IV	**Data - Comprises of**		**2013**	**2012**
1	Indonesia			
a	PT Gunung Maras Lestari		√	√
b	PT Gunungsawit Binalestari		√	√
c	PT Bumi Sawit Sukses Pratama		√	√
d	PT Gunung Sawit Selatan Lestari		√	√
e	PT Pratama Palm Abadi		√	√
f	PT Dapo Argo Makmur		√	√
2	Malaysia			
a	Oriental Rubber & Palm Oil Sdn Bhd		√	√

FINANCIAL CALENDAR

FINANCIAL YEAR END	31 December 2013
ANNOUNCEMENT OF RESULTS	
Quarter ended 31 March 2013	29 May 2013
Quarter ended 30 June 2013	28 August 2013
Quarter ended 30 September 2013	29 November 2013
Quarter ended 31 December 2013	28 February 2014
DIVIDENDS	
Payment of Interim Dividend for Year 2012	10 May 2013
Payment of Final Dividend for Year 2012	30 August 2013
Payment of Interim Dividend for Year 2013	30 April 2014
Proposed Final Dividend for Year 2013	17 April 2014
POSTING OF ANNUAL REPORT AND FINANCIAL STATEMENTS TO STOCKHOLDERS	15 May 2014
ANNUAL GENERAL MEETING	6 June 2014

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors (the "Board") is committed to implementing and maintaining high standards of corporate governance in promoting transparency, accountability and integrity to enhance shareholder value. As such, the Board strives to adopt the substance behind corporate governance prescriptions and not merely the form.

The Board is pleased to provide the following Statement, which sets out how the Company has applied the Principles and Recommendations as promulgated by the Malaysian Code on Corporate Governance 2012 (the "MCCG 2012") during the financial year under review following the release of the MCCG 2012 by the Securities Commission in late March 2012. Non-observation of specific Recommendation of the MCCG 2012 during the financial year, including the reasons thereof and alternative practice, if any, is included in this Statement.

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

Duties and Responsibilities of the Board

The Board recognises the vital role played by the Board in the stewardship of its direction and operations, and ultimately the enhancement of long-term shareholder value. To fulfil its role, the Board has assumed and established the following responsibilities in discharging its fiduciary and leadership functions:

- reviewing and adopting a strategic plan for the Group to ensure sustainability of its business as the Board brings objectivity and breadth of judgement to the Group's operations;
- overseeing the conduct of the Group's businesses and performance of Management to determine whether or not its businesses are being properly managed;
- identifying principal risks for the Company and its subsidiaries and ensuring the implementation of appropriate internal controls and mitigating measures to address such risks;
- succession planning, including appointing, training, fixing the compensation of and, where appropriate, replacing members of the Board and Senior Management;
- overseeing the development and implementation of a shareholder communications policy for the Company; and
- reviewing the adequacy and integrity of the Group's risk management and internal control system.

To assist in the discharge of its stewardship role, the Board has established Board Committees, namely the Executive Committee, Audit Committee, Remuneration Committee, Nominating Committee and Risk Management Committee, to oversee matters within their specific terms of reference as approved by the Board and 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

To enhance accountability, the Board has established clear functions reserved for the Board and those delegated to Management. There is a formal schedule of matters reserved to the Board for its deliberation and decision to ensure the direction and control of the Company are in its hands. Key matters reserved for the Board include setting the overall group strategy and direction, approving acquisitions and divestitures, annual operating and capital budgets, quarterly and annual financial statements for announcement as well as monitoring of financial and operating performance of the Group. Whilst the Board is responsible for creating the framework and policies within which the Group should be operating, Management is responsible for instituting measures on compliance with laws, regulations, rules, directives and guidelines, including the achievement of the Group's corporate objectives. Such delineation of roles is clearly set out in the Board Charter which serves as a reference point for Board activities and reinforces the supervisory role of the Board.

In early 2013, the Board revised its Board Charter to take into account the Recommendations promulgated by the MCCG 2012 and changes to the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa"), including Board dynamics. The revised Board Charter is published on the corporate website.

STATEMENT ON CORPORATE GOVERNANCE
(CONT'D)

Principle 1 Establish clear roles and responsibilities of the Board and Management (cont'd)

Code of Ethics and Whistle Blowing Policy

The Board has also formalized in writing a Code of Ethics in early 2013, setting out the standards of ethics and conduct expected from Directors and employees to uphold good corporate behaviour. To complement the Code of Ethics, the Company's existing whistle blowing policy was also enhanced accordingly to outline when, how and to whom a concern may be properly raised about the actual or potential corporate fraud or breach of ethics involving employee, Management or Director in the Group. All concerns reported by the whistle blower are made to the Chairman of the Audit Committee according to the form and specific conditions prescribed under the policy. The identity of the whistle blower is kept confidential and protection is accorded to the whistle blower against any form of reprisal or retribution.

The Board recognises the importance on adherence to the Code of Ethics by all personnel in the Group and has made available a summary of the Code of Ethics and Whistle Blowing Policy on the corporate website.

Sustainability of Business

The Board is aware of the importance of business sustainability and has embedded its Sustainability Policy in developing its corporate strategies with the impact on the environmental, social and governance aspects taken into consideration. As for the Group's activities on corporate social responsibilities for the year under review, they are disclosed on pages 53 to 54 of this Annual Report.

Supply of and Access to Information

The Board is supplied with relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters, by way of Board reports or upon specific requests, for informed decision making and effective discharge of Board's responsibilities.

Procedures have been established for timely dissemination of Board and Board Committees papers to all Directors at least seven (7) days to the Board and Board Committees meetings, to give effect to Board decisions and to deal with matters arising from such meetings. Senior Management of the Group and external advisors are invited to attend Board meetings to provide additional insights and professional views, advice and explanations on specific items on the meeting agenda. Besides direct access to Management, Directors may obtain independent professional advice at the Company's expense, if considered necessary, in accordance with established procedures set out in the Board Charter in furtherance of their duties.

Directors have unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Board is regularly updated and advised by the Company Secretaries who are qualified, experienced and competent on new statutory and regulatory requirements, and the resultant implications to the Company and Directors in relation to their duties and responsibilities. The Company Secretaries, who oversee adherence with Board policies and procedures, brief the Board on the proposed contents and timing of material announcements to be made to regulators. The Company Secretaries attend all Board and Board Committees meetings and ensure that meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained accordingly. The removal of Company Secretaries, if any, is a matter for the Board, as a whole, to decide.

Principle 2 Strengthen Composition of the Board

Board Composition and Balance

At the date of this Statement, the Board consists of ten (10) members, comprising four (4) Executive Directors and six (6) Non-Executive Directors, three (3) of whom are Independent. This composition fulfils the requirements as set out under the Listing Requirements of Bursa, which stipulate that at least two (2) Directors or one-third of the Board, whichever is higher, must be Independent. The profile of each Director is set out on pages 12 to 18 of this Annual Report.

STATEMENT ON CORPORATE GOVERNANCE
(CONT'D)

Principle 2 Strengthen Composition of the Board (cont'd)

Nominating Committee

The Company has a Nominating Committee, which comprises wholly Non-Executive Directors, with a majority being Independent. At the date of this Statement, the members are as follows:

Chairman:
- Mary Geraldine Phipps – *appointed on 29 April 2010*
  Independent Non-Executive Director

Members:
- Sharifah Intan binti S.M. Aidid – *appointed on 28 May 2007*
  Non Independent Non-Executive Director
- Dato' Ghazi bin Ishak – *appointed on 24 February 2011*
  Independent Non-Executive Director
- YM Tengku Tan Sri Dato' Seri Ahmad Rithauddeen bin Tengku Ismail – *appointed on 28 May 2007*
  Senior Independent Non-Executive Director
  (Resigned on 29 November 2013)

The Nominating Committee was formed by the Board with specific terms of reference to recommend to the Board the candidature of Directors, oversee assessment of Directors, appoint Directors to Board Committees and review the Board's succession plans as well as training programmes.

Appointment and Induction

In discharging its responsibilities, the Nominating Committee has developed certain criteria for use in the recruitment process and annual assessment of Directors. In evaluating the suitability of candidates, the Nominating Committee considers, inter-alia, the competency, experience, commitment (including time commitment), contribution and integrity 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 to the Board, the Committee, along with the Chairman, Group Managing Directors and other Executive Director ensure that an induction programme is arranged to enable them to have a full understanding of the nature of the business, current issues within the Group and corporate strategies as well as the structure and management of the Group.

Annual Assessment and Board Diversity

The Committee reviews annually the required mix of skills and experience of Directors to enhance board diversity. This is achieved through the use of questionnaire for Directors to assess the effectiveness of the Board, as a whole, the Committees of the Board and contribution of each individual Director. This process includes a peer review where Directors assess their own and also their fellow Directors' performance. The assessment and comments by all Directors are summarized and reported at a Board Meeting by the Nominating Committee Chairman for continuous improvements of the Board, Board Committees and Directors.

Since 2009, the Board has already achieved the gender diversity target set by the Government in 2011 to have at least 30% women representation in the boards of public listed companies by 2016 as three (3) out of ten (10) Directors are women. Nevertheless, the evaluation of the suitability of candidates is based on the candidates' competency, character, time commitment, integrity and experience in meeting the needs of the Company.

Re-election and re-appointment of Directors

The Company's Articles of Association provide that at least one-third of the Board is subject to retirement by rotation at each Annual General Meeting. The Directors to retire in each year are those who have been longest in office since their appointment or reappointment. All Directors are required to submit themselves for re-election at regular intervals and at least every three (3) years.

Principle 2 Strengthen Composition of the Board (cont'd)

Re-election and re-appointment of Directors (cont'd)

In addition, Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

During the financial year under review, three (3) Committee meetings were held. Annually, the Nominating Committee reviews and assesses the mix of skills, expertise, composition, size and experience of the Board, including the core-competencies of both Executive and Non-Executive Directors; the contribution of each individual Director; effectiveness of the Board, as a whole, and the Board Committees and also the retirement of Directors by rotation who are eligible for re-election.

Remuneration Committee – Directors' Remuneration

The Remuneration Committee, established by the Board, is responsible for setting the policy framework and recommending to the Board the remuneration of Directors so as to ensure that the Company is able to attract and retain its Directors needed to run the Group successfully. The components of Directors' remuneration are structured so as to link rewards to financial performance of the Group in the case of Executive Directors. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the individual Non-Executive Director concerned.

The Remuneration Committee comprises wholly Non-Executive Directors, with a majority being Independent. At the date of this Statement, the members are as follows:

Chairman:
- Dato' Ghazi bin Ishak – *appointed on 28 February 2013*
  Independent Non-Executive Director

Members:
- Sharifah Intan binti S.M. Aidid – *appointed on 29 April 2009*
  Non Independent Non-Executive Director
- Mary Geraldine Phipps – *appointed on 19 November 2009*
  Independent Non-Executive Director
- YM Tengku Tan Sri Dato' Seri Ahmad Rithauddeen bin Tengku Ismail – *appointed on 29 April 2009*
  Senior Independent Non-Executive Director
  (Resigned on 29 November 2013)
- Dato' Dr Tan Chong Siang – *appointed on 29 April 2009*
  Non-Independent Non-Executive Director
  (Resigned on 31 January 2014)

The Remuneration Committee is entrusted to recommend to the Board, the remuneration of Executive Directors in all its forms to ensure the rewards are linked to their performance and contributions to the Group's growth and profitability in order to align the interest of the Directors with those of shareholders. The Committee also ensures the levels of remuneration for Executive Directors are linked to their extent of responsibilities undertaken and contribution to the effective functioning of the Board. None of the Executive Directors participated in any way in determining their individual remuneration.

The Board, as a whole, approves the remuneration of Non-Executive Directors with the Directors concerned abstaining from the decision in respect of their individual remuneration and recommends Directors' fees to be approved at the forthcoming annual general meeting in line with the Company's Articles of Association.

During the financial year under review, the Remuneration Committee reviewed and recommended to the Board, the remuneration for all Executive Directors of the Company while the Non-Executive Directors' fees are recommended by the Board for shareholders' approval at the Company's Annual General Meeting.

STATEMENT ON CORPORATE GOVERNANCE
(CONT'D)

Principle 2 Strengthen Composition of the Board (cont'd)

Remuneration Committee – Directors' Remuneration (cont'd)

Details of remuneration of Directors of the Company for the financial year ended 31 December 2013 are as follows:

	Executive RM'000	Non-Executive RM'000	Total RM'000
Directors' Fees	742	626	1,368
Salaries	2,683	-	2,683
Other emoluments	5,677	644	6,321
Total	**9,102**	**1,270**	**10,372**

The number of Directors of the Company in each remuneration band is as follows:

	Number of directors	
	Executive	Non-Executive
RM 0 - RM 50,000	-	2*
RM 50,001 - RM 100,000	-	1
RM 100,001- RM 150,000	-	4
RM 150,001- RM 200,000	-	1
RM 500,001- RM 550,000	-	1*
RM 1,450,001 - RM 1,500,000	1	-
RM 2,200,001 - RM 2,250,000	1	-
RM 2,450,001 - RM 2,500,000	1	-
RM 2,900,001 - RM 2,950,000	1	-
Total	**4**	**9**

* Included in the RM 0 – RM 50,000 and RM 500,001 – RM550,000 category are three (3) alternate directors.

Principle 3 Reinforce Independence of the Board

Directors' Independence

There is a clear division of responsibilities amongst the Executive Chairman, Deputy Chairman and Group Managing Directors to embed accountability and facilitate the division of responsibility, such that no one individual has unfettered powers over decision making. The 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. All Executive Directors, supported by the Management team, implement the Group's strategic plan, policies and decisions adopted by the Board, and oversee the operations and business development of the Group.

The Board recognises the importance of independence and objectivity in the decision making process. Executive Directors are responsible for the management of day-to-day business operations in the respective divisions as well as the implementation of policies and decisions approved by the Board, whilst the Executive Committee, as a whole, sets the strategic direction for the Group.

Principle 3 Reinforce Independence of the Board (cont'd)

Directors' Independence (cont'd)

Recommendation 5.3 of the MCCG 2012 provides that the Board must comprise a majority of Independent Directors where the Chairman of the Board is not an Independent Director. The existing composition of the Board is such that Independent Directors do not form a majority. The Board believes that the interests of shareholders are best served by a Chairman who is sanctioned by shareholders and who acts in the best interests of shareholders as a whole. As the Chairman has a significant relevant interest in the Group, she is well placed to act on behalf of shareholders and in their best interests. 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. Moreover, the Directors are professionals in their own rights and are recognisable public figures who exercise objectivity in making decisions for the benefit of the Group.

The Independent Non-Executive Directors bring to bear objective and independent views, advice and judgment on interests, not only of the Group, but also of shareholders, employees, customers, suppliers and the many communities in which the Group conducts its business. Independent Non-Executive Directors are essential for protecting the interests of shareholders and can make significant contributions to the Company's decision making by bringing in the quality of detached impartiality. To fulfil this purpose, YM Tengku Tan Sri Dato' Seri Ahmad Rithauddeen bin Tengku Ismail has been identified as the Company's Senior Independent Non-Executive Director, to whom concerns may be conveyed by shareholders and other stakeholders.

In early 2013, the Board assessed the independence of its Independent Non-Executive Directors based on criteria set out under the Listing Requirements of Bursa Securities and adopted by the Nominating Committee.

The Board Charter was revised to restrict the tenure of an Independent Director to a cumulative term of nine (9) years. However, an Independent Director may continue to serve the Board upon reaching the 9-year limit subject to the Independent Director's re-designation as a Non-Independent Non-Executive Director. In the event the Board intends to retain the Director as Independent after the latter has served a cumulative term of nine (9) years, the Board shall justify the decision and seek shareholders' approval at general meeting. In justifying the decision, the Nominating Committee is entrusted to assess the candidate's suitability to continue as an Independent Non-Executive Director based on the criteria on independence.

Following the assessment and deliberations by the Nominating Committee and the Board, as a whole, the Board has decided to recommend YM Tengku Tan Sri Dato' Seri Ahmad Rithauddeen bin Tengku Ismail to continue to act as Independent Non-Executive Director, subject to shareholders' approval at the forthcoming Annual General Meeting of the Company although his tenure has exceeded nine (9) years since being appointed on 9 February 2000. Key justifications for his recommended continuance as an Independent Non-Executive Director are as follows:

- he fulfils the criteria under the definition on Independent Director as stated in the Main Market Listing Requirements of Bursa Securities and, therefore, is able to bring independent and objective judgment to the Board;
- his service in the public sector enables him to share his valuable experience, skills and expertise with the Board;
- he has been with the Company long and therefore understands the Company's business operations which enables him to contribute actively and effectively during deliberations or discussions at Board meetings;
- he has contributed sufficient time and efforts in attending the Board meetings;
- he has actively participated in Board deliberations, provided objectivity in decision making and an independent voice to the Board; and
- he has exercised due care during his tenure as Independent Non-Executive Director of the Company and carried out his professional duties in the best interest of the Company and shareholders.

STATEMENT ON CORPORATE GOVERNANCE
(CONT'D)

Principle 4 Foster commitment of Directors

Board and Board Committees Attendance

The Board ordinarily meets at least four (4) times a year, scheduled well in advance before the end of the preceding financial year to facilitate the Directors in planning their meeting schedule for the year. Additional meetings are convened when urgent and important decisions need to be made between scheduled meetings. Board and Board Committee papers are prepared by Management which provides the relevant facts and analysis for the convenience of Directors. The agenda, the relevant reports and Board papers are furnished to Directors and Board Committee members in advance to allow the Directors sufficient time to peruse for effective discussion and decision making during meetings. At the quarterly Board meetings, the Board reviews the business performance of the Group and discusses major operational and financial issues. The Chairman of each Board Committee informs the Directors at each Board meetings of any salient matters noted during the respective Committee's meetings which require the Board's notice or direction. 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.

During the financial year under review, the Board met on seven (7) occasions. Details of Directors' attendance for Board and Board Committee meetings are as follows:

BOD	Board of Directors	NC	Nominating Committee
EXCO	Executive Committee	RC	Remuneration Committee
AC	Audit Committee	RMC	Risk Management Committee

Directors	BOD	EXCO	AC	NC	RC	RMC
Dato' Seri Loh Cheng Yean *Executive Chairman*	7/7	4/4				
Datuk Loh Kian Chong *Deputy Chairman*	7/7	4/4				
Dato' Robert Wong Lum Kong *Group Managing Director*	7/7	4/4				1/1
Dato' Seri Lim Su Tong *Group Managing Director*	7/7	4/4				1/1
Dato' Dr Tan Chong Siang *Non-Independent Non-Executive Director* (Resigned on 31 January 2014)	6/7	4/4			0/1	
Sharifah Intan binti S.M. Aidid *Non-Independent Non-Executive Director*	7/7		6/6	3/3	1/1	
YM Tengku Tan Sri Dato' Seri Ahmad Rithauddeen bin Tengku Ismail *Senior Independent Non-Executive Director*	5/7		4/4	2/2	1/1	
Mary Geraldine Phipps *Independent Non-Executive Director*	7/7		6/6	3/3	1/1	1/1
Dato' Ghazi bin Ishak *Independent Non-Executive Director*	5/7		5/6	2/3	1/1	
Satoshi Okada *Non-Independent Non-Executive Director* (Resigned on 31 March 2014)	5/7					

Dato' Sri Tan Hui Jing and Koji Onishi joined the Board as a Non-Independent Non-Executive Director on 1 February 2014 and 1 April 2014 respectively. Dato' Sri Tan was previously the Alternate Director to Dato' Dr Tan Chong Siang who retired from the Board on 31 January 2014.

Principle 4 Foster commitment of Directors (cont'd)

Board and Board Committees Attendance (cont'd)

It is the policy of the Company for Directors to devote sufficient time and efforts to carry out their responsibilities. The Board obtains this commitment from Directors at the time of appointment. It is also the Board's policy for Directors to notify the Chairman before accepting any new directorships notwithstanding that the Listing Requirements allow a Director to sit on the boards of not more than five (5) listed issuers. Such notification is expected to include an indication of time that will be spent on the new appointment.

Directors' Training

The Board, via the Nominating Committee, continues to identify appropriate briefings, seminars, conferences and courses to be attended by Board members to keep abreast of changes in legislations and regulations affecting the Group.

All Directors, including Alternate Directors, have completed the Mandatory Accreditation Programme. During the financial year under review, all Directors attended development and training programmes as well as conferences in areas of finance, corporate governance, leadership, legal and regulatory developments.

The programmes attended by the Directors during the financial year ended 31 December 2013 include the following:

Directors	Details of Programme
Dato' Seri Loh Cheng Yean *Executive Chairman* Datuk Loh Kian Chong *Deputy Chairman* Dato' Robert Wong Lum Kong *Group Managing Director* Dato' Seri Lim Su Tong *Group Managing Director* Sharifah Intan binti S.M. Aidid *Non-Independent Non-Executive Director* YM Tengku Tan Sri Dato' Seri Ahmad Rithauddeen bin Tengku Ismail *Senior Independent Non-Executive Director* Mary Geraldine Phipps *Independent Non-Executive Director* Dato' Ghazi bin Ishak *Independent Non-Executive Director* Dato' Dr Tan Chong Siang *Non-Independent Non-Executive Director* (Resigned on 31 January 2014) Satoshi Okada *Non-Independent Non-Executive Director* (Resigned on 31 March 2014)	• Implications of the Malaysian Code on Corporate Governance 2012 on Listed Issuers and their Directors

Principle 4 Foster commitment of Directors (cont'd)

Directors' Training (cont'd)

The programmes attended by the Directors during the financial year ended 31 December 2013 include the following: (cont'd)

Directors	Details of Programme
Dato' Robert Wong Lum Kong *Group Managing Director* Datin Loh Ean *Alternate Director to Dato' Robert Wong Lum Kong*	• Special Dialogue & Presentation Session on Asean Corporate Governance Scorecard 2013 • Strengthening the Board of Directors and Enhancing Financial Governance : Focal Point for Corporate Governance System
Mary Geraldine Phipps *Independent Non-Executive Director*	• Malaysian Institute of Accountants (MIA) Conference 2013
Dato' Seri Tan Hui Jing *Non-Independent Non-Executive Director* (Appointed on 1 February 2014)	• Corporate Directors Training Programme (CDTP) Fundamental
Tan Kheng Hwee *Alternate Director to Dato' Seri Loh Cheng Yean*	• New Personal Data Protection Act

In addition, the Company Secretaries circulate the relevant guidelines on statutory and regulatory requirements from time to time for the Board's reference and brief the Board on these updates at Board meetings. The External Auditors also briefed the Board members on any changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements during the year.

Principle 5 Uphold integrity in financial reporting by the Company

Compliance with financial reporting standards

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. This includes the results and cash flows of the Group and Company for the year then ended. The Board has established an Audit Committee, comprising exclusively Non-Executive Directors, majority of whom are Independent, to ensure that the financial statements of the Group and Company comply with applicable approved Financial Reporting Standards issued by the Malaysian Accounting Standards Board and the provisions of the Companies Act, 1965. The composition of the Committee, including its roles and responsibilities, is set out on pages 42 to 48 of this Annual Report.

Relationship with external auditors

The Board upholds the integrity of financial reporting by the Company. In assessing the suitability and independence of the external auditors, the Board, via the Audit Committee, has, in early 2013, formalised policy and procedures on the types of non-audit services that may be provided by the external auditors, including the thresholds and procedures that need to be observed should the external auditors be contracted to provide the non-audit services.

STATEMENT ON CORPORATE GOVERNANCE
(CONT'D)

Principle 6 Recognise and manage risks

Risk Management

Recognising the importance of risk management, the Board has in 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 Company has established a Risk Management Committee to review and recommend the risk management policies and strategies for the Group as well as assisting the Board to fulfil its risk management and statutory responsibilities in order to manage the overall risk exposure of the Group. At the date of this Statement, the members of the Committee are as follows:

Chairman:
- Mary Geraldine Phipps – *appointed on 30 November 2010*
  Independent Non-Executive Director

Members:
- Dato' Robert Wong Lum Kong – *appointed on 20 May 2002*
  Group Managing Director
- Dato' Seri Lim Su Tong – *appointed on 20 May 2002*
  Group Managing Director
- Tan Kheng Hwee – *appointed on 20 May 2002*
  Alternate Director to Dato' Seri Loh Cheng Yean
- Wong Tet Look – *appointed on 20 May 2002*
  Group Chief Financial Officer

The key features of the Enterprise Risk Management framework, including the internal control system to address risk identified are set out in the Internal Control Statement of the Group set out on pages 49 to 52 of this Annual Report.

Internal Audit

In line with the MCCG 2012 and the Listing Requirements of Bursa, the Board has established an independent internal audit function that reports directly to the Audit Committee. Details of the work conducted by the internal audit function are disclosed in the Internal Control Statement and Audit Committee Report set out on pages 49 to 52 and pages 42 to 44 respectively of this Annual Report.

Principle 7 Ensure timely and high quality disclosure

Corporate Disclosure

The Board is aware of the need to establish corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosures relating to the Company and its subsidiaries to the regulators, shareholders and stakeholders. In early 2013, the Board has formalised pertinent corporate disclosure policies not only to comply with the disclosure requirements as stipulated in the Listing Requirements of Bursa, but also setting out the persons authorised and responsible to approve and disclose material information to shareholders and stakeholders.

To augment the process of disclosure, the Board has established a dedicated section for corporate governance under the Investor Relations heading on the Company's website.

STATEMENT ON CORPORATE GOVERNANCE
(CONT'D)

Principle 8 Strengthen relationship between company and shareholders

Shareholder participation at general meeting

The Annual General Meeting **("AGM")**, which is the principal forum for shareholder 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 resolutions being proposed or on the Group's operations in general. During the last AGM, a question & answer session was held where the Chairman invited shareholders to raise questions with responses from the Board.

The Notice of AGM is circulated 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 both about the resolutions being proposed before putting a resolution to vote as well as matters relating to the Group's operations in general. All the resolutions set out in the Notice of the 51th AGM were put to vote by show of hands and duly passed. The outcome of the AGM was announced to Bursa on the same meeting day. Going forward, the Board will consider poll voting for substantive resolutions, being resolutions for which circulars have been issued to shareholders.

During the last AGM, the Executive Chairman provided shareholders with a brief review of the Group's operations for the financial year while the Group Chief Financial Officer also shared with shareholders at the meeting responses to questions submitted in advance by the Minority Shareholder Watchdog Group.

Effective communication 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, financial community and the public generally. The various channels of communications are through the quarterly announcements on financial results to Bursa, relevant announcements and circulars, Annual General Meeting and through the Group's website at ***www.ohb.com.my*** where shareholders can access corporate information, annual reports and company announcements.

However, any information that may be regarded as undisclosed material information about the Group will not be given to any single shareholder or shareholder group.

Investor relations

The Board has formalised its policy on communication with shareholders in early 2013 to enable the Company to communicate effectively with its shareholders, prospective investors, stakeholders and public generally with the intention of giving them a clear picture of the Group's performance and operations. To maintain transparency and to effectively address any issues and concerns, the Company has a dedicated an electronic mail, i.e. ***corporate@ohb.com.my*** to which stakeholders can direct their queries.

This Statement is issued in accordance with a resolution of the Board dated 17 April 2014.

OTHER INFORMATION AND DISCLOSURE

I. Non-audit fees

Non-audit fees amounting to RM 435,000 for the Group and RM 171,000 for the Company were paid to the external auditors of the Company for the financial year ended 31 December 2013.

II. Loan Contracts Involving Interest of Related Party

(a) Loan contract of USD 11 million dated January 1, 2013 between the Company ("OHB") and Oriental Boon Siew (Mauritius) Pte. Ltd. ("OBSM"); and

(b) Loan contract of USD 5 million and USD 5 million dated September 23, 2013 and June 6, 2008 respectively between OBS (Singapore) Pte. Ltd. ("OBSG") and PT Bumi Sawit Sukses Pratama ("BSSP").

	Loan From OHB to OBSM
Purpose	For its day to day operations.
Interest rate	USD LIBOR + Spread of 0.5% per annum
Term as to payment of interest	Payable at end of tenor (1,2 or 3 months) or quarterly (tenor more than 3 months) whichever is applicable
Repayment of principal	On demand
Security	Unsecured

	Loan From OBSG to BSSP
Purpose	To reduce their revolving credit loans as well as for its day to day operations.
Interest rate	USD LIBOR + Spread of 1.5% per annum
Term as to payment of interest	Payable at end of tenor (1,2 or 3 months) or quarterly (tenor more than 3 months) whichever is applicable
Repayment of principal	On demand
Security	Unsecured

III. American Depository Receipt ("ADR") or Global Depository Receipt ("GDR")

The Company did not sponsor any ADR or GDR programme during the financial year 2013.

IV. Sanctions and /or Penalties Imposed

On 19 November 2013, Bursa Malaysia Securities Berhad ("Bursa Securities") had publicly reprimanded the Company for breach of Paragraph 9.16(1)(a) of the Main Market Listing Requirements of Bursa Securities. Save for the above, there were no penalties imposed on the Company and its Subsidiaries, Directors or Management by any regulatory body.

V. Variation in Results

There was no material variation between the audited results for the financial year ended 31 December 2013 and the unaudited results previously released for the financial quarter ended 31 December 2013.

VI. Profit Guarantee

There were no profit guarantees given by the Company during the financial year 2013.

VII. Material Contracts

There were no material contracts entered into by the Company and its subsidiary companies, involving Directors and substantial shareholders during the financial year.

OTHER INFORMATION AND DISCLOSURE
(CONT'D)

VIII. Recurrent Related Party Transactions

At the Annual General Meeting held on 12 June 2013, the Company obtained a shareholders' Mandate to allow the Group to enter into recurrent related party transactions of a revenue or trading nature.

In accordance with Section 3.1.5 of Practice Note 12 of the Bursa Malaysia Securities Berhad Listing Requirements, the details of recurrent related party transactions conducted during the financial year ended 31 December 2013 pursuant to the Shareholders' Mandate are disclosed as follows:-

a) *Transactions between OHB Group and Boon Siew Sdn Bhd Group which involve the interests of major stockholder of OHB, Boon Siew Sdn Bhd and its Group*

	RM' 000
Plastic parts for batteries	1,078
Provision of leasing line and hire purchase facilities on motor vehicles, machinery and office equipment	161
Building management charges	15
Spare parts and raw material	251
Spare parts and raw material and car services	1,017
Transport charges & truck rental	13
Quarry products	650
Office rental	624
Land rental	63
Plant rental	35
Rental of premises	72
Provision of sales, corporate advertising and marketing of hotel	1,565
Management fee	5,802
Car services	17
Mixed concrete and quarry products	19
Car services	3
Building materials	44
Building materials	878
Mix concrete	6
Building materials	9

b) *Transactions between OHB Group and Dato' Syed Mohamad Bin Syed Murtaza and family and their interests*

	RM' 000
Motorcycle spokes, nipples, control cables and motorcycle parts	3,789

c) *Transactions between OHB Group and Honda Motor Co. Ltd. Group which involve the interests of a director/ major shareholder of OHB subsidiaries, Dato' Syed Mohamad Bin Syed Murtaza and family and a major shareholder of OHB subsidiaries, Honda Motor Co. Ltd.*

	RM' 000
Factory rental	240
Spoke semi product	1,113

OTHER INFORMATION AND DISCLOSURE
(CONT'D)

VIII. Recurrent Related Party Transactions (cont'd)

d) *Transactions between OHB Group and Honda Motor Co. Ltd. Group which involve the interests of a direct shareholders of OHB subsidiary or associated companies, Honda Motor Co. Ltd and its related company*

	RM' 000
Shock absorbers for motor vehicles, automotive control cables & power window regulator	55,552
New vehicles, spare parts and accessories for motor vehicles	19,703
Motorcycle spokes, nipples, control cables, shock absorbers, raw materials and motorcycle parts	186,129
Purchase of cars and spare parts	68,049

e) *Transactions between OHB Group and Karli Boenjamin and his interest*

	RM' 000
Fresh fruit bunches	2,079
Contractor for land clearing	5,867

f) *Transactions between OHB Group and Ooi Soo Pheng and Tan Liang Chye and their interests*

	RM' 000
Subcontract transportation	430
Caterpillar & pick up rental	28
Mixed concrete and quarry product	162

g) *Transactions between OHB Group and Tan Liang Chye and his interest*

	RM' 000
Cements	8,936

h) *Transactions between OHB Group and Datuk Loh Kian Chong and his interests*

	RM' 000
Building materials	1,977

AUDIT COMMITTEE REPORT

Membership

The present members of the Audit Committee (the "Committee") comprise:

Name of member	Position
Mary Geraldine Phipps	Chairman, Independent Non-Executive Director
Sharifah Intan binti S.M. Aidid	Non-Independent Non-Executive Director
Dato' Ghazi bin Ishak	Independent Non-Executive Director
YM Tengku Tan Sri Dato' Seri Ahmad Rithauddeen bin Tengku Ismail *(Resigned on 27 August 2013)*	Independent Non-Executive Director

Terms of reference

The Committee was established to act as a Committee of the Board of Directors, with terms of reference as set out under Terms of Reference of the Audit Committee in this Annual Report.

Meetings

The Committee convened six (6) meetings during the financial year. Details of the attendance of members are as follows:

Name of member	Attendance
Mary Geraldine Phipps	6/6
Sharifah Intan binti S.M. Aidid	6/6
Dato' Ghazi bin Ishak	5/6
YM Tengku Tan Sri Dato' Seri Ahmad Rithauddeen bin Tengku Ismail *(Resigned on 27 August 2013)*	4/4

The meetings were appropriately structured through the use of agendas, which were distributed to members with sufficient notification.

The Company Secretary was present by invitation at all meetings. Representatives of the External Auditors and the head of Internal Audit also attended the meetings upon invitation.

Training and continuous engagement

Members of the Committee have attended relevant training seminars and programmes to enhance their competency in fulfilling their functions and duties more effectively. The details of training attended by each member are set out under Statement on Corporate Governance in this Annual Report.

During the financial year, the Committee Chairman engaged with Senior Management, Internal and External Auditors by way of telephone conversations and attending ad-hoc meetings, in order to be kept informed of matters affecting the Group. Through such engagements, relevant issues were brought to the attention of the Committee in a timely manner.

AUDIT COMMITTEE REPORT
(CONT'D)

Summary of activities during the financial year

The Committee carried out its duties in accordance with its terms of reference during the financial year which adopts the Principles and Recommendations promulgated by the Malaysian Code on Corporate Governance 2012. The main activities undertaken by the Committee were as follows:

- Reviewed the External Auditors' scope of work and audit plan for the year. Prior to the audit, representatives of the external auditors presented their audit strategy and plan;
- Reviewed with the External Auditors the results of the audit, their evaluation of the system of internal controls, the audit report and the management letter;
- Reviewed the independence, suitability and objectivity of the External Auditors and their services, including professional fees, so as to ensure a proper balance between objectivity and value for money;
- Met with the External Auditors twice (2) during the financial year without the presence of any Executive Board members and Senior Management, to discuss problems and reservations arising from the interim and final audits, if any, or any other matter the External Auditors may wish to discuss;
- Considered and recommended to the Board on the re-appointment of the External Auditors and the audit fees payable to the External Auditors for the Board's submission to shareholders for approval at the Annual General Meeting;
- Reviewed the Internal Audit Department's audit plan for the financial year under review to ensure adequate scope and comprehensive coverage of the activities of the Group;
- Reviewed the effectiveness of the audit process, resource requirements for the year and assessed the performance of Internal Audit Department;
- Reviewed the Internal Audit reports, which highlighted the audit issues and Management's response. Where appropriate, the Committee has directed Management to present its status report on the management action plans to the Committee directly;
- Reviewed the audited financial statements of the Group and of the Company, before submission to the Board for its consideration and approval. The review was to ensure that the audited financial statements were drawn up in accordance with the provisions of the Companies' Act, 1965 and the applicable approved accounting standards adopted by the Malaysian Accounting Standards Board;
- Reviewed the Company's compliance, in particular the quarterly and year-end financial statements, with the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and other relevant legal and regulatory requirements;
- Reviewed pertinent issues of the Group which had a significant impact on the results of the Group;
- Reviewed the quarterly unaudited financial results and announcements before recommending them for the Board's approval; and
- Reviewed the recurrent related party transaction of revenue and trading nature and other related party transactions entered into by the Group.

AUDIT COMMITTEE REPORT
(CONT'D)

Internal Audit function

The Group has an Internal Audit function that is independent of the activities and operations it audits. The head of Internal Audit reports directly to the Audit Committee who reviews and approves the Internal Audit department's annual audit plan, financial budget and human resource requirements to ensure that the department is adequately resourced with competent and proficient Internal Auditors. The principal role of the Internal Audit is to undertake independent, regular and systematic reviews of the systems of internal control in order to provide reasonable assurance that such systems continue to operate satisfactorily and effectively. It is the responsibility of the Internal Audit function to provide the Audit Committee with independent and objective reports on the state of internal control of the various operating 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.

The total costs incurred for the Internal Audit function of the Company and the Group for 2013 are as follow:

	RM'000
Company	737
Group	751

Further details of the activities of the Internal Audit function are set out under the Internal Control Statement in this Annual Report.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

Objectives

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

- assess the Group's processes relating to its risks and control environment;
- oversee financial reporting;
- evaluate the internal and external audit processes, including issues relating to the system of internal control, risk management and governance within the Group; and
- investigate any concerns received on possible improprieties within the Group.

Composition

The Board shall elect and appoint Committee members from amongst its numbers, comprising no fewer than three (3) Directors, all of whom shall be Non-Executive Directors, with a majority of them being Independent Directors of the Company. No alternate director shall be appointed a member of the Audit Committee. The Chairman of the Committee shall be an Independent Non-Executive Director.

The Board shall at all times ensure that at least one (1) member of the Committee shall be:

- A member of the Malaysian Institute of Accountants ("MIA"); or
- If he/she is not a member of MIA, he/ she must have at least three (3) years of working experience and:
    - he or she must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
    - he or she must be a member of the associations of accountants specified in Part II of the Accountants Act 1967; and
- Fulfils such other requirements as prescribed or approved by the Bursa Malaysia.

If a member of the Committee resigns, passes away or for any reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall within three (3) months of the event appoint such number of new members as may required to fill the vacancy.

The Board shall review the terms of each of its members at least once (1) every three (3) years.

Quorum and Meeting Procedures

Meetings shall be conducted at least four (4) times annually, or more frequently as circumstances dictate. In addition to the regular scheduled meeting, the Chairman shall call a meeting of the Committee if so requested by any member of the Committee or by the Chairman of the Board.

The Chairman of the Committee shall engage with Senior Management, such as the Executive Directors, Chief Financial Officer, the Head of Internal Audit and the External Auditors in order to be kept informed of matters affecting the Group in a timely manner.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE
(CONT'D)

Quorum and Meeting Procedures (cont'd)

In order to form a quorum (subject to a minimum number of two (2) members) for the meeting, the majority of the members present must be Independent Non-Executive Directors. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present.

The Company Secretaries shall be appointed Secretaries of the Committee (the "Secretaries"). The Company Secretaries, in co-operation with the Chairman, shall draw up an agenda, which shall be circulated together with the relevant support papers, at least seven (7) days prior to each meeting to the members of the Committee. The minutes shall be circulated to members of the Board. The Committee shall regulate the manner of proceeding of its meetings, having regard to normal conventions on such matter.

Authority

The Committee is authorised to investigate any matter within its terms of reference and all employees are directed to cooperate with any request made by the Committee.

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

The Committee shall have the necessary resources, including the procurement of independent professional or other advice which are required to perform its duties.

The Committee shall have direct communication channels, and shall be able to convene meetings during the financial year with the External Auditors, the Internal Auditors or both, excluding the attendance of other directors and employees of the Group, whenever deemed necessary.

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

Attendance

The Committee may, as and when deemed necessary, invite other Board members and Management to attend the meetings.

Duties and Responsibilities

In fulfilling its primary objectives in accordance with Paragraph 15.12 of the Listing Requirements, the Committee shall undertake the following responsibilities and duties:

A. Internal Audit

- Review the adequacy of the Internal Audit scope and plan, functions, competency and resources of the Internal Audit function and that it has the necessary authority to carry out its work;

- Ensure Internal Auditors carry out their work according to the standards set by recognised professional bodies (e.g Malaysian Institute of Accountants, Institute of Internal Auditors);

- Review the Internal Audit programmes, processes, and reports to evaluate the findings of Internal Audit and to ensure that appropriate and prompt remedial action is taken by Management on the recommendations of the Internal Audit function;

TERMS OF REFERENCE OF THE AUDIT COMMITTEE (CONT'D)

Duties and Responsibilities (cont'd)

A. Internal Audit (cont'd)

- Review the performance of Internal Auditors, who will report functionally to the Committee, on an annual basis. Approve any appointment or termination of senior members of the Internal Audit function and take cognisance of resignations and providing the resigning members an opportunity to submit reasons for resigning;

- Review the Internal Audit Charter, budget and staffing of the Internal Audit department;

- Review the adequacy and effectiveness of internal control system, including management information system and the Internal Auditors' and/or External Auditors' evaluation of the said systems.

B. External Audit

- Recommend the nomination of a person or persons as External Auditors;

- Review the appointment and performance of External Auditors, the audit fee and any question of resignation or dismissal before making recommendations to the Board;

- Review with the External Auditors, the audit scope and plan, including any changes to the planned scope of the audit plan;

- Review the independence, suitability and objectivity of the External Auditors and their services, including professional fees, so as to ensure a proper balance between objectivity and value for money;

- Review the non-audit services provided to the Company for the financial year, including the nature of the non-audit services, fee levels of the non-audit services - individually and in aggregate relative to the external audit fees and safeguards deployed to eliminate or reduce the threat to objectivity and independence in the conduct of the external audit resulting from the non-audit services provided;

- Develop and review for recommendation to the Board, the Company's policy in relation to the provision of non-audit services by the External Auditors, which amongst others, takes into consideration:

  - whether the skills and experience of the audit firm makes it a suitable service provider for non-audit services;

  - whether there are safeguards in place to eliminate or reduce to an acceptable level any threat to objectivity or independence in the conduct of the audit resulting from non-audit services provided by the External Auditors; and

  - the nature of the non-audit services, the related fee levels and the feel levels individually and in aggregate relative to the external audit fees of the Company.

C. Audit Reports

- Review the External and Internal Audit reports to ensure that appropriate and prompt remedial action is taken by Management on major deficiencies in controls or procedures that have been identified;

- Review major audit findings and Management's response during the financial year with Management, External Auditors and Internal Auditors, including the status of previous audit recommendations.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE
(CONT'D)

Duties and Responsibilities (cont'd)

D. Financial Reporting

- Review the quarterly results and the year-end financial statements, prior to the approval by the Board focusing particularly on:
    - Changes in implementation of major accounting policy;
    - Significant or unusual events; and
    - Compliance with applicable financial reporting and accounting standards as well as other legal requirements.

E. Related Party Transactions

Review any related party transaction and conflict of interest situation that may arise within the Company or the Group, including any transaction, procedure or course of conduct that raises question on management integrity.

F. Other Matters Delegated by the Board

- Review the assistance given by the Group's officers to the auditors, and any difficulties encountered in the course of audit work, including any restrictions on the scope of activities or access to required information;
- Direct and, where appropriate, supervise any special projects or investigations considered necessary, and review investigation reports on any major defalcations, frauds and thefts;
- Review procedures in place to ensure that the Group is in compliance with the Companies Act 1965, Bursa Securities Listing Requirements and other legislative and reporting requirements;
- Prepare reports, if the circumstances arise or at least once (1) a year, to the Board summarising the work performed in fulfilling the Committee's primary responsibilities; and
- Any other activities, as authorised by the Board.

Reporting

Upon the conclusion of each meeting, the Chairman shall report to the Board of Directors the activities that it had undertaken and the key recommendations for the Board's consideration and decision. Thereafter, the implementation status or progress of key recommendations from previous Internal Audits shall also be reported to the Board.

Committee Ethics and Procedures

All members shall safeguard internal committee communications and treat them as strictly private and confidential, and for the use of Committee members only, except for meeting minutes which shall be circulated to members of the Board.

The Committee may be required to check references and consult selected third party sources on a confidential basis before making its final recommendations. The Committee shall work diligently in performing its duties and responsibilities while adhering to the Directors' and Company's Code of Ethics.

Review of the Terms of Reference

The terms of reference shall be reviewed by the Committee as and when required. All amendments to the terms of reference must be approved by the Board.

STATEMENT ON INTERNAL CONTROL

Introduction

The Board is committed to maintaining a sound system of risk management and internal control in the Group and is pleased to provide the following Internal Control Statement ("Statement"), which outlines the nature and scope of risk management and internal control of the Group. The Statement also takes into consideration the Statement on risk management and internal control: Guidelines for Directors of Listed Issuers, a publication issued by Bursa Malaysia Securities Berhad ("Bursa Securities') on the issuance of Internal Control Statement pursuant to Paragraph 15.26(b) of the Listing Requirements of Bursa Securities.

Board's Responsibility

The Board is ultimately responsible for the Group's system of risk management and internal control (the "system"), which includes the establishment of an appropriate control environment and framework as well as reviewing its adequacy and effectiveness to safeguard shareholders' investment and the Group's assets. In view of the limitations inherent in any system of risk management and internal control, the system is designed to manage, rather than to eliminate, the risk of failure to achieve the Group's business and corporate objectives. Accordingly, the system can only provide reasonable, but not absolute assurance against material misstatement or loss.

The Board affirms that there is an on-going process for identifying, evaluating and managing the significant risks faced by the Group. The Board, through its Audit Committee and Risk Management Committee, regularly reviews the results of this process, including risk mitigating measures taken by Management to address key risks identified. The Board confirms that 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.

The Audit Committee and Risk Management Committee assist the Board to review the adequacy and effectiveness of the Group's risk management and internal control system to ensure that appropriate measures are carried out by Management to obtain the level of assurance required by the Board. For the purpose of this Statement, the associated companies in the Group are excluded.

Risk Management

In accordance with Recommendation 6.1 of the Malaysian Code on Corporate Governance ("MCCG 2012"), the Board has, through its Risk Management Committee ("RMC"), established a risk management and control framework implemented throughout the Group, which is firmly embedded in the Group's key processes. 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. Further assurance is provided by the Internal Audit function, which operates across the Group.

The Board believes that the following key elements of the Group's risk management framework are integral to maintaining a sound risk management and internal control system:

- establishment of the Risk Management Committee with the responsibility of identifying and communicating to the Board the key risks (present and potential) faced by the Group, their changes and management action plans to manage the risks;
- formalisation of Enterprise Risk Management ("ERM") Policy and Procedures, which outline the risk management framework for the Group and offer practical guidance to all employees on risk management issues;
- identification of principal risks (present and potential) faced by operating units in the Group and Management's deployment of internal controls to mitigate or manage these risks.

STATEMENT ON INTERNAL CONTROL
(CONT'D)

Risk Management (cont'd)

- articulation of the Group's risk appetite and parameters (qualitative and quantitative) for the Group and individual business units so as to gauge acceptability of risk exposure; and

- the appointment of a dedicated Risk Officer to coordinate the ERM activities within the Group, to supervise the ERM policy implementation and documentation at Group level and to act as the central contact and guide for ERM issues within the Group.

Summary of risk management activities during the financial year

The Risk Management Committee carried out its duties in accordance with its term of reference during the financial year. Highlights of the activities undertaken by the Committee are as follows:

- the Risk Management Committee, with the assistance from a firm of independent consultants and Management, continues to drive the risk management activities across all business segments of the Group to sensitise employees within the Group to risk identification, evaluation, control, monitoring and reporting;

- representatives for each company within the Group's business segments, i.e. Automotive and related products, Hotel and resorts, Plantation, Plastic products, Investment holding and financial services, Healthcare as well as others, including property development and related products, assess existing as well as emerging risks and compile the Company's top risks in risk registers for submission to their segment's risk coordinator for review;

- risk coordinators, in turn, identify key risks faced by their business segments, the potential impact and likelihood of those risks occurring, the control effectiveness and the action plans being taken to manage those risks to the desired level;

- on the basis of significance of evaluated risks to the segment's results, the top five (5) principal risks for each business segment are reported to the Risk Management Committee. Nonetheless, Management of each company in the Group continues to monitor and manage all risks at company level, as appropriate;

- the Group's Plastic and Property Development divisions were selected for further review during the financial year, following similar review on the Automotive and Hotels and resorts divisions in 2012. Risk assessment sessions involving Senior Management from these segments were carried out and facilitated by the Group's Corporate Finance personnel and the appointed consultants. The outcome, comprising the segments' principal risks and related mitigating controls were presented to the Risk Management Committee on 26 February 2014. The main objective of such yearly focus on selective business segments is to engender continuous and proactive risk management activities within the Group;

- compilation of a Group risk profile, considering the materiality of the business segment in relation to the Group risk parameters, with the top risks from each business segment selected by Senior Management and feedback from Executive Directors on strategic risks was carried out with assistance from a firm of consultants and presented to the Risk Management Committee for deliberation and approval; and

- the risk mitigating measures taken and/or to be taken by Management are reported and reviewed at the Risk Management Committee meetings. For each of the risks identified, the divisional head is assigned to ensure appropriate action plans are carried out in a timely manner.

Whilst the Board considers the risk management framework to be robust to meet the Group's needs, it will still subject the framework to continuous improvement, taking into consideration better practices and the changing business environment.

STATEMENT ON INTERNAL CONTROL
(CONT'D)

Internal Audit function

The Group has an in-house Internal Audit department, which provides the Board, through the Audit Committee, with independent assurance on the efficiency and effectiveness of risk management and internal control systems. The internal audit function adopts a risk-based internal audit methodology in reviewing key processes of the various business units in the Group and reporting directly to Audit Committee on the state of risk management and internal control of the various business units audited during the financial year.

The internal audit function will recommend action plans to improve on areas where control deficiencies are identified during the field audits. Action plans are taken by Management to address the findings and concerns raised in the internal audit reports and internal audit function will follow up on the Management's implementation of action plans. Further details of the activities of the internal audit function are provided in the Audit Committee Report.

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:

- *limits of authority and responsibility*

  Formally defined and documented lines of responsibility and delegation of authority has been established through the relevant charters/terms of reference, organizational structures and appropriate authority limits. Hierarchical reporting is also in place to enhance the Group's ability to achieve its strategies and operational objectives as well as provide for documented and auditable trail of accountability;

- *planning, monitoring, reporting and safeguarding*

  - established budgeting process requiring all business segments within the Group to prepare the annual budget, taking into consideration the strategic plans, capital and operating expenditure for the upcoming financial year to be compiled by Corporate Office for discussion and approval by the Executive Committee;

  - Performance Coordinating Team ("PCT") comprising Senior Management from each business segment who reviews operational and financial Key Performance Indicators of their respective business segments and reports to the EXCO quarterly in assisting them to discharge their oversight role on the Group's activities;

  - the Audit Committee carries out reviews of the quarterly financial results and evaluates the explanations and reasons for significant unusual variances noted thereof;

  - information, which includes quarterly reports covering all key financial and operational indicators, is provided to key Management for monitoring of performance against budget and actions to be taken, where necessary;

  - Management meetings are held regularly to identify, discuss and resolve strategic, operational, financial and key management issues;

  - Sufficient insurance and physical safeguards over major assets are in place to ensure that the assets of the Group are adequately covered against any mishap that may result in material losses to the Group.

STATEMENT ON INTERNAL CONTROL
(CONT'D)

Review by Board

The Board is of the view that the Group's risk management and internal control system for the year under review and as at the date of this statement is adequate and effective to safeguard the shareholders' investment and the Group's asset. The Board recognizes that the development of internal control system is an ongoing process and will continue to take appropriate action plans to further enhance the Group's system of internal control.

As recommended by the Statement on Risk Management and Internal Control-Guidelines for Directors of Listed Issuers, the Board has received assurances in writing from Executive Chairman, Deputy Chairman, Group Managing Directors and Group 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.

This Statement has been prepared in accordance with the Guidelines and has been approved by the Board.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

INTRODUCTION

Oriental Holdings Berhad ("OHB") recognises the need to place a firm commitment towards corporate social responsibility ("CSR") and sustainable development activities, of which stems from fundamental principles of good corporate governance and striking a harmonious synergy between corporate pursuits and social obligations.

OHB remains committed to the community, environment, customers, employees and stakeholders. OHB aims to foster not only positive community relationships, but also help create sustained economic growth by building human and institutional capacity from our operational sectors.

Highlights of CSR initiatives carried out by the respective Group operational sectors for 2013 include the following:

THE COMMUNITY

At OHB, community development and care activities are recognised as one of the most important corporate priorities with various community activities carried out across the Group's business operations during the financial year 2013.

During the year, Bayview Hotel Melaka pledged to donate RM 1 for every diner at its Ramadhan Buffet Dinner to Rumah Lindungan Kasih which houses 38 orphans. Financial aid totaling RM35,000 was also given to 8 associations and charity organisations. A blood donation campaign was also conducted in collaboration to Hospital Melaka on 30 May 2013. In the Group's Australia operations, Kah Australia has participated in numerous community service events which included host Australian actor Samuel Johnson in an effort to help raising funds for breast cancer research, sponsored fun run of City to Surf and supported the South West Autism Network for their 2013 Christmas Party. Kah Australia also received the Outstanding Community Achievement Award in 2013.

In Indonesia, the Group's plantation companies continue to provide financial assistance to the surrounding village schools and mosques for building extensions and renovation. The Group was involved in various community activities to improve the well being and foster a good and harmonious relationship with the local community. Such activities included supplying drinking water by tankers to villages and mosques, contribution to construct reservoir, development of surrounding village lands into oil palm revitalization project, free health care programme to the underprivileged and contributions towards annual independence celebrations.

The Healthcare segment also conducted breast health awareness to students at Pusat Tunas Bakti Melaka. In addition to educational talk, breast self-examination demonstrations were also conducted at the centre to emphasize the importance for early detection of breast cancer. The group also took the opportunity to introduce nursing as a career to the students.

THE ENVIRONMENT

OHB Group promotes environmental awareness through participation in environmental conservation action across the Group's business operations.

OHB's hotels and resorts segment continues to carry out recycling projects all year round to recycle bottles, newspapers, and other paper products. The hotels and resorts installed energy saving bulbs, participated in government initiated Water Map program and implemented rainwater harvesting system to utilise rainwater. In addition, hotels and resorts segment also supported the Earth Hour 2013 on 23 March 2013 from 8.30 pm to 9.30 pm. Bayview Hotel Melaka has also introduces the Reuse Linen Practice to all rooms in addition to the Reuse Towel Programme.

Kah New Zealand has been awarded the Qualmark Gold Environment Awards in 2013 in recognition of its high standards in environmental practices.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT
(CONT'D)

THE ENVIRONMENT (cont'd)

In-house water treatments plants are also practiced by manufacturing sector to ensure effluent discharge from the factory complies with the Environmental Quality Act 1974. Activities such as reducing effluent discharge, daily industrial waste and lowering energy and material usage were carried out for operational improvements.

The plantation operations initiated recycling projects in the estate to promote greater awareness of the environmental health and needs. Palm oil mill by-products were recycled and utilised for mulching and revitalisation of soils in the fields. The biological control of rats with the introduction of barn owls has helped in doing away with usage of pesticides. Zero burning is practiced during all land clearing activities within the plantation and all land area along watercourses will not be developed.

THE WORKPLACE

OHB Group recognises that success and growth of the Group over the years has been built on the foundation of a skilled and talented workforce. Therefore, motivating and developing the workplace is very important in order to meet the needs of our different divisions, which require various skills, capabilities and expertise from our employees.

The group continues to prioritise training and development programmes that create opportunities for professional growth for its employees. The employees are nurtured to fulfil their full potential and achieve both personal and corporate goals through the conduct of external and in-house training to enhance employees' knowledge and skills at all levels of employment in order to meet their responsibilities and perform at their best.

The group also aspires to create a work-life balance workplace. Various sports, family and social activities such as bowling tournament, family day, festivals and annual dinner were conducted to foster good relationship and understanding between employer and employees.

In additions, various staff benefits such as food allowance, health insurance and medical care are provided to the employees as a token of appreciation for their contribution towards the performance of the Group.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2013.

Principal activities

The principal activities of the Company are as follows:

(a) investment holding;
(b) commission agent; and
(c) provision of management services.

The principal activities of its subsidiaries and associates are set out in Note 36 and Note 10 to the financial statements respectively.

There has been no significant change in the nature of these activities during the financial year.

Results

	Group RM' 000	Company RM' 000
Profit attributable to:		
Owners of the Company	**185,402**	87,570
Non-controlling interests	**13,849**	-
	199,251	87,570

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:

i) a single tier interim dividend of 4% totalling RM24,814,473 for the year ended 31 December 2012 on 10 May 2013;

ii) a single tier final dividend of 4% totalling RM24,814,473 for the year ended 31 December 2012 on 30 August 2013;

A single tier interim dividend of 3.5% totalling RM21,712,664 in respect of the year ended 31 December 2013, was declared by the Directors on 27 February 2014 and payable on 30 April 2014.

A single tier final dividend of 3.5% totalling RM21,712,664 has been recommended by the Directors in respect of the year ended 31 December 2013, subject to approval of the stockholders at the forthcoming Annual General Meeting.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013
(CONT'D)

Directors of the Company

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

Dato' Seri Loh Cheng Yean, DGPN, DSPN
Dato' Robert Wong Lum Kong, DSSA, JP
YM Tengku Tan Sri Dato' Seri Ahmad Rithauddeen Bin Tengku Ismail, PMN, SPMP, SSAP, PMK
Dato' Seri Lim Su Tong @ Lim Chee Tong, DGPN, DSPN
Sharifah Intan Binti S. M. Aidid
Datuk Loh Kian Chong, DMSM
Mary Geraldine Phipps
Dato' Ghazi Bin Ishak
Dato' Sri Tan Hui Jing SSAP, PKT, PJK
(Ceased to be alternate on 31 January 2014; Appointed as Director on 1 February 2014)
Koji Onishi
(Appointed on 1 April 2014)
Datin Loh Ean
(alternate to Dato' Robert Wong Lum Kong, DSSA, JP)
Tan Kheng Hwee
(alternate to Dato' Seri Loh Cheng Yean, DGPN, DSPN)
Dato' Dr. Tan Chong Siang, DSPN, DJN, PKT
(Resigned on 31 January 2014)
Satoshi Okada
(Resigned on 31 March 2014)

Directors' interests in shares

The holdings in the stocks of the Company and shares of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at year end (including the interests of the spouse or children of the Directors) as recorded in the Register of Directors' Shareholdings are as follows:

	Balance at 1.1.2013	Bought	(Sold)	Balance at 31.12.2013
Interest in the Company				
	Number of Ordinary Stocks of RM1 each			
Dato' Seri Loh Cheng Yean, DGPN, DSPN				
Direct interest				
- own	486,755	-	-	486,755
Indirect interest				
- others *	457,724	-	-	457,724
Dato' Robert Wong Lum Kong, DSSA, JP				
Direct interest				
- own	181,149	-	-	181,149
Indirect interest				
- others *	161,872	-	-	161,872

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013
(CONT'D)

Directors' interests in shares (cont'd)

	Balance at 1.1.2013	Bought	(Sold)	Balance at 31.12.2013
Interest in the Company				
	Number of Ordinary Stocks of RM1 each			
Dato' Seri Lim Su Tong @ Lim Chee Tong, DGPN, DSPN				
Direct interest				
- own	2,966,906	-	-	2,966,906
Indirect interest				
- others *	3,872,626	-	(570,000)	3,302,626
Dato' Dr. Tan Chong Siang, DSPN, DJN, PKT				
Direct interest				
- own	38,307	-	-	38,307
Indirect interest				
- others *	25,804	-	-	25,804
Sharifah Intan Binti S. M. Aidid				
Direct interest				
- own	18,000	-	-	18,000
Datuk Loh Kian Chong, DMSM				
Direct interest				
- own	1,200	-	-	1,200
Indirect interest				
- own	346,964,026	-	-	346,964,026
Mary Geraldine Phipps				
Indirect interest				
- own	5,161	-	-	5,161
Datin Loh Ean				
Direct interest				
- own	161,872	-	-	161,872
Indirect interest				
- others *	181,149	-	-	181,149
Tan Kheng Hwee				
Direct interest				
- own	172,032	-	-	172,032

Directors' interests in shares (cont'd)

	Balance at 1.1.2013	Bought	(Sold)	Balance at 31.12.2013
Interest in subsidiaries				
	Number of Shares of RM1 each			
Sharifah Intan Binti S.M. Aidid				
Direct interest - own				
-Armstrong Auto Parts Sdn. Berhad	227,318	-	-	227,318
-Teck See Plastic Sdn. Bhd.	100,000	-	-	100,000

* *These are shares held in the name of the spouses and children and are regarded as interest of the Directors in accordance with Section 134(12)(c) of the Companies Act, 1965.*

By virtue of his interests of more than 15% in the stocks of the Company, Datuk Loh Kian Chong is also deemed interested in the shares of all subsidiaries of the Company to the extent that the Company has an interest.

None of the other Directors holding office at 31 December 2013 had any interest in the stocks of the Company and shares of its related corporations 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) by reason of a contract made by the Company or a related company 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:-

(a) certain Directors who received fixed salaries as full-time employees in the related corporations; and

(b) certain Directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 31 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 by the Company 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.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013
(CONT'D)

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.

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 31 December 2013 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.

Significant events

Details of the significant events are as disclosed in Note 34 to the financial statements.

Subsequent events

Details of the subsequent events are as disclosed in Note 35 to the financial statements.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013 (CONT'D)

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:

Dato' Seri Lim Su Tong @ Lim Chee Tong, DGPN, DSPN
Director

Datuk Loh Kian Chong, DMSM
Director

Penang,

Date: 17 April 2014

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

		Group		Company	
		2013	2012	2013	2012
	Note	RM' 000	RM' 000	RM' 000	RM' 000
Assets					
Property, plant and equipment	3	**1,324,446**	1,338,313	**691**	569
Intangible assets	4	**49,658**	52,023	**-**	-
Biological assets	5	**235,633**	214,142	**-**	-
Land held for property development	6	**35,940**	35,823	**-**	-
Prepaid land lease payments	7	**33,895**	39,983	**-**	-
Investment properties	8	**554,994**	492,490	**15,071**	15,073
Investments in subsidiaries	9	**(22,867)**	(22,867)	**653,439**	585,439
Investments in associates	10	**435,134**	395,989	**28,291**	28,291
Other investments	11	**293,004**	274,257	**33,113**	33,113
Deferred tax assets	12	**11,559**	7,994	-	-
Total non-current assets		**2,951,396**	2,828,147	**730,605**	662,485
Property development costs	13	**2,786**	2,668	**-**	-
Inventories	14	**230,232**	272,164	**-**	-
Trade and other receivables	15	**372,791**	365,338	**125,874**	130,830
Current tax assets		**36,371**	45,507	**876**	337
Cash and cash equivalents	16	**2,761,578**	2,624,016	**169,914**	219,123
Total current assets		**3,403,758**	3,309,693	**296,664**	350,290
Total assets		**6,355,154**	6,137,840	**1,027,269**	1,012,775
Equity					
Share capital		**620,394**	620,394	**620,394**	620,394
Reserves		**614,823**	595,885	**30,060**	30,060
Retained earnings		**3,512,414**	3,381,095	**328,886**	290,944
		4,747,631	4,597,374	**979,340**	941,398
Treasury stocks		**(249)**	(249)	**(249)**	(249)
Total equity attributable to stockholders of the Company	17	**4,747,382**	4,597,125	**979,091**	941,149
Non-controlling interests		**745,328**	728,276	**-**	-
Total equity		**5,492,710**	5,325,401	**979,091**	941,149

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013
(CONT'D)

		Group		Company	
		2013	2012	2013	2012
	Note	RM' 000	RM' 000	RM' 000	RM' 000
Liabilities					
Deferred tax liabilities	**12**	**19,036**	25,321	**-**	-
Borrowings	**18**	**2,723**	26,480	**-**	-
Provisions	**19**	**4,529**	3,989	**-**	-
Deferred income	**20**	**14,139**	13,154	**-**	-
Total non-current liabilities		**40,427**	68,944	**-**	-
Trade and other payables	**21**	**315,382**	282,501	**1,445**	1,103
Borrowings	**18**	**494,962**	451,787	**46,733**	70,523
Current tax liabilities		**11,673**	9,207	**-**	-
Total current liabilities		**822,017**	743,495	**48,178**	71,626
Total liabilities		**862,444**	812,439	**48,178**	71,626
Total equity and liabilities		**6,355,154**	6,137,840	**1,027,269**	1,012,775

The notes on pages 72 to 175 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	Group 2013 RM' 000	Group 2012 RM' 000	Company 2013 RM' 000	Company 2012 RM' 000
Continuing operations					
Revenue	22	**2,754,094**	2,807,049	**98,217**	103,885
Cost of sales		**(2,222,823)**	(2,166,281)	**-**	-
Gross profit		**531,271**	640,768	**98,217**	103,885
Distribution expenses		**(46,820)**	(45,377)	**-**	-
Administration expenses		**(175,447)**	(188,019)	**(4,815)**	(4,214)
Other operating expenses		**(157,745)**	(138,427)	**-**	(199)
Other operating income		**63,563**	40,195	**10,707**	21,475
		(316,449)	(331,628)	**5,892**	17,062
Results from operating activities		**214,822**	309,140	**104,109**	120,947
Interest expense		**(8,071)**	(10,090)	**(670)**	(2,727)
Operating profit	22	**206,751**	299,050	**103,439**	118,220
Share of profit after tax of equity accounted associates		**57,509**	76,695	**-**	-
Profit before tax		**264,260**	375,745	**103,439**	118,220
Income tax expense	25	**(65,009)**	(73,191)	**(15,869)**	(19,166)
Profit for the year		**199,251**	302,554	**87,570**	99,054
Other comprehensive (expense)/income, net of tax					
Foreign currency translation differences for foreign operations		**(28,967)**	(8,756)	**-**	-
Fair value of available-for-sale financial assets		**14,909**	32,013	**-**	-
Share of other comprehensive (expense)/ income of equity accounted associates		**(301)**	6,616	**-**	-
Total other comprehensive (expense)/ income for the year		**(14,359)**	29,873	**-**	-
Total comprehensive income for the year		**184,892**	332,427	**87,570**	99,054

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2013 (CONT'D)

		Group		Company	
		2013	2012	2013	2012
	Note	RM' 000	RM' 000	RM' 000	RM' 000
Profit attributable to:					
Owners of the Company		**185,402**	200,633	**87,570**	99,054
Non-controlling interests		**13,849**	101,921	**-**	-
Profit for the year		**199,251**	302,554	**87,570**	99,054
Total comprehensive income attributable to:					
Owners of the Company		**218,024**	254,257	**87,570**	99,054
Non-controlling interests		**(33,132)**	78,170	**-**	-
Total comprehensive income for the year		**184,892**	332,427	**87,570**	99,054
Basic earnings per ordinary stock (sen)	**26**	**29.89**	32.34		

The notes on pages 72 to 175 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2013

Group	Attributable to stockholders of the Company												
		Non-distributable							Distributable				
	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Foreign currency translation reserve RM'000	Fair value reserve RM'000	Capital redemption reserve RM'000	Asset revaluation reserve RM'000	Treasury stocks RM'000	Retained earnings RM'000	Capital reserve RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2012	620,394	1,099	1,073	460,226	39,073	68	474	(249)	3,236,295	40,248	4,398,701	669,594	5,068,295
Foreign currency translation differences for foreign operations	-	-	-	18,363	-	-	-	-	-	-	18,363	(27,119)	(8,756)
Fair value of available-for-sale financial assets	-	-	-	-	28,645	-	-	-	-	-	28,645	3,368	32,013
Share of other comprehensive income of equity accounted associates	-	-	-	-	6,616	-	-	-	-	-	6,616	-	6,616
Total other comprehensive income/ (expense) for the year	-	-	-	18,363	35,261	-	-	-	-	-	53,624	(23,751)	29,873
Profit for the year	-	-	-	-	-	-	-	-	200,633	-	200,633	101,921	302,554
Total comprehensive (expense)/ income for the year	-	-	-	18,363	35,261	-	-	-	200,633	-	254,257	78,170	332,427
Dividends to stockholders	-	-	-	-	-	-	-	-	(55,833)	-	(55,833)	-	(55,833)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(20,678)	(20,678)
Shares issued to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	1,190	1,190
Total distribution to owners	-	-	-	-	-	-	-	-	(55,833)	-	(55,833)	(19,488)	(75,321)
At 31 December 2012	620,394	1,099	1,073	478,589	74,334	68	474	(249)	3,381,095	40,248	4,597,125	728,276	5,325,401

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013
(CONT'D)

Group	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Foreign currency translation reserve RM'000	Fair value reserve RM'000	Capital redemption reserve RM'000	Asset revaluation reserve RM'000	Treasury stocks RM'000	Retained earnings RM'000	Capital reserve RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
	Attributable to stockholders of the Company												
		Non-distributable							Distributable				
At 1 January 2013	**620,394**	**1,099**	**1,073**	**478,589**	**74,334**	**68**	**474**	**(249)**	**3,381,095**	**40,248**	**4,597,125**	**728,276**	**5,325,401**
Foreign currency translation differences for foreign operations	-	-	-	21,479	-	-	-	-	-	-	21,479	(50,446)	(28,967)
Fair value of available-for-sale financial assets	-	-	-	-	11,444	-	-	-	-	-	11,444	3,465	14,909
Share of other comprehensive income of equity accounted associates	-	-	-	-	(301)	-	-	-	-	-	(301)	-	(301)
Total other comprehensive (expense)/income for the year	-	-	-	21,479	11,143	-	-	-	-	-	32,622	(46,981)	(14,359)
Profit for the year	-	-	-	-	-	-	-	-	185,402	-	185,402	13,849	199,251
Total comprehensive income for the year	-	-	-	21,479	11,143	-	-	-	185,402	-	218,024	(33,132)	184,892
Dividends to stockholders	-	-	-	-	-	-	-	-	(49,628)	-	(49,628)	-	(49,628)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(11,896)	(11,896)
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	(4,455)	-	(4,455)	3,386	(1,069)
Disposal of subsidiaries	-	-	-	(13,684)	-	-	-	-	-	-	(13,684)	9,694	(3,990)
Shares issued to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	49,000	49,000
Total distribution to owners	-	-	-	(13,684)	-	-	-	-	(54,083)	-	(67,767)	50,184	(17,583)
At 31 December 2013	**620,394**	**1,099**	**1,073**	**486,384**	**85,477**	**68**	**474**	**(249)**	**3,512,414**	**40,248**	**4,747,382**	**745,328**	**5,492,710**

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013
(CONT'D)

	Note	Share capital RM' 000	*Non-distributable* Capital redemption reserve RM' 000	*Non-distributable* Treasury stocks RM' 000	*Distributable* Retained earnings RM' 000	Capital reserve RM' 000	Total equity RM' 000
Company							
At 1 January 2012		620,394	68	(249)	247,723	29,992	897,928
Profit for the year representing total comprehensive income		-	-	-	99,054	-	99,054
Dividends to stockholders	27	-	-	-	(55,833)	-	(55,833)
At 31 December 2012/ 1 January 2013		620,394	68	(249)	290,944	29,992	941,149
Profit for the year representing total comprehensive income		**-**	**-**	**-**	**87,570**	**-**	**87,570**
Dividends to stockholders	27	**-**	**-**	**-**	**(49,628)**	**-**	**(49,628)**
At 31 December 2013		**620,394**	**68**	**(249)**	**328,886**	**29,992**	**979,091**

The notes on pages 72 to 175 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013

		Group		Company	
		2013	2012	2013	2012
	Note	RM' 000	RM' 000	RM' 000	RM' 000
Cash flows from operating activities					
Profit before tax from continuing operations		**264,260**	375,745	**103,439**	118,220
Adjustments for:					
Amortisation of:					
- biological assets	**5**	**11,022**	11,728	**-**	-
- prepaid land lease payments	**7**	**242**	278	**-**	-
- development cost	**4**	**685**	182	**-**	-
Depreciation of:					
- property, plant and equipment	**3**	**85,713**	90,919	**105**	104
- investment properties	**8**	**3,644**	3,451	**2**	4
Dividend income (gross)		**(19,604)**	(13,095)	**(91,277)**	(91,304)
Interest expense		**8,071**	10,090	**670**	2,727
Interest income		**(60,338)**	(68,660)	**(6,300)**	(11,463)
(Gain)/Loss on disposal of:					
- property, plant and equipment		**(11,692)**	(3,132)	**-**	-
- a subsidiary	**22**	**(25,454)**	-	**-**	-
- associates		-	-	**-**	(1,067)
- other investments	**22**	**(1,018)**	293	**-**	-
Asset written off					
- property, plant and equipment		**202**	1,273	**-**	-
- biological assets	**22**	**2**	193	**-**	-
Share of profits in associates		**(57,509)**	(76,695)	**-**	-
Unrealised gain on foreign exchange	**22**	**(10,674)**	(15,628)	**(1,184)**	(9,751)
(Reversal of)/Impairment loss on investment in:					
- plant and equipment	**3**	**(1,000)**	-	**-**	-
- other investments	**22**	**(11)**	(885)	**-**	-
- intangible assets	**4**	**-**	5,359	**-**	-
Loss/(Gain) on liquidation of a subsidiary	**22**	**2**	(5,297)	**-**	-
Operating profit before changes in working capital		**186,543**	316,119	**5,455**	7,470

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013
(CONT'D)

	Note	Group 2013 RM' 000	Group 2012 RM' 000	Company 2013 RM' 000	Company 2012 RM' 000
Changes in working capital:					
Property development costs		**(117)**	11,669	**-**	-
Inventories		**36,302**	(19,887)	**-**	-
Trade and other receivables		**1,656**	(15,384)	**4,956**	66,190
Trade and other payables		**46,611**	(21,607)	**342**	(19,936)
		84,452	(45,209)	**5,298**	46,254
Cash generated from operations		**270,995**	270,910	**10,753**	53,724
Dividends received (net)		**-**	-	**76,378**	74,005
Interest received		**15**	227	**-**	-
Interest paid		**(8,721)**	(9,271)	**(670)**	(2,727)
Tax paid		**(63,437)**	(107,019)	**(1,509)**	(2,096)
Net cash from operating activities		**198,852**	154,847	**84,952**	122,906
Cash flows from investing activities					
Additions of:					
- intangible assets	**4**	**(271)**	(303)	**-**	-
- land held for property development	**6**	**(117)**	(396)	**-**	-
- property, plant and equipment	**A**	**(131,208)**	(311,890)	**(227)**	(10)
- investment properties	**8**	**(59,077)**	(11,594)	**-**	-
- biological assets	**5**	**(65,848)**	(76,709)	**-**	-
- investment in subsidiaries		**(1,069)**	-	**-**	-
Dividends received		**37,875**	33,940	**-**	-
Interest received		**60,644**	66,672	**6,300**	11,463
Net cash inflow on disposal of a subsidiary		**60,650**	-	**-**	-
Net cash outflow on winding up of a subsidiary		**(26)**	-	**-**	-
Proceeds from disposal of:					
- other investments		**24,404**	50,348	**-**	-
- associates		**-**	1,092	**-**	1,092
- property, plant and equipment		**34,135**	5,293	**-**	-
Purchase of:					
- other investments		**(22,377)**	(53,142)	**-**	-
- associates		**-**	-	**-**	(1,000)
- subsidiaries		**-**	-	**(68,000)**	-
Net cash (used in)/from investing activities		**(62,285)**	(296,689)	**(61,927)**	11,545

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013
(CONT'D)

	Note	Group 2013 RM' 000	Group 2012 RM' 000	Company 2013 RM' 000	Company 2012 RM' 000
Cash flows from financing activities					
Dividends paid to:					
- non-controlling interests		**(11,896)**	(20,678)	**-**	-
- stockholders of the Company		**(49,628)**	(55,833)	**(49,628)**	(55,833)
(Placement)/Withdrawal of fixed deposits pledged for banking facilities		**(173,479)**	42,454	**-**	-
Repayment of lease obligations		**(2,045)**	(1,062)	**-**	-
Other bank borrowings, net		**67,595**	(8,735)	**(22,606)**	(119,081)
Proceeds from issue of shares to non-controlling interests		**49,000**	1,190	**-**	-
Net cash used in financing activities		**(120,453)**	(42,664)	**(72,234)**	(174,914)
Net increase/(decrease) in cash and cash equivalents		**16,114**	(184,506)	**(49,209)**	(40,463)
Cash and cash equivalents at 1 January		**2,618,731**	2,831,678	**219,123**	259,586
Effect of exchange rate fluctuations on cash held		**(46,819)**	(28,441)	**-**	-
Cash and cash equivalents at 31 December	B	**2,588,026**	2,618,731	**169,914**	219,123

Notes

A. *Acquisition of property, plant and equipment*

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of **RM134,071,000** (2012 : RM315,749,000) of which **RM2,863,000** (2012 : RM3,859,000) was acquired by hire purchase/ lease arrangements.

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013
(CONT'D)

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		Company	
	2013	**2012**	**2013**	**2012**
	RM' 000	**RM' 000**	**RM' 000**	**RM' 000**
Cash and bank balances	**748,813**	597,717	**3,386**	3,610
Fixed deposits	**1,899,400**	1,857,095	**131,668**	121,658
Bank overdrafts	**-**	(5,212)	**-**	-
Unit trust money market funds	**113,365**	169,204	**34,860**	93,855
	2,761,578	2,618,804	**169,914**	219,123
Less: Deposits pledged (Note 16.1)	**(173,552)**	(73)	**-**	-
	2,588,026	2,618,731	**169,914**	219,123

The notes on pages 72 to 175 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Oriental Holdings 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 registered office and principal place of business of the Company are as follows:

Registered office

Suite 16-1 (Penthouse Upper)
Menara Penang Garden
42A, Jalan Sultan Ahmad Shah
10050 Penang

Principal place of business

1st Floor, 25B Lebuh Farquhar
10200 Penang

The consolidated financial statements of the Company as at and for the year ended 31 December 2013 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 associates.

The principal activities of the Company are as follows:

(a) investment holding;
(b) commission agent; and
(c) provision of management services.

The principal activities of its subsidiaries and associates are set out in Note 36 and Note 10 to the financial statements respectively.

These financial statements were authorised for issue by the Board of Directors on 17 April 2014.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with Financial Reporting Standards (FRSs) and 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 the Company:

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014

- Amendments to FRS 10, *Consolidated Financial Statements: Investment Entities*
- Amendments to FRS 12, *Disclosure of Interests in Other Entities: Investment Entities*
- Amendments to FRS 127, *Separate Financial Statements (2011): Investment Entities*
- Amendments to FRS 132, *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities*
- Amendments to FRS 136, *Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets*
- Amendments to FRS 139, *Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting*
- IC Interpretation 21, *Levies*

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

1. Basis of preparation (cont'd)

(a) Statement of compliance (cont'd)

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2014

- Amendments to FRS 2, *Share-based Payment (Annual Improvements 2010-2012 Cycle)*
- Amendments to FRS 3, *Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to FRS 8, *Operating Segments (Annual Improvements 2010-2012 Cycle)*
- Amendments to FRS 13, *Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to FRS 116, *Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)*
- Amendments to FRS 119, *Employee Benefits - Defined Benefit Plans: Employee Contributions*
- Amendments to FRS 124, *Related Party Disclosures (Annual Improvements 2010-2012 Cycle)*
- Amendments to FRS 138, *Intangible Assets (Annual Improvements 2010-2012 Cycle)*
- Amendments to FRS 140, *Investment Property (Annual Improvements 2011-2013 Cycle)*

FRSs, Interpretations and amendments effective for a date yet to be confirmed

- FRS 9, *Financial Instruments* (2009)
- FRS 9, *Financial Instruments* (2010)
- FRS 9, *Financial Instruments - Hedge Accounting and Amendments to FRS 9, FRS 7 and FRS 139*
- Amendments to FRS 7, *Financial Instruments: Disclosures - Mandatory Effective Date of FRS 9 and Transition Disclosures*

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

- from the annual period beginning on 1 January 2014 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2014 as applicable.

- from the annual period beginning on 1 January 2015 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 July 2014 as applicable.

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and the Company except as mentioned below:

(i) FRS 9, *Financial Instruments*

FRS 9 replaces the guidance in FRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

The Group is currently assessing the financial impact that may arise from the adoption of FRS 9.

The Company falls within the scope of IC Interpretation 15, *Agreements for the Construction of Real Estate/* MFRS 141, *Agriculture*. Therefore, the Company is currently exempted from adopting the Malaysian Financial Reporting Standards ("MFRS") and is referred to as a "Transitioning Entity". Being a Transitioning Entity, the Company will adopt the MFRS and present its first set of MFRS financial statements when adoption of the MFRS is mandated by the MASB.

1. Basis of preparation (cont'd)

(b) Basis of measurement

These financial statements have been prepared on the historical cost basis unless otherwise stated.

(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 and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with Financial Reporting Standards 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 estimates are 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 :

Note 4 - assessment on impairment of goodwill
Note 12 - recognition of deferred tax assets

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 the Group entities.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including unincorporated 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 adopted FRS 10, *Consolidated Financial Statements* in the current financial year. This resulted in changes to the following policies:

- Control exists when the Group 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. In the previous financial years, control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.
- Potential voting rights are considered when assessing control only when such rights are substantive. In the previous financial years, potential voting rights are considered when assessing control when such rights are presently exercisable.
- The Group 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. In the previous financial years, the Group did not consider de facto power in its assessment of control.

2. Significant accounting policies (cont'd)

(a) Basis of consolidation (cont'd)

(i) Subsidiaries (cont'd)

The change in accounting policy has been made retrospectively and in accordance with the transitional provision of FRS 10. The adoption of FRS 10 has no significant impact to the financial statements of the Group.

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.

For new acquisition, 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.

(iii) Acquisitions of non-controlling interests

The Group treats 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.

(iv) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose, comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any resulting gain/loss is recognised directly in equity.

2. Significant accounting policies (cont'd)

(a) Basis of consolidation (cont'd)

(v) 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. 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.

(vi) Associates

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

Investment in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. 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 re-measured. 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 the 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, unless the investment is classified as held for sale or distribution. The cost of the investment includes transaction costs.

(vii) 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 year between non-controlling interests and the owners of the Company.

2. Significant accounting policies (cont'd)

(a) Basis of consolidation (cont'd)

(vii) Non-controlling interests (cont'd)

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 interest to have a deficit balance.

(viii) 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.

Unrealised gains arising from transactions with equity-accounted associates are eliminated against the investment to the extent of the Group's interest in the associates. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments or a financial instrument designated as a hedge of currency risk, which are recognised in other comprehensive income.

(ii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period, except for goodwill and fair value adjustments arising from business combinations before 1 January 2006 which are reported using the exchange rates at the dates of the acquisitions. The income and expenses of foreign operations, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve (FCTR) in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of, such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the profit or loss on disposal.

2. Significant accounting policies (cont'd)

(b) Foreign currency (cont'd)

(ii) Operations denominated in functional currencies other than Ringgit Malaysia (cont'd)

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the FCTR within equity.

(c) 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 as 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.

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.

2. Significant accounting policies (cont'd)

(c) Financial instruments (cont'd)

(ii) Financial instrument categories and subsequent measurement (cont'd)

Financial assets (cont'd)

(b) Held-to-maturity investments

Held-to-maturity investments category comprises debt instruments that are quoted in an active market and the Group or the Company has the positive intention and ability to hold them to maturity.

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

(c) 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.

(d) 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(p)(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 a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

2. **Significant accounting policies (cont'd)**

(c) **Financial instruments (cont'd)**

(ii) **Financial instrument categories and subsequent measurement (cont'd)**

Financial liabilities (cont'd)

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 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.

(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 the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. 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 the 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 or 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.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

2. Significant accounting policies (cont'd)

(d) Property, plant and equipment

(i) Recognition and measurement

Freehold land and capital work-in-progress are measured at cost/valuation less any accumulated impairment losses. All other property, plant and equipment are measured at cost/valuation less any accumulated depreciation and any accumulated impairment losses.

The Group has availed itself to the transitional provision when the MASB first adopted IAS 16, Property, Plant and Equipment in 1998. Certain properties were revalued in 1976 and 1978 and no later valuation has been recorded for these property, plant and equipment.

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

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged between knowledgeable willing parties in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items when available and replacement cost when appropriate.

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 operating income" and "other operating expenses" respectively in profit or loss. When revalued assets are sold, the amounts included in the asset revaluation reserve are transferred to retained earnings.

(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. 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. 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. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

2. Significant accounting policies (cont'd)

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

(iii) Depreciation (cont'd)

The depreciation rates for the current and comparative periods based on their estimated useful lives are as follows:

	%
• Buildings	2 - 10
• Plant and machinery	7 - 33 1/3
• Furniture, fixtures, fittings and equipment	5 - 50
• Vehicles	20

The initial cost of hotel operating equipment (included under furniture, fixtures, fittings and equipment) such as linen, crockery, glassware, cutlery and kitchen utensils has been capitalised and is not depreciated. Subsequent acquisition to replace these operating assets are written off in the year in which they are incurred.

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period and adjusted as appropriate.

(e) Leased assets

(i) Finance lease

Leases in terms of which the Group assumes 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.

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, or as investment property if held to earn rental income or for capital appreciation or for both.

(ii) Operating lease

Leases, where the Group does not assume substantially all the risks and rewards of the ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the statement of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property, and measured using fair value model.

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 land lease payments.

2. Significant accounting policies (cont'd)

(f) Intangible assets

(i) Goodwill

Goodwill arises on business combinations is measured at cost less any accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted associates.

(ii) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Expenditure on development activities, whereby the application of research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset.

The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less any accumulated amortisation and any accumulated impairment losses.

(iii) Other intangible assets

Intangible assets, other than goodwill, that are acquired by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

(iv) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(v) Amortisation

Amortisation is based on the cost of an asset less its residual value.

Goodwill and intangible assets with indefinite useful lives are not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

Other intangible assets are amortised from the date that they are available for use. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets of 3 years from the date that they are available for use.

Amortisation method, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

2. Significant accounting policies (cont'd)

(g) Biological assets

New planting expenditure incurred on land clearing to the point of harvesting is capitalised at cost as biological assets.

Expenditure on new planting and replanting and upkeep of immature areas are amortised over the estimated economic useful lives of the trees. Amortisation is deferred until the planted areas attain maturity and the rate used is 5% per annum.

(h) Land held for property development

Land held for property development consist of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle of 2 to 3 years. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses, if any.

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.

(i) Investment properties

(i) Investment property carried at cost

Investment properties are properties which are owned or held under a leasehold interest 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 purposes. 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. Investment properties initially and subsequently measured at cost are accounted for similarly to property, plant and equipment.

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(d).

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

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of 50 years for buildings. Freehold land is not depreciated.

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

2. Significant accounting policies (cont'd)

(j) Property development costs

Property development costs comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

Any expected loss on a development project, including costs to be incurred over the defects liability period, 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.

(k) Inventories

(i) Completed development properties

Completed development properties are stated at the lower of cost and net realisable value. Cost is determined on a specific identification basis and includes land, all direct building costs and appropriate proportions of common costs attributable to developing the properties to completion.

(ii) Other inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is measured based on the first-in, first-out principle and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

Cost of assembled motor vehicles and knocked-down units is determined on specific identification and cost of other inventories is principally determined on a first-in, first-out basis.

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.

The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

(l) 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. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(m) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

2. Significant accounting policies (cont'd)

(m) Equity instruments (cont'd)

(i) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary Stocks

Ordinary stocks are classified as equity.

(iii) Repurchase, disposal and reissue of share capital (treasury stocks)

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the statement of changes in equity.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

(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.

(i) Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(ii) Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

(o) 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.

2. Significant accounting policies (cont'd)

(o) Contingencies (cont'd)

(ii) Contingent assets

Where it is not probable that there is an inflow of economic benefits, or the amount cannot be estimated reliably, the asset is not recognised in the statements of financial position and is disclosed as a contingent asset, unless the probability of inflow 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 assets unless the probability of inflow of economic benefits is remote.

(p) Impairment

(i) Financial assets

All financial assets (except for financial assets categorised as fair value through profit or loss, investments in subsidiaries and 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.

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.

2. Significant accounting policies (cont'd)

(p) Impairment (cont'd)

(ii) Other assets

The carrying amounts of other assets (except for inventories, property development costs 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 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 to sell. 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.

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 (groups of cash-generating units) and then to reduce the carrying amount 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.

(q) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave 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.

2. Significant accounting policies (cont'd)

(q) Employee benefits (cont'd)

(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 expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

(r) Deferred income

(i) Extended warranty package income

Extended warranty package income received and receivable are taken to the deferred income account and are recognised as revenue when services are provided. Upon the expiry of the extended warranty package, any unutilised value of the extended warranty package is taken to profit or loss.

(ii) Service package income

Service package income received and receivable are taken to the deferred income account and are recognised as revenue when services are provided. Upon the expiry of the service package, any unutilised value of the service package is taken to profit or loss.

(s) Revenue and other income

(i) Goods sold

Revenue from the sale of goods in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

(ii) Services

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the end of the reporting period. The stage of completion is assessed by reference to surveys of work performed.

(iii) Property development

Revenue from property development activities is recognised based on the stage of completion measured by reference to the proportion that property development costs incurred for work performed to date bear to the estimated property development costs.

2. Significant accounting policies (cont'd)

(s) Revenue and other income (cont'd)

(iii) Property development (cont'd)

Where the financial outcome of a property development activities cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on the development units sold are recognised as an expense in the period in which they are incurred.

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

(iv) Developed properties

Revenue relating to sale of developed properties is recognised net of discounts when risks and rewards have been transferred.

(v) Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(vi) 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 the ex-dividend date.

(vii) Commission

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

(viii) 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.

(t) 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.

2. Significant accounting policies (cont'd)

(t) Borrowing costs (cont'd)

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.

(u) 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 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, and 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.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

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.

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

(v) Earnings per ordinary stock

The Group presents basic earnings per stock data for its ordinary stocks (EPS).

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

2. Significant accounting policies (cont'd)

(w) 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. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case are the Chairman and Managing Directors of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(x) Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale or distribution, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

(y) Fair value measurement

From 1 January 2013, the Group adopted FRS 13, *Fair Value Measurement* which prescribed that 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.

In accordance with the transitional provision of FRS 13, the Group applied the new fair value measurement guidance prospectively, and has not provided any comparative fair value information for new disclosures. The adoption of FRS 13 has not significantly affected the measurements of the Group's assets or liabilities other than the additional disclosures.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

3. Property, plant and equipment

	At 31 December			
	Cost/ Valuation RM'000	Accumulated depreciation RM'000	Accumulated impairment loss RM'000	Net book value RM'000
Group				
2013				
Freehold land:				
At valuation				
- 1978	3,732	-	-	3,732
At cost	206,577	-	-	206,577
Short term leasehold land				
At valuation				
- 1976	1,187	832	-	355
- 1978	255	145	-	110
At cost	97,222	44,328	-	52,894
Long term leasehold land				
At valuation				
- 1978	2,054	908	-	1,146
At cost	24,048	3,203	-	20,845
Buildings:				
At valuation				
- 1976	2,037	2,037	-	-
- 1978	260	103	-	157
At cost	1,131,423	383,107	-	748,316
Other assets at cost:				
Plant and machinery	653,713	544,331	-	109,382
Furniture, fixtures, fittings, equipment and vehicles	269,817	211,449	-	58,368
Capital work-in-progress	127,564	-	5,000	122,564
	2,519,889	1,190,443	5,000	1,324,446
	Note 3.1	Note 3.2	Note 3.2	

3. Property, plant and equipment (cont'd)

	At 31 December			
	Cost/ Valuation RM'000	Accumulated depreciation RM'000	Accumulated impairment loss RM'000	Net book value RM'000
Group				
2012				
Freehold land:				
At valuation				
- 1978	3,732	-	-	3,732
At cost	231,700	-	-	231,700
Short term leasehold land				
At valuation				
- 1976	1,187	819	-	368
- 1978	255	145	-	110
At cost	95,224	41,321	-	53,903
Long term leasehold land				
At valuation				
- 1978	2,054	895	-	1,159
At cost	13,075	2,984	-	10,091
Buildings:				
At valuation				
- 1976	2,037	2,037	-	-
- 1978	260	103	-	157
At cost	1,170,453	381,765	-	788,688
Other assets at cost :				
Plant and machinery	667,043	546,228	5,940	114,875
Furniture, fixtures, fittings, equipment and vehicles	260,414	199,419	60	60,935
Capital work-in-progress	72,595	-	-	72,595
	2,520,029	1,175,716	6,000	1,338,313
	Note 3.1	Note 3.2	Note 3.2	

3. Property, plant and equipment (cont'd)

	At 31 December		
	Cost/ Valuation RM'000	Accumulated depreciation RM'000	Net book value RM'000
Company			
2013			
Freehold land :			
At cost	**289**	**-**	**289**
Other assets at cost :			
Furniture, fixtures, fittings, equipment and vehicles	**1,011**	**609**	**402**
	1,300	**609**	**691**
2012			
Freehold land :			
At cost	289	-	289
Other assets at cost :			
Furniture, fixtures, fittings, equipment and vehicles	784	504	280
	1,073	504	569

Please refer Notes 3.1 and 3.2 for detailed movement of cost/valuation and accumulated depreciation of property, plant and equipment of the Group and of the Company.

3. Property, plant and equipment (cont'd)

3.1 Detailed movements in cost/valuation of the Group are as follows:-

	At 1 January 2013	Additions	Disposal/ Write-off	Reclassification	Transfer from/(to) investment properties	Deletion through disposal of subsidiary	Transfer to biological assets	Exchange differences	At 31 December 2013
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group									
At valuation 1978:									
Freehold land	3,732	-	-	-	-	-	-	-	3,732
Short term leasehold land	255	-	-	-	-	-	-	-	255
Long term leasehold land	2,054	-	-	-	-	-	-	-	2,054
Buildings	260	-	-	-	-	-	-	-	260
At valuation 1976:									
Buildings	2,037	-	-	-	-	-	-	-	2,037
Short term leasehold land	1,187	-	-	-	-	-	-	-	1,187
At cost:									
Freehold land	231,700	-	(19,597)	-	(3,834)	-	-	(1,692)	206,577
Short term leasehold land	95,224	-	-	-	(964)	-	-	2,962	97,222
Long term leasehold land	13,075	-	-	10,973	-	-	-	-	24,048
Buildings	1,170,453	3,415	(737)	13,829	(12,770)	(48,800)	-	6,033	1,131,423
Plant and machinery	667,043	12,281	(12,535)	17,842	-	(17,052)	-	(13,866)	653,713
Furniture, fixtures, fittings, equipment and vehicles	260,414	18,382	(7,166)	2,126	-	(873)	(820)	(2,246)	269,817
Capital work-in-progress	72,595	99,993	(239)	(44,770)	-	-	-	(15)	127,564
	2,520,029	134,071	(40,274)	-	(17,568)	(66,725)	(820)	(8,824)	2,519,889
					Note 8		Note 5		Note 3

3. Property, plant and equipment (cont'd)

3.1 Detailed movements in cost/valuation of the Group are as follows:- (cont'd)

	At 1 January 2012 RM'000	Additions RM'000	Disposal/ Write-off RM'000	Reclassification RM'000	Transfer from investment properties RM'000	Transfer to biological assets RM'000	Exchange differences RM'000	At 31 December 2012 RM'000
Group								
At valuation 1978:								
Freehold land	3,732	-	-	-	-	-	-	3,732
Short term leasehold land	255	-	-	-	-	-	-	255
Long term leasehold land	2,054	-	-	-	-	-	-	2,054
Buildings	260	-	-	-	-	-	-	260
At valuation 1976:								
Buildings	2,037	-	-	-	-	-	-	2,037
Short term leasehold land	1,187	-	-	-	-	-	-	1,187
At cost:								
Freehold land	214,862	772	-	15,068	1,379	-	(381)	231,700
Short term leasehold land	92,962	-	-	-	-	-	2,262	95,224
Long term leasehold land	13,075	-	-	-	-	-	-	13,075
Buildings	916,081	217,460	(759)	36,136	5,008	-	(3,473)	1,170,453
Plant and machinery	649,107	26,045	(6,825)	6,251	-	-	(7,535)	667,043
Furniture, fixtures, fittings, equipment and vehicles	245,644	29,016	(13,743)	70	-	(117)	(456)	260,414
Capital work-in-progress	90,765	42,456	(1,127)	(57,525)	-	-	(1,974)	72,595
	2,232,021	315,749	(22,454)	-	6,387	(117)	(11,557)	2,520,029
					Note 8	Note 5		Note 3

3. Property, plant and equipment (cont'd)

3.1 Detailed movements in cost/valuation of the Company are as follows:-

	At 1 January 2013 RM'000	Additions RM'000	Disposal/ Write-off RM'000	Transfer to investment properties RM'000	At 31 December 2013 RM'000
Company					
At cost:					
Freehold land	**289**	**-**	**-**	**-**	**289**
Furniture, fixtures, fittings, equipment and vehicles	**784**	**227**	**-**	**-**	**1,011**
	1,073	**227**	**-**	**-**	**1,300**

	At 1 January 2012 RM'000	Additions RM'000	Disposal/ Write-off RM'000	Transfer to investment properties RM'000	At 31 December 2012 RM'000
Company					
At cost:					
Freehold land	289	-	-	-	289
Furniture, fixtures, fittings, equipment and vehicles	774	10	-	-	784
	1,063	10	-	-	1,073

3. Property, plant and equipment (cont'd)

3.2 Detailed movements in accumulated depreciation and accumulated impairment losses of the Group are as follows:-

	At 1 January 2013	Depreciation for the year	Disposal/ Write-off	Reclassification	Transfer to investment properties	Deletion through disposal of subsidiary	Exchange differences	At 31 December 2013
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group								
Accumulated depreciation								
At valuation 1978:								
Buildings	103	-	-	-	-	-	-	103
Short term leasehold land	145	-	-	-	-	-	-	145
Long term leasehold land	895	13	-	-	-	-	-	908
At valuation 1976:								
Buildings	2,037	-	-	-	-	-	-	2,037
Short term leasehold land	819	13	-	-	-	-	-	832
At cost:								
Short term leasehold land	41,321	2,250	-	-	(519)	-	1,276	44,328
Long term leasehold land	2,984	219	-	-	-	-	-	3,203
Buildings	381,765	28,946	(232)	27	(2,714)	(19,932)	(4,753)	383,107
Plant and machinery	546,228	34,477	(11,062)	-	-	(12,776)	(12,536)	544,331
Furniture, fixtures, fittings, equipment and vehicles	199,419	19,795	(6,335)	(27)	-	(857)	(546)	211,449
	1,175,716	85,713	(17,629)	-	(3,233)	(33,565)	(16,559)	1,190,443
		Note 22			Note 8			Note 3

3. **Property, plant and equipment (cont'd)**

3.2 Detailed movements in accumulated depreciation and accumulated impairment losses of the Group are as follows:-

	At 1 January 2012 RM'000	Depreciation for the year RM'000	Disposal/ Write-off RM'000	Reclassification RM'000	Transfer from investment properties RM'000	Exchange differences RM'000	At 31 December 2012 RM'000
Group							
Accumulated depreciation							
At valuation 1978:							
Buildings	103	-	-	-	-	-	103
Short term leasehold land	139	6	-	-	-	-	145
Long term leasehold land	882	13	-	-	-	-	895
At valuation 1976:							
Buildings	2,037	-	-	-	-	-	2,037
Short term leasehold land	819	13	-	(13)	-	-	819
At cost:							
Short term leasehold land	38,164	2,237	-	13	-	907	41,321
Long term leasehold land	2,810	174	-	-	-	-	2,984
Buildings	355,457	26,317	(714)	195	1,217	(707)	381,765
Plant and machinery	515,154	43,247	(5,824)	(172)	-	(6,177)	546,228
Furniture, fixtures, fittings, equipment and vehicles	192,601	18,912	(12,482)	(23)	-	411	199,419
	1,108,166	90,919	(19,020)	-	1,217	(5,566)	1,175,716
		Note 22			Note 8		Note 3

3. Property, plant and equipment (cont'd)

3.2 Detailed movements in accumulated depreciation and accumulated impairment losses of the Group are as follows:-

	At 1 January 2013 RM'000	Impairment loss for the year RM'000	Reversal of impairment loss RM'000	At 31 December 2013 RM'000
Group				
Accumulated impairment losses				
At cost:				
Plant and machinery	**5,940**	**-**	**(5,940)**	**-**
Furniture, fixtures, fittings, equipment and vehicles	**60**	**-**	**(60)**	**-**
Capital work in progress	**-**	**5,000**	**-**	**5,000**
	6,000	**5,000**	**(6,000)**	**5,000**
		Note 22	**Note 22**	**Note 3**

	At 1 January 2012 RM'000	Impairment loss for the year RM'000	Reversal of impairment loss RM'000	At 31 December 2012 RM'000
Group				
Accumulated impairment losses				
At cost:				
Plant and machinery	5,940	-	-	5,940
Furniture, fixtures, fittings, equipment and vehicles	60	-	-	60
	6,000	-	-	6,000
				Note 3

3. Property, plant and equipment (cont'd)

3.2 Detailed movements in accumulated depreciation of the Company are as follows:-

Company	**At 1 January 2013 RM'000**	**Depreciation for the year RM'000**	**Disposal/ Write-off RM'000**	**Transfer to investment properties RM'000**	**At 31 December 2013 RM'000**
Accumulated depreciation					
At cost:					
Furniture, fixtures, fittings, equipment and vehicles	**504**	**105**	**-**	**-**	**609**
	504	**105**	**-**	**-**	**609**
		Note 22			

Company	**At 1 January 2012 RM'000**	**Depreciation for the year RM'000**	**Disposal/ Write-off RM'000**	**Transfer to investment properties RM'000**	**At 31 December 2012 RM'000**
Accumulated depreciation					
At cost:					
Furniture, fixtures, fittings, equipment and vehicles	400	104	-	-	504
	400	104	-	-	504
		Note 22			

The property, plant and equipment are shown at Directors' valuation in the years indicated based on the following valuation exercises carried out :

In 1976 - By a firm of professional valuers on a 'replacement cost' basis.
In 1978 - By Government Valuers on an 'open market value' basis.

Subsequent acquisitions are shown at cost while deletions are at valuation or cost as appropriate.

3. Property, plant and equipment (cont'd)

3.3 Assets under hire purchase and leasing arrangements

Included in the net book value of property, plant and equipment of the Group is an amount of **RM6,415,000** (2012 : RM5,234,000) representing assets financed under leasing instalment plans.

3.4 Carrying amounts of revalued property, plant and equipment

The carrying amounts of the revalued assets (under property, plant and equipment) had they been stated at cost less accumulated depreciation are as follows:

	Cost RM'000	Accumulated depreciation RM'000	Net book value RM'000
2013			
At Valuation 1976 :			
Held by the subsidiaries of the Group			
Short term leasehold land	187	148	39
Buildings	1,713	1,420	293
	1,900	1,568	332
At Valuation 1978 :			
Held by the subsidiaries of the Group			
Freehold land	1,022	-	1,022
Short term leasehold land	23	21	2
Long term leasehold land	1,400	662	738
Buildings	285	146	139
	2,730	829	1,901
	4,630	2,397	2,233

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

3. Property, plant and equipment (cont'd)

3.4 Carrying amounts of revalued property, plant and equipment (cont'd)

	Cost RM'000	Accumulated depreciation RM'000	Net book value RM'000
2012			
At Valuation 1976 :			
Held by the subsidiaries of the Group			
Short term leasehold land	187	144	43
Buildings	1,713	1,395	318
	1,900	1,539	361
At Valuation 1978 :			
Held by the subsidiaries of the Group			
Freehold land	1,022	-	1,022
Short term leasehold land	23	20	3
Long term leasehold land	1,400	657	743
Buildings	285	143	142
	2,730	820	1,910
	4,630	2,359	2,271

4. Intangible assets - Group

	Note	Goodwill RM'000	Development cost RM'000	Total RM'000
Cost				
At 1 January 2012		56,033	2,490	58,523
Additions during the year		-	303	303
Impairment loss	22	(5,359)	-	(5,359)
At 31 December 2012/1 January 2013		50,674	2,793	53,467
Additions during the year		**-**	**271**	**271**
Deletion through disposal of subsidiary	34 (c)	**(1,951)**	**-**	**(1,951)**
At 31 December 2013		**48,723**	**3,064**	**51,787**
Amortisation				
At 1 January 2012		-	1,262	1,262
Amortisation during the year	22	-	182	182
At 31 December 2012/1 January 2013		-	1,444	1,444
Amortisation during the year	22	**-**	**685**	**685**
At 31 December 2013		**-**	**2,129**	**2,129**
Carrying amounts				
At 31 December 2012/1 January 2013		50,674	1,349	52,023
At 31 December 2013		**48,723**	**935**	**49,658**

4. Intangible assets - Group (cont'd)

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating unit ("CGU") that is expected to benefit from that business combination. The carrying amount of goodwill had been allocated to the following business segments as independent CGUs :

	Group	
	2013	**2012**
	RM' 000	**RM' 000**
Automotive and related products	**1,172**	1,172
Plastic products	**2,117**	4,068
Plantation	**42,303**	42,303
Hotel and resorts	**1,004**	1,004
Multiple units without significant goodwill	**2,127**	2,127
	48,723	50,674

(a) Key sources of estimation uncertainty

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Group's goodwill as at 31 December 2013 was approximately **RM48,723,000** (2012 : RM50,674,000).

(b) Recoverable amount based on value in use

The recoverable amount of a CGU is determined based on the value in use calculations with the following key assumptions applied:

(i) Cash flows are projected based on the financial budgets approved by the Directors.

(ii) Discount rates used for cash flows discounting purposes are the management's estimate of average cost of capital required in the respective segments. The discount rates applied for cash flow projections range from **5% to 10%** (2012 : 5% to 10%).

(iii) Growth rate for the plantation segment is determined based on the management's estimate of commodity prices, palm yields, oil extractions rates and also cost of productions whilst growth rates of other segments are determined based on the industry trends and past performance of the segments.

(iv) Profit margins are projected based on the industry trends and historical profit margin achieved.

With regard to the assessment of value in use, management believes that no reasonably possible change in any of the above key assumptions would cause the recoverable amounts of the units to be materially below their carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

5. Biological assets - Group

	2013 RM' 000	2012 RM' 000
Cost		
Balance at 1 January	**336,662**	287,718
Additions during the year	**65,848**	76,709
Effect of movement in exchange rate	**(50,117)**	(26,340)
Transfer from property, plant and equipment (Note 3)	**820**	117
Written off	**(1,664)**	(1,542)
Balance at 31 December	**351,549**	336,662
Accumulated amortisation		
Balance at 1 January	**122,520**	121,523
Amortisation charge for the year (Note 22)	**11,022**	11,728
Effect of movement in exchange rate	**(15,964)**	(9,382)
Written off	**(1,662)**	(1,349)
Balance at 31 December	**115,916**	122,520
Carrying amount - Balance at 31 December	**235,633**	214,142

Additions to biological assets during the year include:

	2013 RM' 000	2012 RM' 000
- Interest expense	**1,716**	1,672

Interest is capitalised under biological assets at an average rate of **0.58% to 2.16%** (2012 : 0.81% to 6.75%) per annum.

6. Land held for property development - Group

	2013 RM' 000	2012 RM' 000
Balance at 1 January	**35,823**	37,750
Add : Additions during the year	**117**	396
Less : Transfer to investment properties (Note 8)	**-**	(2,323)
Balance at 31 December	**35,940**	35,823
Represented by:		
At valuation (1978)		
Freehold land	**467**	467
At cost		
Freehold land	**33,637**	33,552
Other outgoings	**1,836**	1,804
Balance at 31 December	**35,940**	35,823

6.1 Land held for property development under the revaluation model

The freehold land is shown at Directors' valuation based on a valuation exercise carried out by Government Valuers on an 'open market value' basis in 1978.

The carrying amount of the revalued land had it been stated at cost is **RM194,000** (2012 : RM194,000).

7. Prepaid land lease payments - Group

	Note	2013 RM' 000	2012 RM' 000
At 1 January		**39,983**	40,521
Amortisation for the year	22	**(242)**	(278)
Exchange differences		**770**	(260)
Deletion through disposal of a subsidiary	34(c)	**(6,616)**	-
At 31 December		**33,895**	39,983
Represented by:			
Long term leasehold land		**31,642**	31,653
Short term leasehold land		**2,253**	8,330
At 31 December		**33,895**	39,983

8. Investment properties

	Group		Company	
	2013	2012	2013	2012
	RM' 000	RM' 000	RM' 000	RM' 000
Cost				
At 1 January	**544,503**	537,657	**15,137**	15,137
Additions	**59,077**	11,594	**-**	-
Transfer from/(to) property, plant and equipment (Note 3)	**17,568**	(6,387)	**-**	-
Transfer from land held for property development (Note 6)	**-**	2,323	**-**	-
Exchange differences	**(8,472)**	(684)	**-**	-
At 31 December	**612,676**	544,503	**15,137**	15,137
Accumulated depreciation				
At 1 January	**52,013**	49,738	**64**	60
Charge for the year (Note 22)	**3,644**	3,451	**2**	4
Transfer from/(to) property, plant and equipment (Note 3)	**3,233**	(1,217)	**-**	-
Exchange differences	**(1,208)**	41	**-**	-
At 31 December	**57,682**	52,013	**66**	64
Carrying amount				
At 31 December	**554,994**	492,490	**15,071**	15,073
Included in the above are:				
Freehold land	**144,933**	133,148	**14,962**	14,962
Buildings	**111,203**	89,622	**109**	111
Long term leasehold land	**298,834**	269,695	**-**	-
Assembly plant	**24**	25	**-**	-
	554,994	492,490	**15,071**	15,073

Investment properties comprise a number of commercial properties, vacant land and assembly plant that are leased to third parties or held for capital appreciation. Some of these properties of the Group were transferred to/from property, plant and equipment and land held for property development following the changes in the use of these properties.

8. Investment properties (cont'd)

8.1 Fair value information

Fair value of investment properties are categorised as follows:

	2013			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
Freehold land	-	-	990,764	990,764
Long term leasehold land	-	-	701,870	701,870
Buildings	-	-	294,862	294,862
Assembly plant	-	-	24	24
	-	-	1,987,520	1,987,520
Company				
Freehold land	-	-	216,800	216,800
Buildings	-	-	400	400
	-	-	217,200	217,200

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical investment properties that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the investment property, either directly or indirectly.

Level 2 fair values of land and buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

Transfer between Level 1 and 2 fair values

There is no transfer between Level 1 and 2 fair values during the financial year.

8. Investment properties (cont'd)

8.1 Fair value information (cont'd)

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment property. The valuation techniques used in the determination of fair values within level 3 is as follows:

i) Comparison method of valuation:
This approach entails comparing the property with similar properties that were sold. The characteristics, merits and demerits of these properties are noted and appropriate adjustments thereof are then made to arrive at the value of the investment properties.

ii) Discounted cash flows:
The valuation method considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate, void periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.

The following table shows a reconciliation of Level 3 fair values:-

	Group RM' 000	Company RM' 000
2013		
At 1 January	**1,640,894**	**217,200**
Additions	**300,981**	**-**
Transfer	**45,645**	**-**
At 31 December	**1,987,520**	**217,200**

Valuation processes applied by the Group for Level 3 fair value

The fair value of investment properties is based on the estimates of market value by Directors, taking into account some of the valuation in 2011 by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property. Investment properties for a carrying amount of RM183,452,000 (2012: RM160,998,000) and with the fair values of RM821,363,000 (2012: RM498,087,000) are determined solely based on Directors' estimates using either discounted cash flow or recent transaction prices around the vicinity.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

9. Investments in subsidiaries

		Group		Company	
		2013	2012	2013	2012
	Note	RM' 000	RM' 000	RM' 000	RM' 000
Unquoted shares, at cost		**24,307**	24,307	**689,524**	621,524
Less :					
Impairment losses		**-**	-	**(36,085)**	(36,085)
Share of post-acquisition reserves		**(47,174)**	(47,174)	**-**	-
	9.1	**(22,867)**	(22,867)	**653,439**	585,439

Details of the subsidiaries are listed under Note 36.

9.1 Investment in a non-consolidated subsidiary - Group

The Group's interest in a non-consolidated subsidiary represents the interests of the Group's investment in PT Oriental Kyowa Industries ("PT OKI"). PT OKI is a 45% and 55% owned subsidiary held through Jutajati Sdn. Bhd. and Selasih Permata Sdn. Bhd. respectively.

On 23 February 2009, the shareholders of PT OKI commenced liquidation proceedings on PT OKI. Accordingly, the financial statements of PT OKI have been de-consolidated in the Group's financial statements thereafter. In November 2010, the shareholders of PT OKI had applied for cancellation of liquidation proceedings for which the approval was still pending from the local authority at year end.

9. **Investments in subsidiaries (cont'd)**

Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

2013	PT Gunung Maras Lestari RM'000	PT Gunungsawit Binalestari RM'000	Selasih Permata Sdn. Bhd. RM'000	Melaka Straits Medical Centre Sdn. Bhd. RM'000	Oriental Boon Siew (M) Sdn. Bhd. RM'000	Teck See Plastic Sdn. Bhd. RM'000	Armstrong Auto Parts Sdn. Berhad RM'000
NCI percentage of ownership interest and voting interest	53.29%	53.29%	49.50%	49.00%	49.00%	40.00%	39.70%
Carrying amount of NCI	154,133	115,242	59,469	73,661	89,768	152,541	24,013
Profit/(Loss) allocated to NCI	17,840	11,947	9,881	16	(403)	2,941	(19,154)
Summarized financial information before intra-group elimination							
As at 31 December							
Non-current assets	67,378	42,975	32,534	96,774	180,854	130,612	35,319
Current assets	312,430	203,453	104,584	70,978	2,350	161,964	125,359
Non-current liabilities	(4,519)	(1,996)	-	-	-	(1,892)	(745)
Current liabilities	(88,956)	(12,933)	(24)	(17,424)	(5)	(25,965)	(132,766)
Net assets	286,333	231,499	137,094	150,328	183,199	264,719	27,167
Year ended 31 December							
Revenue	184,741	84,924	8,399	1,021	132	135,181	304,259
Profit/(Loss) for the year	33,482	22,419	53,517	34	(822)	4,591	(59,699)
Total comprehensive income/(expense) for the year	(18,224)	(16,317)	53,517	34	(822)	4,591	(59,699)
Cash flows from operating activities	28,110	666	2,604	3,329	(6,724)	1,441	29,064
Cash flows from investing activities	11,499	6,832	44,570	(76,297)	83	21,218	25,761
Cash flows from financing activities	(6,996)	(3,294)	(16,609)	100,000	-	(4,003)	(40,679)
Net increase/(decrease) in cash and cash equivalents	32,613	4,204	30,565	27,032	(6,641)	18,656	14,146
Dividend paid to NCI	436	247	8,221	-	-	1,601	-

9. **Investments in subsidiaries (cont'd)**

Non-controlling interests in subsidiaries (cont'd)

2012	PT Gunung Maras Lestari RM'000	PT Gunungsawit Binalestari RM'000	Selasih Permata Sdn. Bhd. RM'000	Melaka Straits Medical Centre Sdn. Bhd. RM'000	Oriental Boon Siew (M) Sdn. Bhd. RM'000	Teck See Plastic Sdn. Bhd. RM'000	Armstrong Auto Parts Sdn. Berhad RM'000
NCI percentage of ownership interest and voting interest	53.29%	53.29%	49.50%	49.00%	49.00%	40.00%	39.70%
Carrying amount of NCI	160,183	125,721	66,202	24,644	90,170	157,650	43,166
Profit/(Loss) allocated to NCI	32,225	23,328	19,371	74	(361)	4,575	(2,659)
Summarized financial information before intra-group elimination							
As at 31 December							
Non-current assets	85,170	54,608	32,534	19,474	181,507	160,030	61,053
Current assets	330,512	204,877	67,675	34,011	8,991	137,517	154,941
Non-current liabilities	(3,500)	(1,739)	-	-	-	(1,986)	(25,322)
Current liabilities	(101,807)	(6,582)	(24)	(3,190)	(6,477)	(31,430)	(103,806)
Net assets	310,375	251,164	100,185	50,295	184,021	264,131	86,866
Year ended 31 December							
Revenue	235,026	157,628	11,818	1,323	222	245,899	335,624
Profit/(Loss) for the year	60,472	43,778	20,787	150	(736)	11,438	(27,692)
Total comprehensive income/(expense) for the year	32,411	20,545	20,787	150	(736)	11,438	(27,692)
Cash flows from operating activities	74,189	29,589	(1,137)	2,341	145	18,580	(33,875)
Cash flows from investing activities	7,441	5,196	11,764	(14,461)	(400)	(1,010)	(3,498)
Cash flows from financing activities	(41,183)	(8,745)	(16,538)	-	-	(2,953)	34,879
Net increase/(decrease) in cash and cash equivalents	40,447	26,040	(5,911)	(12,120)	(255)	14,617	(2,494)
Dividend paid to NCI	338	656	8,186	-	-	1,181	-

10. Investments in associates

	Group		Company	
	2013	2012	2013	2012
	RM' 000	RM' 000	RM' 000	RM' 000
Unquoted shares, at cost	**81,535**	81,391	**28,291**	28,291
Share of post-acquisition reserves	**353,599**	314,598	**-**	-
	435,134	395,989	**28,291**	28,291
Represented by :				
Share of net assets	**430,755**	391,610		
Goodwill	**4,379**	4,379		
	435,134	395,989		

Details of associates:

	Group's effective interest		Principal activities
	2013	2012	
	%	%	
Incorporated in Malaysia:			
Hicom-Teck See Manufacturing Malaysia Sdn Bhd	**29.4**	29.4	Manufacture of thermo plastic and thermo setting products
Honda Autoparts Manufacturing (M) Sdn. Bhd.	**49.0**	49.0	Manufacture and sale of motor vehicle parts
Southern Perak Plantations Sdn. Berhad	**39.5**	39.5	Production and sale of oil palm fruits, palm oil and kernel
Hitachi Construction Machinery (Malaysia) Sdn. Bhd.	**30.0**	30.0	Sale of construction machinery, attachments and spare parts and renting of machinery
Boon Siew Honda Sdn. Bhd.	**49.0**	49.0	Manufacture, assembly and sale of motorcycles
Southern Oriental Sdn. Bhd.	**50.0**	50.0	Investment holding
Chainferry Development Sdn. Berhad	**33.4**	33.4	Property development
Penang Wellesley Realty Sdn. Berhad	**39.8**	39.8	Property development
Penang Amusements Co. Sdn. Bhd.	**25.0**	25.0	Operation of a bowling alley
Incorporated in Singapore:			
Singapore Safety Driving Centre Ltd	**27.5**	27.5	Operation of a driving school
B.S. Kah Pte. Ltd	**40.0**	40.0	Property management
Bukit Batok Driving Centre Ltd	**21.9**	21.9	Operation of a driving school

NOTES TO THE FINANCIAL STATEMENTS
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10. Investments in associates (cont'd)

Details of associates: (cont'd)

	Group's effective interest		Principal activities
	2013	**2012**	
	%	**%**	
Incorporated in Thailand :			
Held through a subsidiary of the Company, Teck See Plastic Sdn Bhd			
Kasai Teck See Co. Ltd.	**15.0**	15.0	Manufacture and sale of parts, mould and automotive equipment including automotive interior parts
Incorporated in the Republic of Indonesia :			
Held through subsidiaries of the Company, Teck See Plastic Sdn Bhd and Oriental International (Mauritius) Pte Ltd			
P.T. Kasai Teck See Indonesia (formerly known as P.T. Oriental Manufacturing Indonesia)	**38.9**	38.9	Manufacture and distribution of plastic articles and products in automotive and electrical sectors

The accounting year end of all the associates is 31 December except for Hicom Teck See Manufacturing Malaysia Sdn Bhd, Honda Autoparts Manufacturing (M) Sdn. Bhd., Hitachi Construction Machinery (Malaysia) Sdn. Bhd. and Boon Siew Honda Sdn. Bhd. which have accounting year ends of 31 March.

10. Investments in associates (cont'd)

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

	Hicom-Teck See Manufacturing Malaysia Sdn. Bhd.	Honda Autoparts Manufacturing (M) Sdn. Bhd.	Southern Perak Plantations Sdn. Berhad	Hitachi Construction Machinery (Malaysia) Sdn. Bhd.	Boon Siew Honda Sdn. Bhd.
	RM'000	RM'000	RM'000	RM'000	RM'000
Group					
2013					
Summarised financial information As at 31 December					
Non-current assets	121,827	52,724	114,944	18,377	230,885
Current assets	151,460	158,248	67,946	228,161	320,579
Non-current liabilities	(29,125)	-	-	-	-
Current liabilities	(105,287)	(128,198)	(15,680)	(91,995)	(354,180)
Net assets	138,875	82,774	167,210	154,543	197,284
Year ended 31 December					
Profit from continuing operations	9,245	17,363	13,722	23,943	25,853
Other comprehensive loss	-	-	(1,680)	-	-
Total comprehensive income	9,245	17,363	12,042	23,943	25,853
Included in the total comprehensive income is :					
Revenue	369,209	355,117	48,110	364,440	887,108

10. Investments in associates (cont'd)

	Hicom-Teck See Manufacturing Malaysia Sdn. Bhd.	Honda Autoparts Manufacturing (M) Sdn. Bhd.	Southern Perak Plantations Sdn. Berhad	Hitachi Construction Machinery (Malaysia) Sdn. Bhd.	Boon Siew Honda Sdn. Bhd.	Other individually immaterial associates	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group							
2013							
Reconciliation of net assets to carrying amount							
As at 31 December							
Group's share of net assets	40,829	40,559	66,048	46,363	96,669	140,287	430,755
Goodwill	-	-	3,255	-	-	1,124	4,379
Carrying amount in the statement of financial position	40,829	40,559	69,303	46,363	96,669	141,411	435,134
Group's share of results							
Year ended 31 December							
Group's share of profit or loss from continuing operations	2,718	8,508	5,420	7,183	12,668	21,012	57,509
Group's share of other comprehensive income	-	-	(664)	-	-	363	(301)
Group's share of total comprehensive income	2,718	8,508	4,756	7,183	12,668	21,375	57,208

10. Investments in associates (cont'd)

	Hicom-Teck See Manufacturing Malaysia Sdn. Bhd.	Honda Autoparts Manufacturing (M) Sdn. Bhd.	Southern Perak Plantations Sdn. Berhad	Hitachi Construction Machinery (Malaysia) Sdn. Bhd.	Boon Siew Honda Sdn. Bhd.
	RM'000	RM'000	RM'000	RM'000	RM'000
Group					
2012					
Summarised financial information					
As at 31 December					
Non-current assets	116,586	41,775	118,860	16,072	217,732
Current assets	135,410	43,537	60,801	257,863	288,577
Non-current liabilities	(31,925)	-	-	-	-
Current liabilities	(80,664)	(19,902)	(16,171)	(121,114)	(332,660)
Net assets	139,407	65,410	163,490	152,821	173,649
Year ended 31 December					
Profit from continuing operations	49,299	1,208	17,443	34,587	69,602
Other comprehensive income	-	-	16,749	-	-
Total comprehensive income	49,299	1,208	34,192	34,587	69,602
Included in the total comprehensive income is :					
Revenue	420,506	121,582	59,149	458,755	805,719

10. Investments in associates (cont'd)

	Hicom-Teck See Manufacturing Malaysia Sdn. Bhd. RM'000	Honda Autoparts Manufacturing (M) Sdn. Bhd. RM'000	Southern Perak Plantations Sdn. Berhad RM'000	Hitachi Construction Machinery (Malaysia) Sdn. Bhd. RM'000	Boon Siew Honda Sdn. Bhd. RM'000	Other individually immaterial associates RM'000	Total RM'000
Group							
2012							
Reconciliation of net assets to carrying amount							
As at 31 December							
Group's share of net assets	40,986	32,050	64,578	45,846	85,088	123,062	391,610
Goodwill	-	-	3,255	-	-	1,124	4,379
Carrying amount in the statement of financial position	40,986	32,050	67,833	45,846	85,088	124,186	395,989
Group's share of results							
Year ended 31 December							
Group's share of profit or loss from continuing operations	14,494	592	6,890	10,376	34,105	10,238	76,695
Group's share of other comprehensive income	-	-	6,616	-	-	-	6,616
Group's share of total comprehensive income	14,494	592	13,506	10,376	34,105	10,238	83,311

11. Other investments

	Unquoted shares RM'000	Quoted shares in Malaysia RM'000	Quoted shares outside Malaysia RM'000	Quoted bonds outside Malaysia RM'000	Quoted unit trusts and REITS RM'000	Others RM'000	Total RM'000
Group							
2013							
Non-current							
Available-for-sale financial assets	28,187	591	160,350	88,579	14,622	1,099	293,428
Less: Impairment loss	(402)	-	-	-	-	(22)	(424)
	27,785	591	160,350	88,579	14,622	1,077	293,004
Representing items:							
At cost	27,785	-	-	-	-	1,077	28,862
At fair value	-	591	160,350	88,579	14,622	-	264,142
	27,785	591	160,350	88,579	14,622	1,077	293,004
Market value of quoted investments	-	591	160,350	88,579	14,622	-	264,142
Company							
2013							
At cost	33,113	-	-	-	-	-	33,113
Representing items:							
At cost	33,113	-	-	-	-	-	33,113

11. Other investments (cont'd)

	Unquoted shares RM'000	Quoted shares in Malaysia RM'000	Quoted shares outside Malaysia RM'000	Quoted bonds outside Malaysia RM'000	Quoted unit trusts and REITS RM'000	Others RM'000	Total RM'000
Group							
2012							
Non-current							
Available-for-sale financial assets	28,187	495	145,037	83,086	16,791	1,096	274,692
Less: Impairment loss	(413)	-	-	-	-	(22)	(435)
	27,774	495	145,037	83,086	16,791	1,074	274,257
Representing items:							
At cost	27,774	-	-	-	-	1,074	28,848
At fair value	-	495	145,037	83,086	16,791	-	245,409
	27,774	495	145,037	83,086	16,791	1,074	274,257
Market value of quoted investments	-	495	145,037	83,086	16,791	-	245,409
Company							
2012							
At cost	33,113	-	-	-	-	-	33,113
Representing items:							
At cost	33,113	-	-	-	-	-	33,113

12. Deferred tax assets and (liabilities) - Group

Recognised deferred tax assets and (liabilities)

Deferred tax assets and (liabilities) are attributable to the following:

	Assets		Liabilities		Net	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Property, plant and equipment						
- capital allowances	**692**	1,062	**(14,647)**	(14,951)	**(13,955)**	(13,889)
- revaluation	**-**	-	**(286)**	(289)	**(286)**	(289)
Prepaid land lease payments						
- fair value adjustment	**-**	-	**(7,214)**	(7,214)	**(7,214)**	(7,214)
Biological assets - capital allowances	**-**	-	**(4,253)**	(3,537)	**(4,253)**	(3,537)
Provisions	**3,515**	3,302	**1,044**	1,983	**4,559**	5,285
Capital allowances carry-forwards	**1,329**	1,113	**3,130**	1,453	**4,459**	2,566
Tax losses carry-forwards	**5,285**	2,467	**-**	-	**5,285**	2,467
Unutilised reinvestment allowances	**-**	-	**3,839**	5,179	**3,839**	5,179
Other investments	**-**	-	**(2,486)**	(10,128)	**(2,486)**	(10,128)
Others	**738**	50	**1,837**	2,183	**2,575**	2,233
	11,559	7,994	**(19,036)**	(25,321)	**(7,477)**	(17,327)

Deferred tax have not been recognised in respect of the following items (stated at gross):

	2013 RM' 000	2012 RM' 000
Deductible temporary differences	**14,590**	14,253
Capital allowances carry-forwards	**9,958**	5,455
Tax losses carry-forwards	**47,597**	25,634
Unutilised reinvestment allowances	**4,755**	4,755
Provisions	**68,986**	25,027
Others	**200**	239
	146,086	75,363

The deductible temporary differences, capital allowances carry-forwards, tax losses carry-forwards, unutilised reinvestment allowances and provisions do not expire under the respective countries' tax legislations. Deferred tax assets have not been recognised in respect of these items as it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

The comparative figures for deferred tax assets not recognised have been restated to reflect the revised capital allowances carry-forwards, tax losses carry-forwards, provisions and temporary differences available to the Group.

12. Deferred tax assets and (liabilities) - Group (cont'd)

The components and movements of deferred tax assets/(liabilities) are as follows:

	At 1 January 2012 RM'000	Effect of movement in exchange rate RM'000	Recognised in profit or loss RM'000	Recognised in other comprehensive income RM'000	At 31 December 2012 RM'000	Effect of movement in exchange rate RM'000	Recognised in profit or loss RM'000	Recognised in other comprehensive income RM'000	At 31 December 2013 RM'000
Deferred tax assets									
Property, plant and equipment									
- capital allowances	1,553	(5)	(486)	-	1,062	**(14)**	**(356)**	**-**	**692**
Other items	4,781	(310)	2,461	-	6,932	**(686)**	**4,621**	**-**	**10,867**
	6,334	(315)	1,975	-	7,994	**(700)**	**4,265**	**-**	**11,559**
Deferred tax liabilities									
Property, plant and equipment									
- capital allowances	(17,705)	(35)	2,789	-	(14,951)	**(37)**	**341**	**-**	**(14,647)**
- revaluation	(291)	-	2	-	(289)	**-**	**3**	**-**	**(286)**
Prepaid land lease payments									
- fair value adjustment	(7,214)	-	-	-	(7,214)	**-**	**-**	**-**	**(7,214)**
Biological assets									
- capital allowances	(4,190)	97	556	-	(3,537)	**-**	**(716)**	**-**	**(4,253)**
Unutilised reinvestment allowances	5,752	-	(573)	-	5,179	**-**	**(1,340)**	**-**	**3,839**
Other items	2,882	(35)	(3,006)	(4,350)	(4,509)	**(211)**	**206**	**8,039**	**3,525**
	(20,766)	27	(232)	(4,350)	(25,321)	**(248)**	**(1,506)**	**8,039**	**(19,036)**
	(14,432)	(288)	1,743	(4,350)	(17,327)	**(948)**	**2,759**	**8,039**	**(7,477)**
			Note 25				**Note 25**		

NOTES TO THE FINANCIAL STATEMENTS
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13. Property development costs – Group

	2013 RM' 000	2012 RM' 000
Balance at 1 January	**2,668**	14,339
Add:		
Development costs incurred during the year	**118**	7,535
Less:		
Costs charged to profit or loss	**-**	(8,864)
Transfer to completed development properties	**-**	(10,342)
Balance at 31 December	**2,786**	2,668
Represented by :		
Development costs	**2,786**	2,668

14. Inventories - Group

	2013 RM' 000	2012 RM' 000
Completed development properties	**16,099**	16,396
Finished products		
Manufactured goods	**48,292**	50,120
Assembled motor vehicles	**22,951**	35,512
Trading inventories	**44,391**	59,009
	115,634	144,641
Work-in-progress	**12,003**	13,287
Raw materials	**43,412**	54,868
Consumable stores and spares	**40,436**	40,300
Hotel stocks	**2,648**	2,672
	230,232	272,164

15. Trade and other receivables

		Group		Company	
		2013	2012	2013	2012
	Note	RM' 000	RM' 000	RM' 000	RM' 000
Trade					
Trade receivables		**245,907**	250,502	**-**	-
Unearned income		**(14)**	(651)	**-**	-
		245,893	249,851	**-**	-
Amount due from associates	15.1	**35,609**	56,808	**-**	-
Non-trade					
Amount due from subsidiaries	15.2	**-**	-	**125,540**	130,794
Other receivables	15.3	**67,857**	46,420	**-**	17
Deposits		**10,356**	5,110	**20**	19
Prepayments		**13,076**	7,149	**314**	-
		91,289	58,679	**125,874**	130,830
		372,791	365,338	**125,874**	130,830

15.1 Amount due from associates

The trade receivables due from associates are subject to normal trade terms.

15.2 Amount due from subsidiaries

Company

The amount due from subsidiaries for an amount of **RM125,531,000** (2012 : RM130,718,000) is subject to interest at the rates ranging from **0.75% to 3.35%** (2012 : 0.86% to 3.10%) per annum.

15.3 Other receivables

Included in other receivables of the Group is an amount of **RM10,071,000** (2012: RM Nil) representing value added tax receivable.

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16. Cash and cash equivalents

		Group		Company	
		2013	2012	2013	2012
	Note	RM' 000	RM' 000	RM' 000	RM' 000
Fixed deposits:					
With licensed banks		**1,809,613**	1,793,366	**131,668**	121,658
With licensed finance companies		**89,787**	63,729	**-**	-
	16.1	**1,899,400**	1,857,095	**131,668**	121,658
Cash and bank balances	16.2	**748,813**	597,717	**3,386**	3,610
Unit trust money market funds		**113,365**	169,204	**34,860**	93,855
		2,761,578	2,624,016	**169,914**	219,123

16.1 Deposits placed with licensed banks pledged for banking/financing facilities

Included in the fixed deposits of the Group is an amount of **RM173,552,000** (2012: RM73,000) which is pledged for banking/financing facilities granted to certain subsidiaries (see Note 18).

16.2 Cash and bank balances

Included in cash and bank balances of the Group is an amount of **RM599,000** (2012 : RM4,202,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and are restricted from use in other operations.

17. Capital and reserves

17.1 Share capital

	Group/Company	
	2013	2012
	RM' 000	RM' 000
Authorised:		
1,000,000,000 stocks of RM1 each	**1,000,000**	1,000,000
Issued and fully paid:		
620,393,638 stocks of RM1 each	**620,394**	620,394

17. Capital and reserves (cont'd)

17.2 Reserves

	Note	Group 2013 RM' 000	Group 2012 RM' 000	Company 2013 RM' 000	Company 2012 RM' 000
Non-distributable:					
Share premium		**1,099**	1,099	**-**	-
Capital reserves		**1,073**	1,073	**-**	-
Foreign currency translation reserves	17.4	**486,384**	478,589	**-**	-
Capital redemption reserve		**68**	68	**68**	68
Asset revaluation reserve	17.5	**474**	474	**-**	-
Fair value reserve	17.6	**85,477**	74,334	**-**	-
Treasury stocks	17.7	**(249)**	(249)	**(249)**	(249)
		574,326	555,388	**(181)**	(181)
Distributable:					
Retained earnings		**3,512,414**	3,381,095	**328,886**	290,944
Capital reserve	17.3	**40,248**	40,248	**29,992**	29,992
		3,552,662	3,421,343	**358,878**	320,936
		4,126,988	3,976,731	**358,697**	320,755
Total equity attributable to stockholders of the Company		**4,747,382**	4,597,125	**979,091**	941,149

17.3 Capital reserve

The distributable capital reserve comprises surplus on sale of land and building and long term investments.

17.4 Foreign currency translation reserves

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

17.5 Asset revaluation reserve

The asset revaluation reserve relates to the revaluation of property, plant and equipment.

17.6 Fair value reserve

The fair value reserve includes the cumulative net change in the fair value of available-for-sale investments until the investment is derecognised.

17. Capital and reserves (cont'd)

17.7 Treasury stocks

In year 2000, the Company purchased 100,000 of its issued stocks from the open market. The average price paid for the stocks purchased was RM7.84 per stock. The repurchased stocks are held as treasury stocks and carried at cost.

On 2 March 2001, 68,192 of the treasury stocks were cancelled and an amount equivalent to their nominal value was transferred to Capital Redemption Reserve. Treasury stocks have no rights to voting, dividends and participation in other distribution.

18. Borrowings

This note provides information about the contractual terms of the Group's and the Company's interest-bearing borrowings. For more information about the Group's and the Company's exposure to interest rate and foreign currency risk, see Note 32.

		Group		**Company**	
		2013	**2012**	**2013**	**2012**
	Note	**RM' 000**	**RM' 000**	**RM' 000**	**RM' 000**
Current					
Secured:					
Lease obligations	18.1	**2,387**	1,724	**-**	-
Revolving credit		**142,677**	81,046	**-**	-
Term loans		**-**	2,313	**-**	-
		145,064	85,083	**-**	-
Unsecured:					
Bank overdrafts		**-**	5,212	**-**	-
Revolving credit		**266,257**	261,913	**-**	-
Bankers' acceptances		**33,731**	19,607	**-**	-
Trust receipts		**3,177**	3,603	**-**	-
Promissory notes		**-**	3,746	**-**	-
Term loans		**46,733**	72,623	**46,733**	70,523
		349,898	366,704	**46,733**	70,523
		494,962	451,787	**46,733**	70,523

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

18. Borrowings (cont'd)

	Note	Group 2013 RM' 000	Group 2012 RM' 000	Company 2013 RM' 000	Company 2012 RM' 000
Non-current					
Secured:					
Lease obligations	18.1	**2,723**	2,561	**-**	-
Term loans		**-**	6,419	**-**	-
		2,723	8,980	**-**	-
Unsecured:					
Term loans		**-**	17,500	**-**	-
		2,723	26,480	**-**	-
		497,685	478,267	**46,733**	70,523

18.1 Lease obligations

Lease obligations are payable as follows:

	2013 Future minimum lease payment RM'000	2013 Interest RM'000	2013 Present value of minimum lease payments RM'000	2012 Future minimum lease payment RM'000	2012 Interest RM'000	2012 Present value of minimum lease payments RM'000
Less than 1 year	**2,576**	**189**	**2,387**	1,812	88	1,724
Between 1 and 5 years	**2,814**	**91**	**2,723**	2,617	56	2,561
	5,390	**280**	**5,110**	4,429	144	4,285

18.2 Security

The secured bank borrowings are secured by way of the Group's fixed deposit (see Note 16).

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(CONT'D)

19. Provision - Group

	Free servicing RM'000	Extended warranties RM'000	Total RM'000
Non-current			
At 1 January 2012	712	2,324	3,036
Provision made	165	986	1,151
Provision used	(263)	(5)	(268)
Exchange differences	9	61	70
At 31 December 2012	623	3,366	3,989
Provision made	**91**	**896**	**987**
Provision used	**(210)**	**(140)**	**(350)**
Provision reversed	**(21)**	**(225)**	**(246)**
Exchange differences	**33**	**116**	**149**
At 31 December 2013	**516**	**4,013**	**4,529**

The provision for extended warranties is based on estimates made from historical warranty costs of the first 3 years with an added premium.

20. Deferred income

	Group 2013 RM' 000	Group 2012 RM' 000
Extended warranty income	**1,556**	4,333
Service package income	**12,583**	8,821
	14,139	13,154

21. Trade and other payables

		Group		Company	
		2013	2012	2013	2012
	Note	RM' 000	RM' 000	RM' 000	RM' 000
Trade					
Trade payables		**117,658**	133,498	**-**	-
Non-trade					
Amount due to associates	21.1	**641**	1,264	**-**	-
Other payables		**178,115**	127,332	**35**	33
Accrued expenses		**18,968**	20,407	**1,410**	1,070
		197,724	149,003	**1,445**	1,103
		315,382	282,501	**1,445**	1,103

21.1 Amount due to associates

The amount due to associates is unsecured, interest-free and repayable on demand.

22. Operating profit

	Group		Company	
	2013	2012	2013	2012
	RM' 000	RM' 000	RM' 000	RM' 000
Revenue				
- Sale of goods and services	**2,639,741**	2,692,992	**102**	158
- Interest income	**60,338**	68,660	**6,300**	11,463
- Rental income	**34,411**	32,302	**538**	960
- Dividend income	**19,604**	13,095	**91,277**	91,304
	2,754,094	2,807,049	**98,217**	103,885

22. Operating profit (cont'd)

Operating profit is arrived at:

	Group		Company	
	2013	2012	2013	2012
	RM' 000	RM' 000	RM' 000	RM' 000
After charging:				
Auditors' remuneration				
Audit fees				
- KPMG Malaysia	**519**	455	**60**	60
- Overseas affiliates of KPMG Malaysia	**436**	468	**-**	-
- Other auditors	**932**	835	**-**	-
Non-audit fees				
- KPMG Malaysia	**16**	17	**16**	17
- Local affiliates of KPMG Malaysia	**383**	241	**155**	130
- Overseas affiliates of KPMG Malaysia	**36**	41	**-**	-
- Other auditors	**88**	48	**40**	-
Amortisation of:				
- biological assets (Note 5)	**11,022**	11,728	**-**	-
- prepaid land lease payments (Note 7)	**242**	278	**-**	-
- development cost (Note 4)	**685**	182	**-**	-
Depreciation:				
- property, plant and equipment (Note 3)	**85,713**	90,919	**105**	104
- investment properties (Note 8)	**3,644**	3,451	**2**	4
Direct operating expenses of investment properties:				
- Non-income generating	**2,010**	608	**267**	239
- Income generating	**14,723**	16,459	**52**	115
Directors' emoluments				
Directors of the Company:				
- Fees				
- current year	**1,369**	1,173	**800**	600
- prior year	**6**	-	**-**	-
- Remuneration				
- current year	**8,979**	10,524	**467**	326
- prior year	**(78)**	649	**-**	15
- Benefits-in-kind	**25**	21	**-**	-
Bad and doubtful debts	**363**	1,539	**-**	-
Hire of equipment	**733**	1,183	**-**	-
Interest expense on:				
- Bank overdraft	**19**	296	**-**	-
- Other bank borrowings	**8,052**	9,794	**670**	2,660
- Subsidiaries	**-**	-	**-**	67
Asset written off				
- Property, plant and equipment	**202**	1,273	**-**	-
- Biological assets	**2**	193	**-**	-
Write down of inventories (net)	**11,182**	-	**-**	-
Bad debts written off	**305**	-	**-**	-
Rental of land and buildings	**8,635**	7,668	**31**	21
Realised loss on foreign exchange (net)	**12,271**	-	**-**	-

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

22. Operating profit (cont'd)

	Group		Company	
	2013	2012	2013	2012
	RM' 000	RM' 000	RM' 000	RM' 000
After charging:				
Impairment loss on :				
- intangible assets (Note 4)	**-**	5,359	**-**	-
- property, plant and equipment (Note 3)	**5,000**	-	**-**	-
Loss on disposal of other investment	**-**	293	**-**	-
Loss on liquidation of a subsidiary	**2**	-	**-**	-
and crediting:				
Dividends (gross) received from :				
- Unquoted investments	**15,222**	8,881	**13,339**	8,940
- Unquoted subsidiaries	**-**	-	**67,774**	72,352
- Unquoted associates	**-**	-	**8,333**	8,985
- Unit trust	**-**	-	**1,831**	1,027
- Investments quoted outside Malaysia	**4,382**	4,214	**-**	-
Gain on disposal of:				
- property, plant and equipment	**11,692**	3,132	**-**	-
- associates	**-**	-	**-**	1,067
- subsidiaries	**25,454**	-	**-**	-
- other investments	**1,018**	-	**-**	-
Reversal of impairment loss on:				
- property, plant and equipment (Note 3)	**6,000**	-	**-**	-
- other investment	**11**	885	**-**	-
Reversal of write down of inventories (net)	**-**	6,924	**-**	-
Interest received from subsidiaries	**-**	-	**3,526**	3,445
Other interest income	**60,338**	68,660	**2,774**	8,018
Rental income	**34,411**	32,302	**538**	960
Gain on foreign exchange (net)				
- Realised	**-**	10,612	**6,881**	13,591
- Unrealised	**10,674**	15,628	**3,727**	6,754
Gain on liquidation of a subsidiary	**-**	5,297	**-**	-
Bad debts recovered	**-**	209	**-**	-

23. Employee information

	Group		Company	
	2013	2012	2013	2012
	RM' 000	RM' 000	RM' 000	RM' 000
Staff costs	**298,440**	301,806	**1,670**	1,651

Included in staff costs of the Group and of the Company is an amount of **RM21,211,000** (2012 : RM21,115,000) and **RM266,000** (2012 : RM228,000) respectively representing contributions made to the Employees' Provident Fund.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

24. Key management personnel compensation

Key management personnel include all the Executive Directors of the Group and their compensations are as disclosed in Note 22.

25. Income tax expense

Recognised in profit or loss

	Group		Company	
	2013	2012	2013	2012
	RM' 000	RM' 000	RM' 000	RM' 000
Income tax expense on continuing operations	**65,009**	73,191	**15,869**	19,166
Share of tax of equity accounted associates	**15,162**	14,980	**-**	-
Total income tax expense	**80,171**	88,171	**15,869**	19,166

Major components of tax expense include:

	Group		Company	
	2013	2012	2013	2012
	RM' 000	RM' 000	RM' 000	RM' 000
Current tax expense				
Malaysian - current year	**17,439**	26,557	**15,856**	19,161
- prior years	**1,697**	(286)	**13**	5
	19,136	26,271	**15,869**	19,166
Overseas - current year	**35,556**	48,965	**-**	-
- prior years	**13,076**	(302)	**-**	-
	48,632	48,663	**-**	-
Total current tax	**67,768**	74,934	**15,869**	19,166
Deferred tax expense				
Origination and reversal of temporary differences	**(4,183)**	(2,177)	**-**	-
Prior year	**1,424**	434	**-**	-
Total deferred tax	**(2,759)**	(1,743)	**-**	-
Share of tax of equity accounted associates	**15,162**	14,980	**-**	-
Total tax expense	**80,171**	88,171	**15,869**	19,166

25. Income tax expense (cont'd)

Reconciliation of tax expense

	Group		Company	
	2013	2012	2013	2012
	RM' 000	RM' 000	RM' 000	RM' 000
Profit for the year	**199,251**	302,554	**87,570**	99,054
Total tax expense	**80,171**	88,171	**15,869**	19,166
Profit excluding tax	**279,422**	390,725	**103,439**	118,220
Income tax at Malaysian tax rate of 25%	**69,856**	97,681	**25,860**	29,555
Effect of tax rates in foreign jurisdictions *	**(2,274)**	(4,734)	**-**	-
Non-deductible expenses	**15,086**	16,803	**756**	641
Income not subject to tax	**(32,119)**	(23,830)	**(10,723)**	(11,030)
Tax incentives	**(4,933)**	(1,050)	**-**	-
Deferred tax assets not recognised	**17,681**	1,844	**-**	-
Others	**677**	1,611	**(37)**	(5)
Under/(Over) provision in prior years	**16,197**	(154)	**13**	5
	80,171	88,171	**15,869**	19,166

* The tax rates in several foreign jurisdictions are different from that of the Malaysian tax rate as the subsidiaries operate in foreign tax jurisdictions with lower or higher tax rates as the case may be.

26. Basic earnings per ordinary stock

The basic earnings per ordinary stock have been calculated based on the profit attributable to the owners of the Company and the number of stocks in issue of **620,361,830** (2012 : 620,361,830), after deducting the Treasury Stocks of **31,808** (2012 : 31,808).

27. Dividends

Dividends recognised by the Group and the Company are:

	Group/Company	
	2013	2012
	RM' 000	RM' 000
In respect of financial year 2012:		
- Single tier interim dividend	**24,814**	-
- Final single tier dividend	**24,814**	-
	49,628	-

27. Dividends (cont'd)

	Group/Company	
	2013	**2012**
	RM' 000	**RM' 000**
In respect of financial year 2011:		
- Single tier interim dividend	-	18,611
- Final single tier dividend	-	37,222
	-	55,833
Gross dividend per ordinary stock (sen)	**8.0**	9.0

A single tier interim dividend of 3.5% totalling RM21,712,664 in respect of the year ended 31 December 2013 was declared by the Directors on 27 February 2014 and payable on 30 April 2014.

The Directors proposed a single tier final dividend of 3.5% totalling RM21,712,664 in respect of the year ended 31 December 2013, subject to approval of the stockholders at the forthcoming Annual General Meeting.

The financial statements do not reflect these single tier interim and final dividends in relation to the financial year ended 31 December 2013, which will be accounted for as an appropriation of retained earnings in the year ending 31 December 2014.

The gross dividends per ordinary stock as disclosed above take into account the total interim and final dividend declared for the financial year.

28. Commitments

		Group	
		2013	**2012**
		RM' 000	**RM' 000**
(i) Non-cancellable operating lease commitments			
	Within 1 year	**2,280**	1,926
	Between 1 to 5 years	**3,878**	3,143
	Above 5 years	**1,648**	2,170
		7,806	7,239
(ii) Operating lease income commitments			
Receivables:	Within 1 year	**4,462**	3,417
	Between 1 to 5 years	**3,685**	1,324
		8,147	4,741

28. Commitments (cont'd)

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM' 000	**RM' 000**	**RM' 000**	**RM' 000**
(iii) Capital expenditure				
- approved but not contracted for	**295,305**	164,358	**-**	-
- contracted but not provided for	**198,870**	181,704	**592**	-
	494,175	346,062	**592**	-

29. Operating segments

For management purposes, the Group is organised into business units based on their products and services, and has the following main reportable segments :

Automotive and related products	Retailer, assembly and distributor of motor vehicles; manufacture of engines, seats and other related parts as well as traders of spare parts, accessories and related component parts
Plastic products	Manufacture, assembly and distribution of plastic component parts; manufacture of plastic technical and industrial goods and equipment
Hotels and resorts	Hotelier
Investment holding and financial services	Investment in shares and bonds, letting of properties and leasing companies
Plantation	Cultivation of oil palm
Others including property development	a) Property development; b) manufacture of wire netting, wire mesh, barbed wire, weld mesh, nails and building materials; c) distributor of cement and manufacturer and dealer of concrete products; and d) medical centre and nursing college

Except as indicated above, no operating segments has been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

29. Operating segments (cont'd)

	Automotive and related products RM'000	Plastic products RM'000	Hotels and resorts RM'000	Plantation RM'000	Investment holding and financial services RM'000	Others including property development RM'000	Total of all segments RM'000	Reconciliation/ Elimination RM'000	Notes	Total per consolidated financial statements RM'000
2013										
Revenue from external customers	1,395,381	254,821	224,482	289,908	114,710	474,792	2,754,094	-		2,754,094
Inter-segment revenue	372	11,870	771	-	5,932	12,050	30,995	(30,995)	A	-
Total revenue	1,395,753	266,691	225,253	289,908	120,642	486,842	2,785,089	(30,995)		2,754,094
Results										
Interest income	15,764	6,451	943	31,963	3,392	1,825	60,338	-		60,338
Dividend income	4,151	-	-	1,470	13,959	24	19,604	-		19,604
Depreciation and amortisation	22,887	24,593	27,575	21,143	111	4,997	101,306	-		101,306
Share of results of associates	7,411	14,957	-	1,933	31,345	1,863	57,509	-		57,509
Other non-cash expenses	25,253	5	909	7,872	25	618	34,682	-	B	34,682
Segment (loss)/profit	(19,036)	(911)	32,501	64,807	135,695	1,766	214,822	49,438	C	264,260
Assets										
Investment in associates	72,545	84,468	-	24,932	224,231	28,958	435,134	-		435,134
Additions to non-current assets	14,399	9,349	27,718	85,688	227	122,003	259,384	-	D	259,384
Segment assets	2,299,207	435,234	906,368	1,144,599	384,364	725,185	5,894,957	460,197	E	6,355,154

29. Operating segments (cont'd)

	Automotive and related products RM'000	Plastic products RM'000	Hotels and resorts RM'000	Plantation RM'000	Investment holding and financial services RM'000	Others including property development RM'000	Total of all segments RM'000	Reconciliation/ Elimination RM'000	Notes	Total per consolidated financial statements RM'000
2012										
Revenue from external customers	1,289,060	309,347	222,297	425,679	114,436	446,230	2,807,049	-		2,807,049
Inter-segment revenue	753	6,214	750	-	9,699	6,630	24,046	(24,046)	A	-
Total revenue	1,289,813	315,561	223,047	425,679	124,135	452,860	2,831,095	(24,046)		2,807,049
Results										
Interest income	18,767	5,673	903	32,343	8,932	2,042	68,660	-		68,660
Dividend income	4,030	-	-	517	8,517	31	13,095	-		13,095
Depreciation and amortisation	23,749	25,478	29,252	23,080	109	4,890	106,558	-		106,558
Share of results of associates	5,613	8,814	-	5,143	52,484	4,641	76,695	-		76,695
Other non-cash expenses	14,243	412	415	378	1,259	1,464	18,171	-	B	18,171
Segment (loss)/profit	(817)	8,184	23,971	151,910	125,794	98	309,140	66,605	C	375,745
Assets										
Investment in associates	66,269	74,662	-	24,252	214,712	16,094	395,989	-		395,989
Additions to non-current assets	38,987	10,093	240,909	92,996	10	21,756	404,751	-	D	404,751
Segment assets	2,300,006	463,257	878,278	1,131,845	363,807	574,024	5,711,217	426,623	E	6,137,840

29. Operating segments (cont'd)

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

A Inter-segment revenue are eliminated on consolidation.

B Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements

	Note	2013 RM' 000	2012 RM' 000
Unrealised loss on foreign exchange, gross		**8,594**	8,387
Write-down of inventories, gross		**19,985**	960
Bad and doubtful debts, gross		**899**	1,999
Property, plant and equipment written off	22	**202**	1,273
Biological assets written off	22	**2**	193
Impairment loss on intangible assets	22	**-**	5,359
Impairment loss plant and equipment	22	**5,000**	-
		34,682	18,171

C The following items are added to/(deducted from) segment profit to arrive at "Profit before tax from continuing operations" presented in the consolidated statement of comprehensive income

	2013 RM' 000	2012 RM' 000
Share of results of associates	**57,509**	76,695
Interest expense	**(8,071)**	(10,090)
	49,438	66,605

D Additions to non-current asset other than financial instruments and deferred tax assets consist of:

	Note	2013 RM' 000	2012 RM' 000
Property, plant and equipment	3	**134,071**	315,749
Biological assets	5	**65,848**	76,709
Intangible assets	4	**271**	303
Land held for property development	6	**117**	396
Investment Properties	8	**59,077**	11,594
		259,384	404,751

29. Operating segments (cont'd)

E The following items are added to/(deducted from) segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2013 RM' 000	2012 RM' 000
Investment in associates	**435,134**	395,989
Current tax assets	**36,371**	45,507
Deferred tax assets	**11,559**	7,994
Investment in a non-consolidated subsidiary	**(22,867)**	(22,867)
	460,197	426,623

29. Operating segments (cont'd)

Geographical information

Revenue and non-current assets information are based on the geographical location of customers and assets respectively. The amounts of non-current assets do not include investments in subsidiaries, investments in associates, other investments and deferred tax assets.

	Malaysia RM'000	Singapore RM'000	Indonesia RM'000	Australia RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
2013							
Revenue from external customers by location of customers	**1,944,351**	**300,329**	**273,757**	**125,258**	**110,399**	**-**	**2,754,094**
Non-current assets by location of assets	**943,765**	**207,266**	**360,391**	**271,255**	**451,889**	**-**	**2,234,566**
2012							
Revenue from external customers by location of customers	1,857,510	319,004	397,504	129,865	103,166	-	2,807,049
Non-current assets by location of assets	863,471	206,863	345,232	285,170	472,038	-	2,172,774

Major customers

There are no customers with revenue equal or more than 10% of the group's total revenue.

30. Contingent liabilities, unsecured - Company

i) The Company has issued corporate guarantees to financial institutions for banking facilities granted to certain subsidiaries up to a limit of **RM286.8 million** (2012 : RM321.4 million) of which **RM208.8 million** (2012 : RM183.9 million) of credit facilities was utilised as at the end of the reporting date.

ii) The Company has also issued corporate guarantees to certain non-financial institutions for the supply of goods and services provided to certain subsidiaries up to a limit of **RM62.5 million** (2012 : RM62.5 million) of which **RM10.4 million** (2012 : RM6.2 million) of liabilities were incurred as at the end of the reporting date.

iii) The Company also undertakes to provide financial support for certain subsidiaries to enable them to continue as a going concern.

31. Related parties

31.1 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. Related parties include the following:

a) The Company has a controlling related party relationship with its direct and indirect subsidiaries and the associates of the Group as disclosed in the financial statements;

b) The Company also has a related party relationship with:

i) the substantial shareholder, Boon Siew Sdn Berhad which holds a 43% interest in the Company and presumed to exercise significant influence over the Company;

ii) the subsidiaries of Boon Siew Sdn Berhad and the direct and indirect associates of Boon Siew Sdn Berhad

(hereinafter referred as "Boon Siew Group of Companies"); and

iii) The key Directors and key management personnel of the Group

- Dato' Seri Loh Cheng Yean, DGPN, DSPN
- Dato' Robert Wong Lum Kong, DSSA, JP
- Dato' Seri Lim Su Tong @ Lim Chee Tong, DGPN, DSPN
- Dato' Dr. Tan Chong Siang, DSPN, DJN, PKT
- Datuk Loh Kian Chong, DMSM

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.

31. Related parties (cont'd)

31.2 Significant transactions with related parties other than those disclosed elsewhere in the financial statements are as follows:

a) With subsidiaries

		Company	
		2013	2012
		RM' 000	RM' 000
i)	Rental receivables	**367**	370
ii)	Interest income	**3,526**	3,445
iii)	Interest expenses	**-**	67

b) With associates of the Group

		Group	
		2013	2012
		RM' 000	RM' 000
i)	Sale of goods	**228,688**	268,899
ii)	Rental receivable (net)	**496**	1,439
iii)	Management fee and commission payable	**285**	276
iv)	Purchase of goods	**2,334**	10,501

		Company	
		2013	2012
		RM' 000	RM' 000
i)	Rental receivable	**145**	581

c) With Boon Siew Group of Companies

		Group	
		2013	2012
		RM' 000	RM' 000
i)	Commission receivable in respect of advertising, marketing and hotel reservation services	**1,565**	1,370
ii)	Sale of goods	**5,173**	2,303
iii)	Purchase of goods	**268**	289
iv)	Rental charges payables (net)	**(4)**	(451)
v)	Management fees received	**15**	15

		Company	
		2013	2012
		RM' 000	RM' 000
i)	Rental payables	**31**	31

31. Related parties (cont'd)

31.2 Significant transactions with related parties other than those disclosed elsewhere in the financial statements are as follows: (cont'd)

d) There were no transactions with the Directors and key management personnel other than the remuneration package paid to them in accordance with the terms and conditions of their appointment as disclosed in Note 22.

The Directors of the Company are of the opinion that the above transactions were entered in the normal course of business and the terms of which have been established on a negotiated basis.

31.3 Significant non-trade related party balances

The significant non-trade balances with related parties at end of reporting period are as disclosed in Note 15 and Note 21 to the financial statements.

32. Financial instruments

32.1 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
2013			
Financial assets			
Group			
Other investments	**293,004**	**-**	**293,004**
Trade and other receivables (excluding deposits and prepayments)	**349,359**	**349,359**	**-**
Cash and cash equivalents	**2,761,578**	**2,761,578**	**-**
	3,403,941	**3,110,937**	**293,004**
Company			
Other investments	**33,113**	**-**	**33,113**
Trade and other receivables (excluding deposits and prepayments)	**125,540**	**125,540**	**-**
Cash and cash equivalents	**169,914**	**169,914**	**-**
	328,567	**295,454**	**33,113**

32. Financial instruments (cont'd)

32.1 Categories of financial instruments (cont'd)

	Carrying amount RM'000	FL RM'000
2013		
Financial Liabilities		
Group		
Loans and borrowings	**497,685**	**497,685**
Trade and other payables	**315,382**	**315,382**
	813,067	**813,067**
Company		
Loans and borrowings	**46,733**	**46,733**
Trade and other payables	**1,445**	**1,445**
	48,178	**48,178**

	Carrying amount RM'000	L&R RM'000	AFS RM'000
2012			
Financial assets			
Group			
Other investments	274,257	-	274,257
Trade and other receivables (excluding deposits and prepayments)	353,079	353,079	-
Cash and cash equivalents	2,624,016	2,624,016	-
	3,251,352	2,977,095	274,257
Company			
Other investments	33,113	-	32,113
Trade and other receivables (excluding deposits and prepayments)	130,811	130,811	-
Cash and cash equivalents	219,123	219,123	-
	383,047	349,934	32,113

32. Financial instruments (cont'd)

32.1 Categories of financial instruments (cont'd)

	Carrying amount RM'000	FL RM'000
2012		
Financial Liabilities		
Group		
Loans and borrowings	478,267	478,267
Trade and other payables	282,501	282,501
	760,768	760,768
Company		
Loans and borrowings	70,523	70,523
Trade and other payables	1,103	1,103
	71,626	71,626

32.2 Net gains and losses arising from financial instruments

	Group		Company	
	2013 RM' 000	2012 RM' 000	2013 RM' 000	2012 RM' 000
Net gains/(losses) on:				
Available-for-sale financial assets				
- recognised in other comprehensive income	**14,909**	32,013	**-**	-
- recognised in profit or loss	**20,632**	13,687	**91,277**	92,371
Loans and receivables	**63,840**	67,355	**11,301**	11,463
Financial liabilities measured at amortised cost	**(13,838)**	(10,090)	**4,936**	(2,727)
	85,543	102,965	**107,514**	101,107

32.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

32. Financial instruments (cont'd)

32.4 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 and investment in debt securities. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries.

Receivables

Risk management objectives, policies and processes for managing the risk

The Group controls its credit risk by the application of credit approvals, limits and monitoring procedures. Credit evaluations are performed on all customers requiring credit over a certain amount and strictly limiting the Group's associations to business partners with high credit worthiness. Trade receivables are monitored on an ongoing basis.

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 ascertain that receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables.

Impairment losses

The ageing of receivables as at the end of the reporting period was:

	Gross RM'000	Individual impairment RM'000	Collective impairment RM'000	Net RM'000
Group				
2013				
Not past due	**311,481**	**-**	**-**	**311,481**
Past due < 3 months	**26,809**	**-**	**11**	**26,798**
Past due 3 - 6 months	**3,159**	**230**	**-**	**2,929**
Past due 6 -12 months	**3,381**	**222**	**-**	**3,159**
Past due more than 1 year	**11,397**	**6,405**	**-**	**4,992**
	356,227	**6,857**	**11**	**349,359**

32. Financial instruments (cont'd)

32.4 Credit risk (cont'd)

Receivables (cont'd)

Impairment losses (cont'd)

	Gross RM'000	Individual impairment RM'000	Collective impairment RM'000	Net RM'000
Group				
2012				
Not past due	315,546	50	-	315,496
Past due < 3 months	24,452	299	-	24,153
Past due 3-6 months	7,149	144	10	6,995
Past due 6-12 months	4,835	1,576	-	3,259
Past due more than 1 year	12,864	9,688	-	3,176
	364,846	11,757	10	353,079
Company				
2013				
Not past due	**125,540**	**-**	**-**	**125,540**
2012				
Not past due	130,811	-	-	130,811

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

	Group		Company	
	2013 RM' 000	2012 RM' 000	2013 RM' 000	2012 RM' 000
At 1 January	**11,767**	10,235	**-**	-
Effect of movement in exchange rate	**(3)**	(1)	**-**	-
Impairment loss recognised	**439**	1,829	**-**	-
Impairment loss reversed	**(76)**	(290)	**-**	-
Impairment loss written off	**(5,259)**	(6)	**-**	-
At 31 December	**6,868**	11,767	**-**	-

32. Financial instruments (cont'd)

32.4 Credit risk (cont'd)

Receivables (cont'd)

Impairment losses (cont'd)

Although some of the receivables are secured by third party financial guarantees, it is impracticable to estimate the fair values of the guarantees obtained.

The allowance account in respect of receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

Investments and other financial assets

Risk management objectives, policies and processes for managing the risk

Investments are allowed only in liquid securities and only with counterparties that have a credit rating equal to or better than the Group.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the Group has invested in domestic and overseas securities. The maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

In view of the sound credit rating of counterparties, management does not expect any counterparty to fail to meet its obligations.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company also provides guarantees to certain non-financial institutions for the supply of goods and services to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to **RM349.3 million** (2012: RM383.9 million) representing the outstanding banking facilities and guarantees granted to certain non-financial institution for the supply of goods and services to certain subsidiaries as at the end of the reporting period.

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

32. Financial instruments (cont'd)

32.4 Credit risk (cont'd)

Inter company balances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and 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 their carrying amounts in the statement of financial position.

Impairment losses

As at the end of the reporting period, there was no indication that the loans and advances to the subsidiaries are not recoverable. The Company does not specifically monitor the ageing of the current advances to the subsidiaries. Nevertheless, these advances are not considered to be overdue and are repayable on demand.

32.5 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 exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding to ascertain that all funding needs are met. As part of its overall prudent liquidity management, the Group endeavours to maintain sufficient level of cash or cash convertible investments to meet its working capital requirements.

32. Financial instruments (cont'd)

32.5 Liquidity risk (cont'd)

Maturity analysis

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

2013	Carrying amount RM'000	Contractual interest rate/ coupon %	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
Group							
Non-derivative financial liabilities							
Secured revolving credit	142,677	0.90 - 4.60	142,677	142,677	-	-	-
Finance lease liabilities	5,110	2.80 - 7.20	5,390	2,576	2,277	537	-
Unsecured revolving credit	266,257	1.00 - 11.00	266,257	266,257	-	-	-
Unsecured bankers' acceptances	33,731	3.58 - 4.65	33,731	33,731	-	-	-
Unsecured trust receipts	3,177	4.71 - 4.78	3,177	3,177	-	-	-
Unsecured term loans	46,733	1.11	46,733	46,733	-	-	-
Trade and other payables	315,382	-	315,382	315,382	-	-	-
	813,067		813,347	810,533	2,277	537	-
Company							
Non-derivative financial liabilities							
Term loans	46,733	1.11	46,733	46,733	-	-	-
Trade and other payables	1,445	-	1,445	1,445	-	-	-
	48,178		48,178	48,178	-	-	-

32. Financial instruments (cont'd)

32.5 Liquidity risk (cont'd)

Maturity analysis (cont'd)

2012	Carrying amount RM'000	Contractual interest rate/ coupon %	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
Group							
Non-derivative financial liabilities							
Secured revolving credit	81,046	1.00 - 5.12	81,046	81,046	-	-	-
Secured term loans	8,732	4.65 - 7.84	9,508	2,658	4,877	1,973	-
Finance lease liabilities	4,285	2.80 - 7.20	4,429	1,812	2,277	340	-
Unsecured promissory notes	3,746	3.50 - 4.65	3,746	3,746	-	-	-
Unsecured revolving credit	261,913	1.12 - 15.30	261,913	261,913	-	-	-
Unsecured bankers' acceptances	19,607	3.42 - 4.65	19,607	19,607	-	-	-
Unsecured trust receipts	3,603	3.50 - 4.65	3,603	3,603	-	-	-
Unsecured term loans	90,123	1.40 - 4.90	94,471	73,508	5,668	7,747	7,548
Bank overdrafts	5,212	4.65 - 8.30	5,212	5,212	-	-	-
Trade and other payables	282,501	-	282,501	282,501	-	-	-
	760,768		766,036	735,606	12,822	10,060	7,548
Company							
Non-derivative financial liabilities							
Term loans	70,523	1.35	70,523	70,523	-	-	-
Trade and other payables	1,103	-	1,103	1,103	-	-	-
	71,626		71,626	71,626	-	-	-

32. Financial instruments (cont'd)

32.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices will affect the Group's financial position or cash flows.

32.6.1 Currency risk

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily U.S. Dollar, Singapore Dollar, Australian Dollar, New Zealand Dollar, Japanese Yen, Thai Baht and Great Britain Pound.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

32. Financial instruments (cont'd)

32.6 Market risk (con't)

32.6.1 Currency risk (cont'd)

Exposure to foreign currency risk (cont'd)

	US Dollar RM'000	Japanese Yen RM'000	Australian Dollar RM'000	Thai Baht RM'000	Great Britain Pound RM'000	Singapore Dollar RM'000	New Zealand Dollar RM'000
2013							
Group							
Trade and other receivables	8,044	437	218	-	-	-	45
Borrowings	-	(448,009)	-	-	-	-	-
Trade and other payables	(8,945)	(1,912)	-	925	-	(38)	-
Cash and cash equivalents	160,374	1,990	131,151	-	15,241	71	35,083
Exposure in the statement of financial position	159,473	(447,494)	131,369	925	15,241	33	35,128
Company							
Cash and cash equivalents	1,516	316	-	-	-	71	-
Borrowings	-	(46,733)	-	-	-	-	-
Intra-group balances	36,031	-	-	-	-	-	-
Exposure in the statement of financial position	37,547	(46,417)	-	-	-	71	-

32. Financial instruments (cont'd)

32.6 Market risk (con't)

32.6.1 Currency risk (cont'd)

Exposure to foreign currency risk (cont'd)

	US Dollar RM'000	Japanese Yen RM'000	Australian Dollar RM'000	Thai Baht RM'000	Great Britain Pound RM'000	Singapore Dollar RM'000	New Zealand Dollar RM'000
2012							
Group							
Trade and other receivables	4,519	440	783	-	-	-	172
Borrowings	-	(393,992)	-	-	-	-	-
Trade and other payables	(15,511)	(4,901)	-	(5,195)	-	(38)	-
Cash and cash equivalents	96,995	1,630	157,199	-	2,795	288	30,616
Exposure in the statement of financial position	86,003	(396,823)	157,982	(5,195)	2,795	250	30,788
Company							
Cash and cash equivalents	31,624	360	-	-	-	232	-
Borrowings	-	(70,523)	-	-	-	-	-
Intra-group balances	64,218	-	-	-	-	-	-
Exposure in the statement of financial position	95,842	(70,163)	-	-	-	232	-

32. Financial instruments (cont'd)

32.6 Market risk (con't)

32.6.1 Currency risk (cont'd)

Currency risk sensitivity analysis

A 5% (2012: 5%) strengthening of the Ringgit Malaysia ("RM") against the following currencies at the end of the reporting period would have increased/(decreased) the post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

	Profit or loss	
	2013	**2012**
	RM' 000	**RM' 000**
Group		
US dollar	**(5,980)**	(3,225)
Japanese yen	**16,781**	14,881
Australian dollar	**(4,926)**	(5,924)
Thai baht	**(35)**	195
Great Britain pound	**(572)**	(105)
Singapore dollar	**(1)**	(9)
New Zealand dollar	**(1,317)**	(1,155)
Company		
US dollar	**(1,408)**	(3,594)
Japanese yen	**1,741**	2,631
Singapore dollar	**(3)**	(9)

A 5% (2012 : 5%) weakening of RM against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

32.6.2 Interest rate risk

The Group's investments in fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Investments in equity securities and short term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risks that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company's income and operating cash flows are substantially independent of changes in market interest rates. The Company's interest-earning financial assets are mainly short term in nature and are mostly placed in fixed deposits.

32. Financial instruments (cont'd)

32.6 Market risk (con't)

32.6.2 Interest rate risk (cont'd)

Exposure to interest rate risk

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

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM' 000	**RM' 000**	**RM' 000**	**RM' 000**
Fixed rate instruments				
Financial assets				
- Quoted bonds	**88,579**	83,086	**-**	-
- Fixed deposits	**2,012,765**	2,026,299	**166,528**	215,513
	2,101,344	2,109,385	**166,528**	215,513
Financial liabilities				
- Lease obligations	**5,110**	4,285	**-**	-
- Other borrowings	**69,930**	80,463	**-**	-
	75,040	84,748	**-**	-
Floating rate instruments				
Financial liabilities				
- Bank overdrafts	**-**	5,212	**-**	-
- Other borrowings	**422,645**	388,307	**46,733**	70,523
	422,645	393,519	**46,733**	70,523

Interest rate risk sensitivity analysis

(a) 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. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(b) Cash flow sensitivity analysis for variable rate instruments

A change of 50 basis points (bp) in interest rates at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

32. Financial instruments (cont'd)

32.6 Market risk (con't)

32.6.2 Interest rate risk (cont'd)

Interest rate risk sensitivity analysis (cont'd)

(b) Cash flow sensitivity analysis for variable rate instruments (cont'd)

	Profit or loss	
	50bp increase RM' 000	**50bp decrease RM' 000**
2013		
Group		
Floating rate instruments		
- Other borrowings	**(1,585)**	**1,585**
Company		
Floating rate instruments		
- Other borrowings	**(175)**	**175**
2012		
Group		
Floating rate instruments		
- Bank overdrafts	(19)	19
- Other borrowings	(1,456)	1,456
	(1,475)	1,475
Company		
Floating rate instruments		
- Other borrowings	(264)	264

32. Financial instruments (cont'd)

32.6 Market risk (con't)

32.6.3 Other price risk

Equity price risk arises from the Group's investments in equity securities.

Risk management objectives, policies and processes for managing the risk

Management of the Group monitors the equity investments on a portfolio basis. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Group Executive Directors, as appropriate.

Equity price risk sensitivity analysis

This analysis assumes that all other variables remain constant and the Group's equity investments moved in correlation with the respective stock exchange market index which the investments are listed in.

A 10% strengthening in all the stock exchange market index at the end of the reporting period would have increased equity by **RM26,410,000** (2012: RM24,541,000). A 10% weakening in the stock exchange index would have had equal but opposite effect on equity respectively.

32.7 Fair value information

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

It was not practicable to estimate the fair value of the Group's investment in unquoted shares due to the lack of comparable quoted price in an active market and the fair value cannot be reliably measured.

32. Financial instruments (cont'd)

32.7 Fair value information (cont'd)

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 statement 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	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2013										
Group										
Financial assets										
Quoted shares	158,374	2,567	-	160,941	-	-	-	-	160,941	160,941
Quoted bonds	88,579	-	-	88,579	-	-	-	-	88,579	88,579
Quoted unit trusts & REITS	9,103	5,519	-	14,622	-	-	-	-	14,622	14,622
	256,056	8,086	-	264,142	-	-	-	-	264,142	264,142
Financial liabilities										
Other bank borrowings	-	-	-	-	-	492,575	-	492,575	492,575	492,575
Lease obligations	-	-	-	-	-	4,629	-	4,629	4,629	5,110
	-	-	-	-	-	497,204	-	497,204	497,204	497,685
Company										
Financial assets										
Loans to subsidiaries	-	-	-	-	-	125,540	-	125,540	125,540	125,540
Financial liabilities										
Other bank borrowings	-	-	-	-	-	46,733	-	46,733	46,733	46,733

32. Financial instruments (cont'd)

32.7 Fair value information (cont'd)

	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	Level 2	Level 3	Total	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2012							
Group							
Financial assets							
Quoted shares	143,121	2,411	-	145,532	-	145,532	145,532
Quoted bonds	83,086	-	-	83,086	-	83,086	83,086
Quoted unit trusts & REITS	12,151	4,640	-	16,791	-	16,791	16,791
	238,358	7,051	-	245,409	-	245,409	245,409
Financial liabilities							
Other bank borrowings	-	-	-	-	473,982	473,982	473,982
Lease obligations	-	-	-	-	3,911	3,911	4,285
	-	-	-	-	477,893	477,893	478,267
Company							
Financial assets							
Loans to subsidiaries	-	-	-	-	130,794	130,794	130,794
Financial liabilities							
Other bank borrowings	-	-	-	-	70,523	70,523	70,523

* Comparative figures have not been analysed by levels, by virtue of transitional provision given in Appendix C2 of FRS 13.

32. Financial instruments (cont'd)

32.7 Fair value information (cont'd)

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. For other borrowings, the market rate of interest is determined by reference to similar borrowings arrangements.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

33. Capital management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and determine to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholders returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected strategic investment opportunities. To maintain or adjust capital structure, the Group may adjust the dividend payment to stockholders.

33. Capital management (cont'd)

	Group 2013 RM' 000	Group 2012 RM' 000
Total borrowings (Note 18)	**497,685**	478,267
Less : Cash and cash equivalents (Note 16)	**2,761,578**	2,624,016
Net cash	**2,263,893**	2,145,749
Total equity	**5,492,710**	5,325,401
Debt-to-equity ratios	#	#

Not applicable due to net cash position

There were no changes in the Group's approach to capital management during the financial year.

34. Significant events

(a) Hymold (Suzhou) Co., Ltd. ("Hymold"), an 88.99% subsidiary of Oriental International (Mauritius) Pte. Ltd. ("OIM") which in turn, is a 100% owned subsidiary of the Company, had on 1 January 2013 resolved to wind up Hymold voluntarily. Hymold was incorporated in Suzhou New District, China on 17 December 1993 with a registered capital of USD9 million. Hymold had ceased operations and remained dormant since September 2009. The liquidation has yet to be completed as at the end of the reporting period.

(b) Teck See Plastic Sdn. Bhd. ("TSP"), a 60% owned subsidiary of the Company and its existing joint venture partner, Ikegami Mold Engineering Co. Ltd. ("Ikegami") had invited Kasai Kogyo Co. Ltd. ("Kasai") to participate in Lipro Mold Engineering Sdn Bhd ("LME") by each selling and transferring 500,000 ordinary shares of RM1 each (representing 5% of the interest in LME) in LME to Kasai for a consideration of RM540,000 each respectively. TSP, Ikegami and Kasai had on 18 April 2013 entered into a new Joint Venture Agreement to regulate their interests in LME. Upon completion on 21 May 2013, TSP holds 80% interest in LME while Ikegami and Kasai each holds 10%. LME is principally engaged in the business of design, manufacture, sale and repairs of molds, jigs and fixtures.

The following summarises the effect of changes in equity interest in LME that is attributable to owners of the Company:

	2013 RM' 000
Group	
Equity interest at 1 January 2013	**8,329**
Effect of decrease in Company's ownership interest	**(550)**
Share of comprehensive income	**138**
Dividend paid	**(99)**
Equity interest at 31 December 2013	**7,818**

34. Significant events (cont'd)

(c) Jutajati Sdn. Bhd. (a wholly owned subsidiary of the Company), Selasih Permata Sdn. Bhd. (a 50.5% owned subsidiary of the Company) and Teck See Plastic Sdn. Bhd. (a 60% owned subsidiary of the Company) (the "Sellers") had disposed of their entire respective investment in Oriental Kyowa Plastic Industries (Shanghai Pudong New Area) Co. Ltd. ("OKS") to Shanghai HuiYang Industry Co., Ltd. ("SHY") for an aggregate cash consideration of RMB144,225,000 ("Disposal"). The disposal was formalized through an Equity Transfer Agreement entered into by the Sellers and SHY on 09 August 2013. Upon completion on 16 October 2013, OKS ceased to be a subsidiary of the Company.

The disposal had the following effect on the Group's assets and liabilities:

	2013 RM' 000
Group	
Goodwill	**1,951**
Property, plant and equipment	**33,160**
Prepaid land lease payments	**6,616**
Trade and other receivables	**401**
Cash and cash equivalents	**11,200**
Trade and other payables	**(1,268)**
Current tax liabilities	**(38)**
Dividend payable	**(1,637)**
Net identifiable assets	**50,385**
Gain on disposal	**25,454**
Non controlling interest	**9,695**
Transfer from foreign currency translation reserve	**(13,684)**
Consideration received, satisfied in cash	**71,850**
Less: Cash and cash equivalents disposed	**(11,200)**
Net cash inflow on disposal	**60,650**

(d) Kah Australia Pty. Ltd. (a 100% owned subsidiary of the Company), had on 31 December 2013, entered into an Agreement for the sale of Shares and Units with Inapo Pty. Ltd. ("Inapo") and Whitemark Pty. Ltd. ("Whitemark") as Trustee for the Geographe Bay Motel Unit Trust, for the proposed acquisition of the remaining 49% stake and 50% interest in Geographe Bay Motel Unit Trust ("GBM Trust") and Whitemark respectively from Inapo on an "as is where is basis", based on the total purchase consideration of AUD7,815,502 (or approximately RM22.791 million equivalent).

35. Subsequent event

(i) AT-TS Marketing Sdn. Bhd. ("AT-TS"), a wholly-owned subsidiary of Teck See Plastic Sdn. Bhd. ("TSP") which in turn is a 60% owned subsidiary of the Company, had on 21 January 2014 convened a Final General Meeting to conclude the winding up proceedings. AT-TS shall be dissolved three months from the date of lodgement of statutory return to the Registrar of Companies. The winding up date was however deemed to be completed on 31 December 2013 for consolidation purposes.

The winding up had the following effect on the Group's assets and liabilities:

	2013 RM' 000
Cash and cash equivalents	**568**
Trade and other payables	**(23)**
Net identifiable assets	**545**
Loss on winding up	**(2)**
Non controlling interest	**(1)**
	542
Less: Cash and cash equivalents disposed	**(568)**
Net cash outflow on winding up	**(26)**

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(CONT'D)

36. Details of subsidiaries

Name of subsidiaries and principal activities	**Group's effective interest 2013 %**	**2012 %**
Oriental Realty Sdn. Berhad *Property development and investment holding*	**100.0**	100.0
Subsidiary company of Oriental Realty Sdn. Berhad. - **Kenanga Mekar Sdn. Bhd.** *Property development*	**100.0**	100.0
Syarikat Oriental Credit Berhad *Money lending*	**100.0**	100.0
Dragon Frontier Sdn. Bhd. *Manufacture of plastic moulded parts for electrical, electronics and automotive industries*	**100.0**	100.0
Bayview International Sdn. Bhd. *Provision of management, marketing, advertisement and central reservation services*	**100.0**	100.0
Oriental Rubber & Palm Oil Sdn. Berhad *Cultivation of oil palm, investment holding and letting of parking lots*	**100.0**	100.0
Subsidiary of Oriental Rubber & Palm Oil Sdn. Berhad - **Oriental Boon Siew (M) Sdn. Bhd.** *Investment holding*	**51.0**	51.0
Compounding and Colouring Sdn. Bhd. *Manufacture and sale of polypropylene compounds*	**70.0**	70.0
Oriental Assemblers Sdn. Bhd. *Assembly of motor vehicles and manufacture and sale of engines and transmissions*	**97.2**	97.2
Oriental Nichinan Design Engineering Sdn. Bhd. *Design, manufacture and sale of prototype plastic models*	**88.0**	88.0
Oriental San Industries Sdn. Bhd. *Letting of properties and manufacturing and trading of plastic articles and products*	**100.0**	100.0
Armstrong Cycle Parts (Sdn). Berhad * *Property investment holding company*	**57.1**	57.1
Onward Leasing & Credit Sdn. Bhd. *Leasing company*	**51.2**	51.2

36. Details of subsidiaries (cont'd)

Name of subsidiaries and principal activities	Group's effective interest 2013 %	2012 %
Kah Bintang Auto Sdn. Bhd.	**100.0**	100.0
Investment holding company and retailer of motor vehicles and trader of spare parts, accessories and related component parts		
Subsidiary of Kah Bintang Auto Sdn. Bhd.		
- **Kah Classic Auto Sdn. Bhd.**	**100.0**	100.0
Dormant		
Oriental Boon Siew (Mauritius) Pte. Ltd. #	**50.5**	50.5
Investment holding and granting of loans		
Subsidiaries of Oriental Boon Siew (Mauritius) Pte. Ltd.		
- **OAM Asia (Singapore) Pte. Ltd. #**	**50.5**	50.5
Investment Holding		
- **OBS (Singapore) Pte. Ltd. #**	**50.5**	50.5
Investment holding and granting of loans		
Subsidiaries of OBS (Singapore) Pte. Ltd.		
- **PT. Bumi Sawit Sukses Pratama ***	**45.5**	45.5
Oil palm plantation		
- **PT. Gunung Sawit Selatan Lestari ***	**45.5**	45.5
Oil palm plantation		
- **PT. Pratama Palm Abadi ***	**45.5**	45.5
Oil palm plantation		
- **PT. Dapo Agro Makmur ***	**45.5**	45.5
Oil palm plantation		
Teck See Plastic Sdn. Bhd.	**60.0**	60.0
Investment holding, letting of property, plant and equipment and manufacture and distribution of plastic articles and products		
Subsidiaries of Teck See Plastic Sdn. Bhd.		
- **Lipro Electrical Manufacturing Sdn. Bhd.**	**60.0**	60.0
Manufacture of electrical items		
- **Lipro Mold Engineering Sdn. Bhd.**	**48.0**	51.0
Manufacture and repair of moulds, jigs and fixtures		
- **AT-TS Marketing Sdn. Bhd.**	**60.0**	60.0
Dormant. Commenced members' voluntary liquidation on 18 December 2012		
- **Armstrong Industries Sdn. Bhd.**	**60.0**	60.0
Investment holding company		

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

36. Details of subsidiaries (cont'd)

Name of subsidiaries and principal activities	Group's effective interest 2013 %	2012 %
- Kasai Teck See (Malaysia) Sdn. Bhd.	**45.0**	45.0
Designing, research and development, manufacturing and sale of plastic and automotive interior parts		
Oriental International (Mauritius) Pte. Ltd. #	**100.0**	100.0
Investment holding		
Subsidiaries of Oriental International (Mauritius) Pte. Ltd.		
- Hymold (Su Zhou) Co., Ltd. *	**89.0**	89.0
Dormant. Commenced members' voluntary liquidation on 1 January 2013		
- Oriental Industries (Wuxi) Co. Ltd. *	**95.0**	95.0
Dormant		
Kah Motor Company Sdn. Berhad	**100.0**	100.0
Distribution and retailing of motor vehicles and spare parts, servicing, rental and leasing of motor vehicles, investment holding as well as hotelier		
Subsidiaries of Kah Motor Company Sdn. Berhad		
- Boon Siew (Borneo) Sendirian Berhad *	**99.0**	99.0
Distribution of Honda motor cars and motor cycles and the related spare parts		
- Ultra Green Sdn. Bhd.	**100.0**	100.0
Land reclamation and investment holding		
- Happy Motoring Company Sdn. Bhd. *	**51.0**	51.0
Motor car dealer and the general repair and servicing of motor cars		
- Kah New Zealand Limited #	**100.0**	100.0
Hotelier (with golf course)		
- Kah Australia Pty Ltd *	**100.0**	100.0
Hotelier and Investment holding		
Subsidiary of Kah Australia Pty. Limited		
- Geographe Bay Motel Unit Trust *	**100.0**	51.0
Hotelier		
- Kah Power Products Pte. Ltd. #	**100.0**	100.0
Distribution of motor power products		
- KM Agency Sdn. Bhd.	**100.0**	100.0
Insurance services for motor vehicles including cars		
- Kingdom Properties Co. Limited	**100.0**	100.0
Investment holding		

36. Details of subsidiaries (cont'd)

Name of subsidiaries and principal activities	Group's effective interest 2013 %	2012 %
Subsidiaries of Kingdom Properties Co. Limited		
- **Park Suanplu Holdings Co., Ltd. *** *Hotelier*	**89.5**	89.5
- **Suanplu Bhiman Limited *** *Investment holding*	**79.4**	79.4
- **Silver Beech Operations UK Limited *** *Managing and operating of hotels*	**100.0**	100.0
- **Silver Beech Holdings Limited *** *Investment holding*	**100.0**	100.0
Subsidiaries of Silver Beech Holdings Limited		
- **Silver Beech (IOM) Limited *** *Investment holding*	**100.0**	100.0
Armstrong Auto Parts Sdn. Berhad *Manufacture of seats, press, diecasts parts, shock absorbers, suspension and electrical components for motor cycles and motor vehicles*	**60.3**	60.3
Subsidiaries of Armstrong Auto Parts Sdn. Berhad		
- **Armstrong Realty Sdn. Bhd.** *Dormant*	**60.3**	60.3
- **Armstrong Trading & Supplies Sdn. Bhd.** *General trading of related automotive parts*	**60.3**	60.3
- **Armstrong Component Parts (Vietnam) Co., Ltd *** *Manufacturing and assembly of parts and components for automobiles, motorcycle and others*	**60.3**	60.3
Jutajati Sdn. Bhd. *Investment holding*	**100.0**	100.0
Subsidiaries of Jutajati Sdn. Bhd.		
- **Kwong Wah Enterprise Sdn. Bhd.** *Investment holding*	**100.0**	100.0
Subsidiaries of Kwong Wah Enterprise Sdn. Bhd.		
- **North Malaya Engineers Trading Company Sdn. Berhad*** *Manufacture of wire netting, wire mesh, barbed wire, weld mesh, nails and building materials*	**100.0**	100.0
- **Lipro Trading Sdn. Bhd.** *Distributor of cement*	**100.0**	100.0

36. Details of subsidiaries (cont'd)

Name of subsidiaries and principal activities	Group's effective interest 2013 %	2012 %
- Simen Utara Sdn. Bhd. * *Distributor of cement, concrete products and building materials*	**91.0**	91.0
Subsidiaries of Simen Utara Sdn. Bhd.		
- Unique Pave Sdn. Bhd. * *Manufacturer of and dealer of concrete products*	**74.9**	74.9
- Unique Mix (Penang) Sdn. Bhd. * *Manufacturer and dealer of concrete products*	**63.7**	63.7
Subsidiary of Unique Mix (Penang) Sdn. Bhd.		
- Konkrit Utara Sdn. Bhd. * *Transportation of concrete*	**63.7**	63.7
- Unique Mix Sdn. Bhd. * *Sale and distribution at ready-mixed concrete*	**63.7**	63.7
North Malaya Engineers Overseas Sdn. Bhd. *Investment holding*	**100.0**	100.0
Subsidiary of North Malaya Engineers Overseas Sdn. Bhd.		
- North Malaya (Xiamen) Steel Co. Ltd. * *Production of steel wire and its related product, and automobile spare parts*	**100.0**	100.0
Selasih Permata Sdn. Bhd. *Investment holding*	**50.5**	50.5
Subsidiaries of Selasih Permata Sdn. Bhd.		
- PT Gunung Maras Lestari * *Oil palm plantation*	**46.7**	46.7
- PT Gunungsawit Binalestari * *Oil palm plantation*	**46.7**	46.7
- PT Oriental Kyowa Industries * *Manufacture of plastic technical and industrial goods and equipment. Under members' voluntary liquidation.*	**72.8**	72.8
- Oriental Kyowa Plastic Industries (Shanghai Pudong New Area) Co. Ltd. * *Manufacture of plastic technical and industrial goods and equipment. Ceased operations in August 2011.*	**-**	71.2
- Oriental Asia (Mauritius) Pte. Ltd. # *Investment holding*	**50.5**	50.5

36. Details of subsidiaries (cont'd)

Name of subsidiaries and principal activities	**Group's effective interest 2013 %**	**2012 %**
Subsidiary of Oriental Asia (Mauritius) Pte. Ltd.		
- Unique Mix (Singapore) Pte. Ltd. #	**50.5**	50.5
Investment holding		
Melaka Straits Medical Centre Sdn. Bhd.	**51.0**	51.0
Intended activity is to operate a medical centre and nursing college		
Loh Boon Siew Education Sdn. Bhd.	**70.0**	70.0
Dormant		
Subsidiary of Loh Boon Siew Education Sdn. Bhd.		
- Nilam Healthcare Education Centre Sdn. Bhd.	**70.0**	70.0
Institution in providing nursing program		

* *not audited by KPMG.*

\# *audited by member firms of KPMG International.*

All the subsidiaries are incorporated in Malaysia except for:

	Country of incorporation
- Happy Motoring Company Sdn. Bhd.	Brunei Darulsalam
- Kah Australia Pty. Limited	Australia
- Geographe Bay Motel Unit Trust	Australia
- Kah New Zealand Limited	New Zealand
- PT Oriental Kyowa Industries	Republic of Indonesia
- PT Gunung Maras Lestari	Republic of Indonesia
- PT Gunungsawit Binalestari	Republic of Indonesia
- PT Bumi Sawit Sukses Pratama	Republic of Indonesia
- Oriental Kyowa Plastic Industries (Shanghai Pudong New Area) Co. Ltd.	China
- North Malaya (Xiamen) Steel Co. Ltd.	China
- Oriental International (Mauritius) Pte. Ltd.	Mauritius
- Oriental Boon Siew (Mauritius) Pte. Ltd.	Mauritius

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

36. Details of subsidiaries (cont'd)

	Country of incorporation
- Hymold (Su Zhou) Co., Ltd.	China
- Armstrong Component Parts (Vietnam) Co., Ltd	Vietnam
- Oriental Industries (Wuxi) Co. Ltd.	China
- Oriental Asia (Mauritius) Pte. Ltd.	Mauritius
- Kah Power Products Pte. Ltd.	Singapore
- OBS (Singapore) Pte. Ltd.	Singapore
- Unique Mix (Singapore) Pte. Ltd.	Singapore
- OAM Asia (Singapore) Pte. Ltd.	Singapore
- PT Gunung Sawit Selatan Lestari	Republic of Indonesia
- PT Pratama Palm Abadi	Republic of Indonesia
- PT Dapo Agro Makmur	Republic of Indonesia
- Park Suanplu Holdings Co., Ltd.	Thailand
- Suanplu Bhiman Limited	Thailand
- Silver Beech Holdings Limited	United Kingdom
- Silver Beech Operations UK Limited	United Kingdom
- Silver Beech (IOM) Limited	United Kingdom

37. 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 31 December, 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	
	2013	**2012**	**2013**	**2012**
	RM' 000	**RM' 000**	**RM' 000**	**RM' 000**
Total retained earnings of the Company and its subsidiaries:				
- realised	**4,580,715**	4,539,086	**325,159**	284,190
- unrealised	**1,351**	(14,039)	**3,727**	6,754
	4,582,066	4,525,047	**328,886**	290,944
Total share of retained earnings of associates				
- realised	**336,620**	291,291	**-**	-
- unrealised	**760**	(5,607)	**-**	-
	4,919,446	4,810,731	**328,886**	290,944
Less: Consolidation adjustments	**(1,407,032)**	(1,429,636)	**-**	-
Total retained earnings	**3,512,414**	3,381,095	**328,886**	290,944

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 61 to 174 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 31 December 2013 and of their financial performance and cash flows for the financial year then ended.

In the opinion of Directors, the information set out in Note 37 on page 175 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:

Dato' Seri Lim Su Tong @ Lim Chee Tong, DGPN, DSPN
Director

Datuk Loh Kian Chong, DMSM
Director

Penang,

Date: 17 April 2014

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

I, Wong Tet Look, the officer primarily responsible for the financial management of Oriental Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 61 to 175 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 above named at Georgetown in the State of Penang on 17 April 2014.

Wong Tet Look

Before me:

CHAN KAM CHEE (No. P.120)
Pesuruhjaya Sumpah
(Commissioner for Oaths)
Penang

INDEPENDENT AUDITORS' REPORT TO THE STOCKHOLDERS OF

ORIENTAL HOLDING BERHAD

(Company No. 5286-U) (Incorporate in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Oriental Holdings Berhad, which comprise the statements of financial position as at 31 December 2013 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 year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 61 to 174.

Directors' Responsibility for the Financial Statements

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2013 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standard and the requirements of the Companies Act, 1965 in Malaysia.

INDEPENDENT AUDITORS' REPORT TO THE STOCKHOLDERS OF

ORIENTAL HOLDING BERHAD

(Company No. 5286-U) (Incorporate in Malaysia)

(CONT'D)

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 auditors have been properly kept in accordance with the provisions of the Act.

b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 36 to the financial statements.

c) 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.

d) 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 37 on page 175 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

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
AF 0758
Chartered Accountants

Foong Mun Kong
2613/12/14 (J)
Chartered Accountant

Date: 17 April 2014

Penang

TEN LARGEST PROPERTIES OF THE GROUP
AS AT 31 DECEMBER 2013

Location	Description	Land Area (sq.metres)	Tenure	Age of Building (Years)	Date of Acquisition	Net Book Value (RM million)
The Thistle Bloomsbury Hotel Bloomsbury Way London WC1A 2SD United Kingdom	Hotel	8,027	Freehold	90	13 Feb 2012	219.6
Somerset Park Suanplu No 39 Soi Suanplu South Sathorn Road Bangkok 10120 Thailand	Service Apartment	6,555	Freehold	17	15 Sep 2011	106.6
90, William Street Sydney, NSW 2011 Australia	Hotel	1,300	Freehold	41	6 Jun 1993	70.5
Kecamatan Bakem Kecamatan Pemali Kecamatan Puding Besar Kabupaten Bangka Induk Pulau Bangka Propinsi Kepulauan Bangka Belitung Republic of Indonesia	Oil palm plantation, crude palm oil mill and administrative office	12,704 (hectares)	Leasehold (30 years Expiring 2028)	18	13 Sep 1994	64.2
Kecamatan Simpang Rimba dan Payung, Kabupaten Bangka Selatan, Pulau Bangka Propinsi Kepulauan Bangka Belitung Republic of Indonesia	Oil palm plantation with residential quarters and administrative office	16,000 (hectares)	Location Permit (Izin Lokasi)	7	17 Nov 2006	58.7
Lot No. MK1-2639X 255 Alexandra Road Singapore	Showroom, workshop and office	9,636	Leasehold (99 years expiring 2051)	14	4 May 1999	56.6
100 William Street Sydney NSW 2011 Australia	Land and office building	1,300	Freehold	41	20 Sep 1994	55.3
Lot 402 T.S. II Bencoolen Street, Singapore	Hotel	1,039	Freehold	27	3 Dec 1982	51.7

TEN LARGEST PROPERTIES OF THE GROUP
AS AT 31 DECEMBER 2013
(CONT'D)

Location	Description	Land Area (sq.metres)	Tenure	Age of Building (Years)	Date of Acquisition	Net Book Value (RM million)
Kecamatan Karang Dapo Kecamatan Rawas Ilir Kecamatan Mura Lakitan Kecamatan Muara Kelingi Kabupaten Musi Rawas Propinsi Sumatera Selatan Republik of Indonasia	Oil palm plantation with residential quarters and administrative office	32,985	Location Permit (Izin Lokasi)	-	18 July 2011	50.9
6, 8 & 9, Queens Road Melbourne Victoria 3004 Australia	Hotel and vacant land	6,900	Freehold	25	21 Apr 1993	41.9

STOCKHOLDING STATISTICS

STOCKHOLDING STATISTICS AS AT 17 APRIL 2014

AUTHORISED STOCK CAPITAL	:	RM1,000,000,000/=
ISSUED AND FULLY PAID-UP CAPITAL	:	RM620,393,638/= (including 31,808 treasury stocks)
CLASS OF STOCK	:	Ordinary Stocks of RM1/= each
VOTING RIGHTS	:	On a show of hands - One vote for every stockholder On a poll - One vote for every ordinary stock held

ANALYSIS OF STOCKHOLDINGS

Size of Stockholding	No of Stockholders/ Depositors	No. of Stocks	% of Issued Capital
1 - 99	332	12,196	0.00
100 - 1,000	1,012	700,263	0.11
1,001 - 10,000	3,458	13,593,328	2.19
10,001 - 100,000	1,134	32,652,980	5.26
100,001 to less than 5% of issued stocks	216	178,715,616	28.81
5% and above of issued stocks	5	394,719,255	63.63
Total	6,157	620,393,638	100.00

SUBSTANTIAL STOCKHOLDERS

	Name	*No of stocks Direct*	*% of Issued Capital*	*No of stocks Deemed*	*% of Issued Capital*
1.	Boon Siew Sdn Bhd	266,729,662	43.00	73,369,757[(a)]	11.83
2.	Employees Provident Fund Board	61,396,916	9.90	-	-
3.	Penang Yellow Bus Company Bhd	32,848,477	5.30	-	-
4.	Datuk Loh Kian Chong	1,200	-	350,764,026[(b)]	56.54
5.	Aberdeen Asset Management PLC and its Subsidiaries	-	-	68,488,600[(c)]	11.04
6.	Mitsubishi UFJ Financial Group, Inc.	-	-	68,488,600[(c)]	11.04

(a) Deemed interested via Penang Yellow Bus Company Bhd, Bayview Hotel Sdn Bhd, Boon Siew Development Sdn Bhd, Boontong Estates Sdn Bhd and Southern Perak Plantations Sdn Bhd.

(b) Deemed interested via Boon Siew Sdn Bhd, Penang Yellow Bus Company Bhd, Bayview Hotel Sdn Bhd, Loh Boon Siew Holdings Sdn Bhd, Loh Kar Bee Holdings Sdn Bhd, Boon Siew Development Sdn Bhd, Boontong Estates Sdn Bhd and Southern Perak Plantations Sdn Bhd.

(c) Deemed interested via its shareholding in Aberdeen Asset Management PLC, a fund management group.

STOCKHOLDING STATISTICS
(CONT'D)

THIRTY LARGEST STOCKHOLDERS AS AT 17 APRIL 2014

	Name	No. of Stocks	% of Issued Capital
1	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD BOON SIEW SDN BERHAD (00-00198-000)	133,365,188	21.50
2	CITIGROUP NOMINEES (TEMPATAN) SDN BHD BOON SIEW SDN BHD	133,364,474	21.50
3	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	52,247,316	8.42
4	HSBC NOMINEES (ASING) SDN BHD BNP PARIBAS SECS SVS LUX FOR ABERDEEN GLOBAL	42,893,800	6.91
5	CITIGROUP NOMINEES (TEMPATAN) SDN BHD PENANG YELLOW BUS COMPANY BHD	32,848,477	5.29
6	CITIGROUP NOMINEES (ASING) SDN BHD HONDA MOTOR COMPANY LTD	25,119,424	4.05
7	CITIGROUP NOMINEES (TEMPATAN) SDN BHD BAYVIEW HOTEL SDN BHD	21,848,407	3.52
8	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR SOUTHERN PERAK PLANTATIONS SENDIRIAN BERHAD (PB)	8,000,000	1.29
9	CITIGROUP NOMINEES (TEMPATAN) SDN BHD LOH BOON SIEW HOLDINGS SDN BHD	7,568,031	1.22
10	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ABERDEEN)	7,500,000	1.21
11	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD.	7,307,100	1.18
12	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ABERDEEN)	5,220,000	0.84
13	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR BOONTONG ESTATES SDN BERHAD (PB)	4,473,300	0.72
14	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD BOONTONG ESTATES SDN BERHAD (00-00200-000)	4,432,966	0.71
15	DB (MALAYSIA) NOMINEE (ASING) SDN BHD SSBT FUND AM4N FOR ABERDEEN INSTITUTIONAL COMMINGLED FUNDS LLC	3,807,000	0.61
16	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DIMENSIONAL EMERGING MARKETS VALUE FUND	3,680,879	0.59
17	CHINCHOO INVESTMENT SDN.BERHAD	3,369,960	0.54
18	CITIGROUP NOMINEES (TEMPATAN) SDN BHD LOH KAR BEE HOLDINGS SDN BHD	3,096,576	0.50
19	CITIGROUP NOMINEES (TEMPATAN) SDN BHD LIM SU TONG	2,966,906	0.48
20	KEY DEVELOPMENT SDN.BERHAD	2,736,000	0.44

STOCKHOLDING STATISTICS
(CONT'D)

THIRTY LARGEST STOCKHOLDERS AS AT 17 APRIL 2014 ***(cont'd)***

	Name	No. of Stocks	% of Issued Capital
21	GOLDEN FRESH SDN BHD	2,500,000	0.40
22	HSBC NOMINEES (ASING) SDN BHD BNP PARIBAS SECS SVS PARIS FOR HI-KABL-FONDS	2,140,000	0.34
23	CARTABAN NOMINEES (ASING) SDN BHD RBC INVESTOR SERVICES BANK FOR GLOBAL EMERGING MARKETS SMALLCAP (DANSKE INVEST)	2,130,000	0.34
24	TOKIO MARINE LIFE INSURANCE MALAYSIA BHD AS BENEFICIAL OWNER (PF)	1,870,000	0.30
25	EMPLOYEES PROVIDENT FUND BOARD	1,800,000	0.29
26	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD TONG YEN SDN BHD (00-00203-000)	1,708,278	0.28
27	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (GUERNSEY)	1,663,600	0.27
28	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR DANSKE BANK A/S (CLIENT HOLDINGS)	1,500,000	0.24
29	HSBC NOMINEES (ASING) SDN BHD TNTC FOR LOCKHEED MARTIN CORPORATION MASTER RETIREMENT TRUST	1,483,300	0.24
30	AMSEC NOMINEES (TEMPATAN) SDN BHD ABERDEEN ASSET MANAGEMENT SDN BHD FOR TENAGA NASIONAL BERHAD RETIREMENT BENEFIT TRUST FUND (FM-ABERDEEN)	1,460,000	0.24
		524,100,982	84.46

STOCKHOLDING STATISTICS
(CONT'D)

DIRECTORS' STOCKHOLDINGS AS AT 17 APRIL 2014

Name of Directors	Direct Interest	%	Indirect Interest	%
1. Dato' Seri Loh Cheng Yean	486,755	0.08	457,724 (a)	0.07
2. Datuk Loh Kian Chong	1,200	0.00	350,764,026 (b)	56.54
3. Dato' Robert Wong Lum Kong, DSSA, JP	181,149	0.03	161,872 (a)	0.03
4. Dato' Seri Lim Su Tong @ Lim Chee Tong	2,966,906	0.48	3,302,626 (a)	0.53
5. YM Tengku Tan Sri Dato' Seri Ahmad Rithauddeen Bin Tengku Ismail	-	-	-	-
6. Dato' Ghazi Bin Ishak	-	-	-	-
7. Mary Geraldine Phipps	-	-	5,161 (c)	0.00
8. Dato' Sri Tan Hui Jing	-	-	-	-
9. Sharifah Intan Binti S. M. Aidid (*)	18,000	0.00	-	-
10. Koji Onishi	-	-	-	-
11. Datin Loh Ean *(alternate director to Dato' Robert Wong Lum Kong, DSSA, JP)*	161,872	0.03	181,149 (a)	0.03
12. Tan Kheng Hwee *(alternate director to Dato' Seri Loh Cheng Yean)*	172,032	0.03	-	-

(a) These are stocks held in the name of the spouses and children and are regarded as interests of the Directors in accordance with Section 134(12)(c) of the Companies Act, 1965.

(b) Deemed interested via Boon Siew Sdn Bhd, Penang Yellow Bus Company Bhd, Bayview Hotel Sdn Bhd, Loh Boon Siew Holdings Sdn Bhd, Loh Kar Bee Holdings Sdn Bhd, Boon Siew Development Sdn Bhd, Boontong Estates Sdn Bhd and Southern Perak Plantations Sdn Bhd.

(c) Deemed interest via Phipps Holdings Sdn. Bhd.

* *She also holds 227,318 shares and 100,000 shares in Armstrong Auto Parts Sdn Bhd and Teck See Plastic Sdn Bhd respectively.*

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ORIENTAL HOLDINGS BERHAD (5286-U)
(Incorporated in Malaysia under the Companies Act, 1965)

FORM OF PROXY

CDS Account No.:	No. of stocks held:

I/We, ______________________________

NRIC No ______________________________

of ______________________________

being a stockholder/stockholders of Oriental Holdings Berhad hereby appoint

____

of ______________________________

or failing him/her ______________________________

of ______________________________

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy, to vote for me/us and on my/our behalf at the FIFTY-SECOND ANNUAL GENERAL MEETING of the Company to be held on Friday, 6 June 2014 at 2:30 pm at Sri Mas Ballroom, Level 4, Bayview Hotel Georgetown Penang, 25A Farquhar Street, 10200 Penang or at any adjournment thereof.

My/our proxy is to vote on either on a show of hands or on a poll as indicated below with an "X"

ORDINARY RESOLUTIONS		FOR	AGAINST
1.	To declare a Final Single Tier Dividend		
2.	To re-elect Dato' Seri Loh Cheng Yean		
3.	To re-elect Dato' Robert Wong Lum Kong, DSSA, JP		
4.	To re-elect YM Tengku Tan Sri Dato' Seri Ahmad Rithauddeen Bin Tengku Ismail		
5.	To re-elect Puan Sharifah Intan Binti S.M. Aidid		
6.	To re-elect Dato' Ghazi Bin Ishak		
7.	To re-elect Dato' Seri Lim Su Tong		
8.	To re-elect Dato' Sri Tan Hui Jing		
9.	To re-elect Mr Koji Onishi		
10.	To approve the Directors' Fees		
11.	To re-appoint Messrs KPMG		
	To approve Recurrent Related Party Transactions with:		
12.	(a) Boon Siew Sdn Bhd Group		
13.	(b) Dato' Syed Mohamad Bin Syed Murtaza and family		
14.	(c) Honda Motor Co., Ltd.		
15.	(d) Karli Boenjamin		
16.	(e) Ooi Soo Pheng		
17.	(f) Tan Liang Chye		
18.	(g) Datuk Loh Kian Chong		
19.	To approve the Proposed Renewal of Stock Buy-Back		
20.	To approve the Retention of Independent Non-Executive Director		

Signed this _________day of ___________, 2014

____
Signature of Shareholder(s)/ Common Seal

Notes:

1. A Member entitled to attend and vote at this meeting may appoint a proxy to attend and, on a poll, to vote on his behalf. A Member may appoint 2 proxies to attend on the same occasion. A proxy may but need not be a Member and the provisions of Section 149(1)(b) of the Act shall not, apply to the Company. If a Member appoints 2 proxies, the appointment shall be invalid unless he specifies the proportions of his stockholdings to be represented by each proxy.
2. Where a Member of the Company is authorised nominee as defined under the Securities Industries (Central Depositories) Act, 1991 ("SICDA"), it may appoint at least one (1) proxy in respect of each securities account it may holds with ordinary shares of the Company standing to the credit of the said securities account.
3. Where a Member of the Company is an exempt authorised nominee which hold ordinary stocks in the Company for multiple beneficial owner in one (1) securities account ("omnibus account"), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
   An exempt authorised nominee refers to an authorized nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
4. If the appointer is a corporation, the Form of Proxy must be executed under the Common Seal of the Company or under the hand of its attorney duly authorised in writing.
5. For a proxy to be valid, the Form of Proxy duly completed must be deposited at the Registered Office of the Company, Suite 16-1 (Penthouse Upper), Menara Penang Garden, 42A Jalan Sultan Ahmad Shah, 10050 Penang, Malaysia not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.
6. Should you desire your Proxy to vote on the Resolutions set out in the Notice of Meeting, please indicate with an "X" in the appropriate space. If no specific direction as to voting is given, the Proxy will vote or abstain at his discretion.
7. In respect of deposited securities, only a Depositor whose name appears on the Record of Depositors on 30 May 2014 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy to attend and/or vote in his/her behalf.

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Stamp

The Company Secretaries
Oriental Holdings Berhad (5286-U)

Suite 16-1 (Penthouse Upper)
Menara Penang Garden
42A Jalan Sultan Ahmad Shah
10050 Penang

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www.ohb.com.my

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