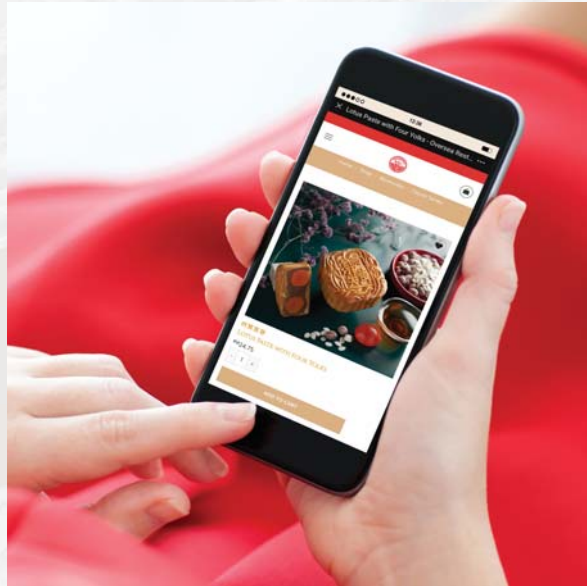


# 海外天 OVERSEA

OVERSEA ENTERPRISE BERHAD  
[Registration No. 199401031473 (317155-U)]



ANNUAL REPORT **2021**

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## CORPORATE PROFILE

### **OVERSEA ENTERPRISE BERHAD**

*is incorporated and domiciled in Malaysia, and it has been listed on the ACE Market of Bursa Malaysia Securities Berhad since 1 April 2010.*

The Group started out in 1970's as a partnership business between Mr. Yu Soo Chye @ Yee Soo Chye and an independent third party. Together they founded the first "Restoran Oversea" in Jalan Imbi, Kuala Lumpur. To date the Group's operation of food service outlets entails a chain of five (5) Chinese restaurants, two (2) outlets in Klang Valley, two (2) outlets in Ipoh and one (1) in Genting Highlands offering home cooked Cantonese themed cuisines. In addition to the chain of Chinese restaurants, the Group has ventured into the operation of speciality restaurant offering Dim Sum. The Dim Sum outlet located at Sri Petaling was opened in 2005, with the intention to target Dim Sum connoisseur.

Our business model, besides the operation of food service outlets, also includes the expansion into the manufacturing of confectioneries particularly moon cake since 1986. In 1995, a moon cake manufacturing facility in Sungai Buloh with built-up area of approximately 20,000 square feet was built. Subsequently in 2002, we moved to a new manufacturing facility in Shah Alam, Selangor with a total built-up area of 63,246 square feet. As part of the Group's strategy to expand its portfolio of in-house manufactured products, the Company also ventured into the production of egg rolls in 1999 and western cookies. Our manufacturing concern exports to various countries including the United States of America, Australia, New Zealand, Indonesia and Canada.

#### **AWARD AND RECOGNITIONS**

Throughout the years, the Group have received many awards and recognitions, which include, amongst others, "Asia's Finest Restaurants", "Greatest Table in Kuala Lumpur" and "Winner of World Gold Kitchen Cooking Grand Competition". Other international recognition includes accolades such as "International Restaurant of Chinese Cuisine" awarded by "The World Chinese Cuisine Association".

In April 2017, the Company was accorded the Honesty Enterprise Category winner of The Asia Pacific International Honesty Enterprise - The 15th Asia Pacific International Honesty Keris Award 2017 for its outstanding achievement in the F&B industry which demonstrates honesty and integrity in their daily business dealings.

# CORPORATE STRUCTURE

As at 31 July 2021



## OVERSEA ENTERPRISE BERHAD

and its subsidiaries and associated companies

Operation of A Chain of Chinese Restaurants	Restoran Oversea (Imbi) Sdn. Bhd.	100%
	Restoran Oversea (Bandar Baru Sri Petaling) Sdn. Bhd.	100%
	Haewaytian Restaurant Sdn. Bhd.	100%
	Restoran Oversea (Skyplaza GH) Sdn. Bhd.*	100%
Operation of Cafe	Restoran Oversea (Skyplaza GH) Sdn. Bhd. * #	100%
Operation of Dim Sum Outlet	Restoran Oversea Dian Xin (Sri Petaling) Sdn. Bhd.	100%
Manufacturing of Moon Cakes and Other Baked Products	Haewaytian Cake House Sdn. Bhd.	100%
	Restoran Oversea Confectioneries Sdn. Bhd.	100%
Trading	Haewaytian Food Industries Sdn. Bhd.	100%
	Haewaytian Trading Sdn. Bhd.	100%
	Tenshou International Sdn. Bhd.	100%
Owner of Trademarks	Restoran Oversea Holdings Sdn. Bhd.	100%
Investment Holding	Restoran Oversea JV (International) Sdn. Bhd.	100%
Others	Oversea Training Academy Sdn. Bhd.	100%
	Restoran Oversea (P.J.) Sdn. Bhd. (Dormant)	100%
	Restoran Oversea (Subang Parade) Sdn. Bhd. (Dormant)	100%
	Restoran Tsim Tung Sdn. Bhd. (Dormant)	100%
	Restoran Oversea (CST) Sdn. Bhd. (Dormant) *	100%
	Restoran Oversea Hong Kong Dim Sum Sdn. Bhd. (Dormant) * @	100%
	Ipoh Group Limited (Registered in Hong Kong) (Dormant) * @	100%

\* Subsidiary of Restoran Oversea JV (International) Sdn. Bhd.

# The entity operates a café as well as Chinese restaurant

@ The entity is under deregistration process

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**Yu Soo Chye @ Yee Soo Chye**  
Chairman/Group Managing Director

**Datuk Chai Woon Chet**  
Executive Director

**Khong Yik Kam**  
Executive Director

**Lee Seng Fan**  
Executive Director

**Tay Ben Seng, Benson**  
Executive Director

**Andy Liew Hock Sim**  
Independent Non-Executive Director

**Hoong Yik Miin**  
Independent Non-Executive Director

**Tang Yee Ling**  
Independent Non-Executive Director

**Dato' Ku Chin Wah**  
Independent Non-Executive Director

### COMPANY SECRETARIES

**Ho Mun Yee**  
(MAICSA 0877877 Practitioner)  
(SSM No. 201908003292)

**Tam Fong Ying**  
(MAICSA 7007857 Practitioner)  
(SSM No. 201908003302)

### AUDIT COMMITTEE

**Andy Liew Hock Sim**  
Chairman  
**Hoong Yik Miin**  
**Tang Yee Ling**

### REMUNERATION COMMITTEE

**Hoong Yik Miin**  
Chairman  
**Tang Yee Ling**  
**Andy Liew Hock Sim**

### NOMINATING COMMITTEE

**Tang Yee Ling**  
Chairperson  
**Andy Liew Hock Sim**  
**Hoong Yik Miin**

### INVESTMENT COMMITTEE

**Yu Soo Chye @ Yee Soo Chye**  
Chairman  
**Yu Tack Tein**  
**Yu Suat Yin**  
(Vice President, Group Operation)  
**Yap Teck Beng**  
(Group General Manager)  
**Dato' Ku Chin Wah**  
**Tay Ben Seng, Benson**

### RISK MANAGEMENT COMMITTEE

**Andy Liew Hock Sim**  
Chairman  
**Hoong Yik Miin**  
**Tang Yee Ling**  
**Yap Teck Beng**  
(Group General Manager)  
**Soh Jin Yiat**  
(Deputy Group General Manager)

### HEAD OFFICE

D-3-1 & D-3A-1, Seri Gembira Avenue,  
Jalan Senang Ria, Taman Gembira,  
58200 Kuala Lumpur,  
Wilayah Persekutuan  
Tel. No. : 03-7972 9683  
Fax No. : 03-7972 9083  
Website : www.oversea.com.my  
Email : info@oversea.com.my

### REGISTERED OFFICE

3rd Floor No. 17,  
Jalan Ipoh Kecil,  
50350 Kuala Lumpur,  
Wilayah Persekutuan  
Tel. No. : 03-4044 3235  
Fax No. : 03-4041 3959  
Email : esprit@espritms.com.my

### PRINCIPAL BANKERS

Public Bank Berhad  
Hong Leong Bank Berhad  
United Overseas Bank (Malaysia)  
Berhad  
Standard Chartered Bank Malaysia  
Berhad

### AUDITORS

**Crowe Malaysia PLT**  
201906000005  
(LLP0018817-LCA) & AF 1018  
Chartered Accountants  
Level 16, Tower C, Megan Avenue,  
12, Jalan Yap Kwan Seng,  
50450 Kuala Lumpur,  
Wilayah Persekutuan  
Tel. No. : 03-2788 9999  
Fax No. : 03-2788 9998

### SHARE REGISTRAR

**Boardroom Share Registrars Sdn. Bhd.**  
(Registration No. 199601006647  
(378993-D))  
11th Floor, Menara Symphony,  
No. 5, Jalan Prof. Khoo Kay Kim,  
Seksyen 13,  
46200 Petaling Jaya, Selangor,  
Malaysia  
Tel. No. : 03-7890 4700 (Helpdesk)  
Fax No. : 03-7890 4670  
Email : bsr.helpdesk@  
boardroomlimited.com

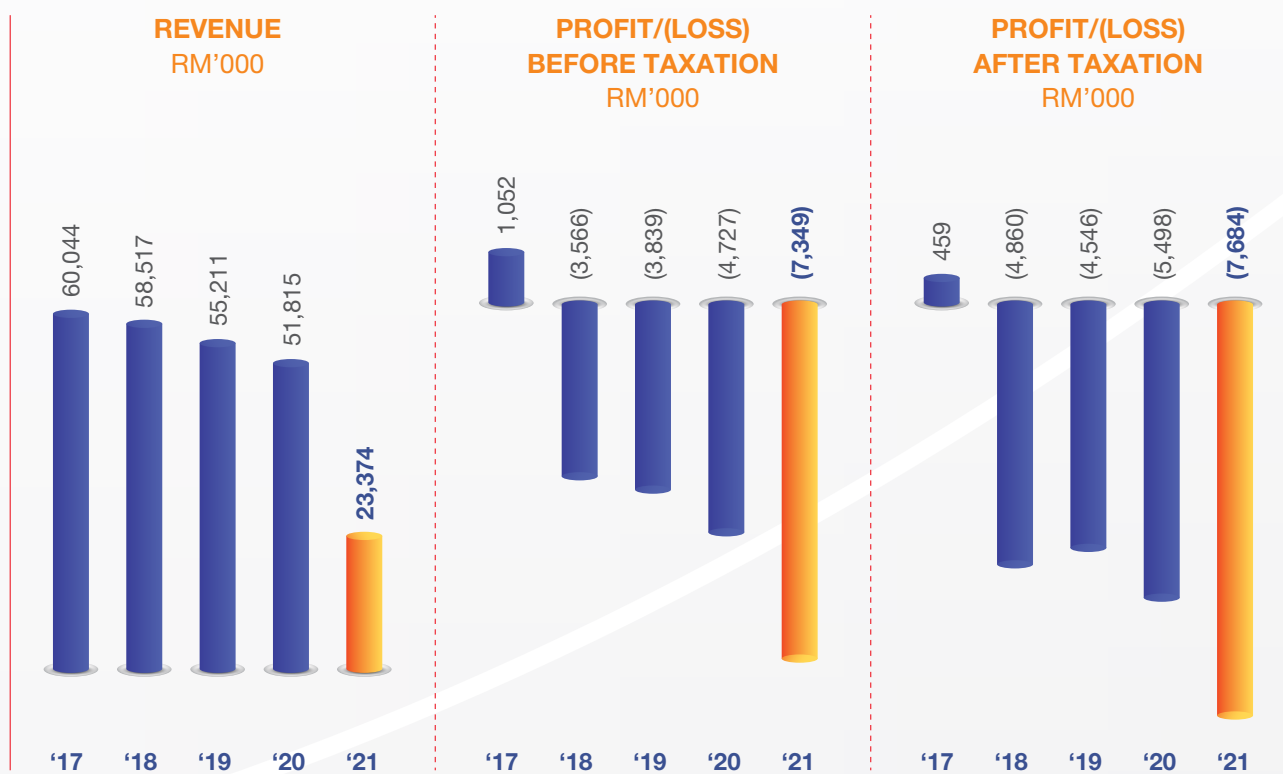
### STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia  
Securities Berhad  
Stock Name : OVERSEA  
Stock Code : 0153

## FINANCIAL HIGHLIGHTS

The following table sets out a summary of the Statement of Comprehensive Income of Oversea Enterprise Berhad and its subsidiaries (Group) for the financial years ended 31 March 2017 till 31 March 2021.

Year Ended	Revenue RM'000	Profit/(Loss) Before Taxation RM'000	Profit/(Loss) After Taxation RM'000
31 March 2017	60,044	1,052	459
31 March 2018	58,517	(3,566)	(4,860)
31 March 2019	55,211	(3,839)	(4,546)
31 March 2020	51,815	(4,727)	(5,498)
31 March 2021	23,374	(7,349)	(7,684)



## CHAIRMAN'S LETTER TO SHAREHOLDERS



*Dear Shareholders,*

*I enclose herewith the Annual Report 2021 and the Audited Financial Statements for the financial year ended 31 March 2021 (“AFS 31 March 2021”).*



### OUR JOURNEY

The Restoran Oversea Group commenced in the year 1977 when the founding members converted the partnership business into a private limited company known as Restoran Oversea (Imbi) Sdn. Bhd. The success of our first “Restoran Oversea” (海外天) restaurant encouraged us to open our second restaurant in Ipoh in 1982. To date, we have developed our Chinese restaurant operations into a chain of six (6) wholly-owned restaurant outlets.

In 1986, we expanded our business into making moon cakes. At that time all our moon cakes were hand-made and were marketed as part of our Chinese restaurant business. In 1995, we moved our moon cake operation to our manufacturing facility in Sungai Buloh with a built-up area of approximately 20,000 square feet. Subsequently in 2002, we moved our manufacturing facilities to Shah Alam, Selangor with a total built-up area of 63,246 square feet.

### OUR SPECIALTY

Restoran Oversea is widely known for offering exquisite contemporary Chinese cuisine with special emphasis on unique Cantonese themed restaurant. We feature traditional menus as the “piece de resistance” of the restaurant. Notwithstanding that, being innovative with our food menus, we have been offering new additions to our existing food menus on a regular basis. Our popular creations include amongst other things, are Steamed Bamboo Fish in superior soy sauce, Braised Pork Belly with Salted Fish and Barbeque Pork as well as an amazing array of cold and hot desserts.

### ECONOMIC OUTLOOK

2020 was marked by two important events, the global spread of coronavirus (COVID-19) and the worldwide travel bans, domestic movement restrictions and quarantines. The 1st Movement Control Order (MCO) period was announced between March and June 2020 and its series of subsequent extension, which was imposed by the government due to the outbreak of COVID-19 had negatively impacted on the business operations and financial position of the Group.

We will continue to work diligently to ensure that the health and well-being of our staffs and stakeholders are safeguarded by taking various means to minimize the impact of the COVID-19 outbreak on our operations.

### OUR COMPETITIVE ADVANTAGE

With over fifty (50) years of experience in the restaurant industry together with a dynamic marketing team, our Group has managed to carve a name to compete with other successful renowned competitors in the restaurant industry.

To remain competitive in the challenging market environment and catching up with fast-changing global business trend, our Group has always believed in technology advancement by earmarking certain amount of working capital for capital expenditures purposes annually. Simultaneously, as stated in our Sustainability Statement, we have also ensured sufficient attention and allocation be made for the training and development, as well as the wellbeing of the employees of the Group. With the fully trained and equipped workforce, we are optimistic that our Group will be able to withstand the rapid changes in food service environment and thereby ensure the sustainability of the Group.

### OUR FORTHCOMING TWENTY-SIXTH (“26TH”) ANNUAL GENERAL MEETING (“AGM”)

I wish to inform that the 26th AGM of the Company will be held entirely on a virtual basis through live streaming and online remote voting from the Broadcast Venue at Level 4, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 28 September 2021 at 1:00 p.m.

## CHAIRMAN'S LETTER TO SHAREHOLDERS

cont'd

At the forthcoming 26th AGM, the following resolutions shall be put forward for your consideration:-

- Proposed Directors' fee of RM99,900/- for the financial year ended 31 March 2021 (31 March 2020: RM97,200/-).
- Proposed Directors' fee of RM144,000/- for the financial year ending 31 March 2022.
- The following Directors are offering themselves for re-election at the 26th AGM:
  - Khong Yik Kam
  - Datuk Chai Woon Chet
  - Andy Liew Hock Sim
  - Hoong Yik Miin
  - Tang Yee Ling
  - Dato' Ku Chin Wah
  - Tay Ben Seng, Benson
- Upon the review and recommendation of the Audit Committee, the Board recommended the re-appointment of Messrs. Crowe Malaysia PLT as External Auditors of the Company for the financial year ending 31 March 2022.
- The benefits payable to the Directors pursuant to Section 230(1)(b) of the Companies Act 2016 has been reviewed by the Remuneration Committee ("RC") and the Board of Directors of the Company, which recognises that the benefits payable is in the best interest of the Company for the applicable period from 26th Annual General Meeting to the next Annual General Meeting in year 2022. The benefits comprised of benefit-in-kind i.e. provision of motor vehicles to the Directors for their official usage and meeting allowances to the Independent Directors.
- The Company would like to seek a general mandate from you to allot shares pursuant to the Companies Act 2016. The purpose to seek the General Mandate is to enable the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting as it would be both time and cost-consuming to organise a general meeting solely for such issuance and allotment of shares. This authority unless revoked or varied by the Company in a general meeting, will expire at the next AGM. The proceeds raised from the General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

The Board believes that the above resolutions are in the best interest of the Company and all shareholders. Therefore, the Directors unanimously recommend that you vote in favour of the above resolutions.

The AGM will be conducted entirely through live streaming and online remote voting. Should you wish to attend the AGM, you will be required to do so by registering yourself using the RPV Platform in accordance with the instructions set out in the Administrative Guide.

With the RPV Platform, you may exercise your rights as a Shareholder to participate (including to pose questions to the Board of Directors ("**Board**")) and vote at the AGM.

If a shareholder is unable to attend the AGM, he/she is encouraged to appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

For proxies or corporate representatives/authorised nominees/exempt authorised nominees who wishes to use the RPV Platform at the AGM, please ensure the duly executed proxy forms or the original certificate of appointment of its corporate representative are submitted to Shareworks Sdn Bhd, 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan not later than 26 September 2021 at 1:00 p.m.

### APPRECIATION

On behalf of my fellow Directors, I would like to take this opportunity to record our sincere thanks and appreciation to Mr. Chiam Soon Hock, Ms. Chui Mee Chuen and Mr. Koong Lin Loong for their contributions during their tenure on the Board.

The Board wishes to convey our appreciation to all shareholders for the confidence and trust accorded to us. We would like to thank our vendors, suppliers and business associates for their continued support. The Board would also like to take the opportunity to thank the loyal workforce for staying united, dedicated and committed in meeting the needs of customers and showing trust and respect for all.

Thank you.

Yours sincerely,

**YU SOO CHYE @ YEE SOO CHYE**  
*Chairman and Group Managing Director*  
27 August 2021



## MANAGEMENT DISCUSSION AND ANALYSIS



**DEAR SHAREHOLDERS,**

**ON BEHALF OF THE EXECUTIVE MANAGEMENT OF OVERSEA ENTERPRISE BERHAD (“OVERSEA” OR “THE COMPANY”) AND ITS SUBSIDIARIES (“THE GROUP”), I HEREBY PRESENT YOU THE MANAGEMENT DISCUSSION AND ANALYSIS (“MD&A”) FOR YOUR INFORMATION. THE MD&A AIMS TO PROVIDE YOU AND THE STAKEHOLDERS WITH AN OVERVIEW OF OUR BUSINESS, OPERATIONS AND FINANCIAL PERFORMANCE OF THE GROUP FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (“FY2021”)**



### OVERVIEW OF GROUP’S BUSINESS AND OPERATIONS

Oversea Enterprise Berhad is a publicly traded company that, through its subsidiaries are principally engaged in the operation of “Restoran Oversea” chain of Chinese restaurants offering fine dining Cantonese cuisines offering ala-carte dining as well as banquet functions. In addition, Oversea is also engaged in the operation of café and speciality outlets such as dim sum and bakery amongst other things. Oversea also manufactures seasonal confectioneries particularly moon cakes for the annual Mid-Autumn Festival which is sold locally as well as exported to Asian countries and other parts of the world such as United States of America and Australia.

Oversea is guided by the belief in an idea called “Jin Liang Shi Zu” / ”斤两十足” (No Cutting Corners) in all of its business ventures by providing our customers with highest quality and safest ingredients of product. Our manufacturing facility is accredited with HALAL status by Jabatan Kemajuan Islam Malaysia as well as GMP (Good Manufacturing Practice) and MeSTI (Makanan Selamat Tanggungjawab Industri) by Kementerian Kesihatan Malaysia. We remain uncompromising in our commitment for product quality and food safety. In 2020, our manufacturing facility was successfully accredited with the HACCP certification. To these are added the safety and well-being of staff during the pandemic.

The Group vision is to transform the brand name “Restoran Oversea” into a leading quality household brand name in South East Asia by playing a leading role in the Asian foods in producing quality, tasty and convenient food that brings a healthy balance and wellness to our customers. Our stores operate in both shoplots as well as in mall as part of our strategy to have a market presence in the urban as well as suburban areas within Malaysia. As at 31 March 2021, the Company operate six (6) outlets including three (3) grand themed restaurants in Klang Valley and Genting Highlands, two (2) outlets in Ipoh and one (1) speciality restaurant in Bandar Baru Seri Petaling, Kuala Lumpur.

The restaurant and café are highly competitive with respect to quality, variety and price of food products offered. Oversea competes with a significant number of national and regional restaurants. Additionally there are many segments with the restaurant and café industry such as family dining, casual dining, full-service, fast casual and quick service restaurants, which often overlaps and provide competition for widely diverse restaurant concepts. We operate predominantly in the full-service segment of the industry.

Competition also exists in securing prime real estate location for new outlets, in hiring qualified employees, in advertising, in the attractiveness of facilities and with competitors having similar menu offerings or convenience. The Group faces the same competition for its retail of seasonal confectionery products with its extensive distribution networks in major shopping malls all over Malaysia and overseas.

Thus, the restaurant and retail industries are often affected by changes in customer taste and preference, economic condition be it locally or regionally, locations of competing restaurants and retailers as well as customers’ discretionary purchasing power.

### KEY PERFORMANCE INDICATORS

The management of Oversea utilises a number of key performance measures to evaluate the operational and financial performance including amongst other indicators:-

- Average spending per guest is used to analyse the money spent per guest in our outlets for ala-carte dine in and banquet sales. This measure aids the management in identifying trends in guest preferences as well as effectiveness of sales campaign and new introduction of menus.

# MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

- For the retail segment, the management utilises the store performance operating margins defined as the total revenue per store or counter less cost of goods sold, direct labour and other direct expenses as counter fees and promotional discount attributable to the particular store or counter. It is a primary measure of operating profitability.

## STRATEGIES IN VALUE CREATION

Management believes that “Restoran Oversea” and “OVERSEA” brand remains one of the strongest and most differentiated brands in the restaurant industry. Our strategy over the long term revolves around four (4) pillars of thrust namely:-

- 1st Pillar Thrust – Restaurant
- 2nd Pillar Thrust – Manufacturing
- 3rd Pillar Thrust – Retail
- 4th Pillar Thrust – Academy

Each individual pillar of thrust adopts a near term, mid-term and long-term outlook, in which the Group constantly monitor on a periodic basis.

Our 1st pillar focuses on the core business with the intention of enhancing as well as extension of the particular segment of business. This pillar encompasses the key sales of our business including menu innovation, marketing programmes and cost-saving initiatives.

Our 2nd pillar focuses on the manufacturing ability to fully utilise the plant for whole year product instead of seasonal production cycles. The manufacturing segment’s main thrust would be developing and bringing to market a new concept or product and at the same time leveraging on the Groups branding while providing customers with product differentiation.

Our 3rd strategic pillar is an extension of the manufacturing segment to promote premium lifestyle foodstuff. This segment was created to extend our reach into more metropolitan locations and attract new guests. Whilst do not expect it to have a material financial impact in the mid-term outlook but we are excited about this new concept and vision.

Our 4th pillar is the creation of academy for training excellence which is essentially a new business for the Group. In order for the Group to expand, the academy would provide qualified employees to address the manpower requirements. We strongly believe that our continued focus on the long-term strategy will contribute to revenue growth and higher operating margin.

## ANTICIPATED OR KNOWN RISKS

### Competition Risk

Generally, all operators of the food services including Chinese restaurants in Malaysia face normal competitive conditions namely brand name and market reputation, quality of products and services and economies of scale. Barriers to entry into the operation of Chinese restaurants are relatively low for operators with single outlet. This is substantiated by the large number of operators in the industry. However, operators with a network of chained outlets will have an advantage over smaller players due to economies of scales, thereby reducing operating costs and improving profit margins. The Group has built significantly on the “Restoran Oversea” brand equity, which includes a high level of brand awareness and customer loyalty and is associated with Chinese fine dining and high-quality food, providing the Group with a key competitive advantage to compete effectively within the Food Services Industry.

### Seasonality

Generally, there is no seasonality for our chain Chinese restaurants with the exception of banquet operations where the business encounters a slowdown during the month of May to July due to inauspicious Lunar Calendar and peaks between October and February. The peaks are due to festive seasons as well as year-end banquets including wedding functions, which are usually held during the months of October and February. As for the manufacturing concern, we currently only operate three (3) to five (5) months within a year commonly between May and September, prior to the Mid-Autumn Festival.

### Foreign Currency Exchange Risk

A portion of our investments consist of activities outside Malaysia, thus we have currency risk on the transactions in other currencies and translation adjustments resulting from the conversion of our results in Ringgit Malaysia (“RM”). However, a substantial majority of our operations and investment activities are transacted in RM, and therefore the foreign currency risk is limited at the date of this report. We attempt to minimise the exposure related to our operations by purchasing goods or services from third parties in local currencies where practical.

## MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

### Single Customer Risk

Our customers for food services outlets including restaurants, café and dim sum are mainly end consumers. As for the manufacturing of moon cakes and other baked products, it is generally segregated to retailers such as hypermarkets, supermarkets, mini markets and Chinese medical halls, distributors and wholesalers as well as corporate clients and end consumers. The trade customers for the FY2021 represented approximately 36.6% (FY2020: 18.1%) of our Group's total revenue amounting to RM8.5 million (FY2020: RM9.4 million). We enjoy a stable business relationship with our customers. This is reflected by the fact that our top 20 customers have been dealing with us for ten (10) years or more.

### Commodity Price Risk

Many of the food products and packaging materials that we purchased are affected by commodity pricing or ingredients pricing and are, therefore, subject to price volatility, exchange rates, foreign demand, weather, seasonality and availability and other factors outside our control and which are generally unpredictable.

Generally our purchases of food products are based on available products, and should any existing supplier fail, or are unable to deliver in quantities required by us, we believe that there are sufficient other quality suppliers in the marketplace that our source of supply can be replaced as necessary thus avoiding any adverse effects that could be caused by such unavailability. In many cases, or over a longer term, we believe we will be able to pass through some or much of the increased commodity costs by adjusting our menu and retail pricing. However, under competitive circumstances, price volatility may limit menu price and retail pricing flexibility and in those instances, increases in commodity prices can result in lower margins.

### FINANCIAL HIGHLIGHTS

Period	Year ended 31 March				
	2021	2020	2019	2018	2017
Revenue (RM'000)	23,374	51,815	55,211	58,517	60,044
Profit/(Loss) Before Taxation (RM'000)	(7,349)	(4,727)	(3,839)	(3,566)	1,052
Profit/(Loss) After Taxation (RM'000)	(7,684)	(5,498)	(4,546)	(4,860)	459
Earnings/(Loss) Per Share (Sen)	(1.02)	(0.76)	(1.87)	(1.97)	0.19

### REVIEW OF OPERATING ACTIVITIES

Currently, the Group's business and operation consist primarily of two (2) core sectors, namely F&B and manufacturing. During the year, our F&B sector had experienced declined in sales due to the outbreak of COVID-19 pandemic. The business operating environment was highly unfavourable for the whole of FY2021. During the year, the Group had embarked on various restructuring and collaborative exercises with notable industry player such as Focus Dynamics Group Berhad to strengthen the Group's operation post pandemic.

### Corporate Exercise

On 19 February 2021, the Company completed a private placement exercise which involved the issuance of 48,503,000 new Shares (representing 20% of the then existing total number of issued Shares (excluding treasury shares) before the private placement), raising a total of RM17.46 million. The fund raised will be utilised for the refurbishment of the Group's existing outlets and expansion plans.

On 24 February 2021, the Company completed the share split exercise of 884,754,000 Subdivided Shares (including 11,700,000 treasury shares), which were listed on the ACE Market of Bursa Malaysia Securities Berhad.

On 10 March 2021, the Company also completed the Bonus Issue of Warrants exercise of 436,526,991 Warrants, which were listed on the ACE Market of Bursa Malaysia Securities Berhad.

On 28 July 2021, the Group proposed to undertake the following corporate exercises:

- i. Private placement of up to 396,384,000 new ordinary shares in the Company, representing 30% of the enlarged total number of issued shares to independent third-party investor(s) to be identified and at an issue price to be determined later; and
- ii. Renounceable Rights Issue of up to 1,717,664,991 new shares ("Rights Shares") together with up to 572,554,997 free detachable Warrants in the Company ("Warrants B") on the basis of 3 rights shares together with 1 free Warrant B for every 3 existing shares held by the entitled shareholders of the company on an entitlement date to be determined

# MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

## REVIEW OF FINANCIAL RESULTS

Period	Year ended 31 March		
	2021	2020	2019
<b>REVENUE</b>			
Restaurant	13,593,744	39,506,951	43,571,650
Manufacturing	16,474,984	19,335,815	19,386,112
Others	41,797	887,565	821,570
Elimination	(6,736,221)	(7,915,722)	(8,568,571)
Consolidated	23,374,304	51,814,609	55,210,761
<b>PROFIT/(LOSS) BEFORE TAX</b>			
Restaurant	(6,551,710)	(6,134,059)	(5,562,485)
Manufacturing	667,716	1,112,805	1,315,844
Others	(1,431,081)	229,002	932,980
Elimination	(33,791)	65,272	(525,109)
Consolidated	(7,348,866)	(4,726,980)	(3,838,770)
<b>INCOME TAX</b>	(335,185)	(771,370)	(706,966)
<b>LOSS AFTER TAX</b>	(7,684,051)	(5,498,350)	(4,545,736)

At the consolidated level, the Group sales revenue was 54.9% lower at RM23.4 million (2020: RM51.8 million) due to the ongoing COVID-19 pandemic crisis. The Group restaurant segment sales revenue was 65.6% lower at RM13.6 million (2020: RM39.5 million) due to the ongoing COVID-19 pandemic crisis.

### Profit Before Tax ("PBT")

The Group restaurant segment suffered losses from the material decline in revenue due to the ongoing COVID-19 pandemic crisis. Our manufacturing segment sales revenue stood at RM16.5 million (2020: 19.3 million) which represented a decrease of 14.8%. PBT stood at RM0.7 million (2020: 1.1 million) which is RM0.4 million lower than last year.

### Statement of Financial Position

As at 31 March 2021, total equity attributable to owners of the Company stood at RM63.37 million, which is 30.2% higher than RM48.68 million as at 31 March 2020. Net cash position increased by RM12,712,078 as compared to the beginning of the financial year, mainly due to the fund raising that took place in the current financial year.

## FUTURE PROSPECTS

The COVID-19 pandemic severely impacted the business operations of the Group due to the containment measures taken by the Government of Malaysia to defray the spread of pandemic such as travel bans and closure of non-essential business amongst other things. Whilst there is still uncertainty in the surge of number of COVID-19 cases, the roll out of the national vaccination program is expected to path the way for recoveries in post pandemic. The Group will continue to work with its strategic partner to manoeuvre through this challenging time. The synergistic partnership allows both parties to leverage on each other's expertise to achieve its objectives.

The Group shall continue to implement its expansion program as well as strengthening its capability to tap into new segment of markets that have been accelerated by the pandemic namely, towards lifestyle digitisation and new products in manufacturing sector. This exercise includes expansions of new restaurants, upgrading of its manufacturing capabilities, digital transformation encompassing leveraging on the latest technologies, complementing existing business through strategic acquisitions or investment to promote growth.

The Group is confident that with implementation of good planning and strategies, the Group will emerge stronger in its industry to future-proof the Group and achieve long-term sustainable growth.

## DIVIDEND

The Group does not have a policy with regards to dividend and dividend payment shall depend upon earnings, capital commitments and general financial conditions. Henceforth, in view of the future requirement the Directors do not recommend the payment of any final dividend for the current financial year.

## CONCLUSION

The Group will proceed to exercise due care of its pursuit of existing core-businesses and explore other opportunities. In addition, we shall endeavour to keep abreast with industry trends and cater to the customers evolving needs. Given the current uncertainties, we are cautious on the outlook for 2022.

For and on behalf of the Executive Management

**YU SOO CHYE @ YEE SOO CHYE**  
Group Managing Director

# SUSTAINABILITY STATEMENT

This sustainability statement for the year ended 31 March 2021 is prepared in accordance to the disclosure requirement of the Company's management of material economic, environmental and social risks and opportunities (EES) in paragraph 30, Appendix 9C of the ACE Market Listing Requirements. The report focuses on the environmental initiatives carried out by the Group based on its factory operation in Shah Alam as well as the restaurants in the Klang Valley, Pahang and Ipoh including the economic and social impact brought by the Group.

- **STAKEHOLDER ENGAGEMENT**

The sustainability of the Group's operations is of paramount importance in order to maintain the social license to operate in the eco-system with our numerous stakeholders consisting of our shareholders, financial institutions, customers, employees, suppliers and the local authorities. We aim to create long-term value and growth for our stakeholders and are in constant communications through numerous channels such as meetings, interviews, social medias and face to face discussions amongst other things.

- **ECONOMIC**

In ensuring sustainable business growth, the ultimate satisfaction of our customers is of vital importance, hence we strive to drive long-term corporate growth and profitability by recognising the importance of expanding in a sustainable and responsible manner to benefit the surrounding communities whilst protecting the environment.

- **Procurement practice**

The Group supports the local suppliers by prioritising the procurement of goods and services from suppliers, that are able to meet the Group's expectation and prescribed standards in relation to quality and product safety thus creating more investments into the local communities. The suppliers alternatively manufacture or produces the raw material locally or sourced from other countries.

- **ENVIRONMENT**

We aim to promote sustainability and environmental preservation through efficient resource management of energy and water and waste management. The Group acknowledges its environmental responsibility and the related impacts and shall strive to mitigate our own environment impact, to exercise great care and grow in a sustainable manner.

- **Emissions/Waste and Effluents**

The Company conducted annual inspections to monitor air pollutants level for the energy generation unit to comply with the Environmental Quality (Clean Air) regulations 2014 with respect to the emissions. In addition, the waste management of our manufacturing concern comprises of wastewater and non-hazardous waste. Wastewater is discharged water arising from our manufacturing operation. Prior to disposal to main sewerage, effluent discharge is treated to ensure adherence required standard by Department of Environment Malaysia (DOE). Regulatory requirements impose discharge limits for specific pollutants and quality of effluent discharged. To date all our wastewater and emissions discharge has met regulatory standards.

- **Energy**

The Group manufacturing concern had successfully changeover from the use of diesel (non-renewable fuels) to the use of biodiesel (renewable fuel source) in line with the requirement of the DOE. The biodiesel is used as a source of energy for our thermal oil heaters in the production processes. In addition, we are looking into the possibility of utilising solar energy for our manufacturing plant as part of the sustainability project.

- **Supply Chain**

The Company manages its suppliers via annually through the assessment at the supplier premises and evaluations of on time delivery, quality of goods, responsiveness and follow up. We also monitor the supplier accreditation annually to ensure relevant licenses is still in force such as Halal licensing for our manufacturing concern. The ability of the supplier to adhere and renew its pre-requisite licenses shall demonstrate to us the capability of the supplier with reference to compliance environmental laws and regulations.

# SUSTAINABILITY STATEMENT

cont'd

## • SOCIAL

To continuously improve on our employee's safety and welfare as well as our community as a whole.

### o Diversity

We understand that our business growth is directly attributable to the diversified skill sets and expertise of our workforce. The Company is committed to provide equal employment opportunities and ensure that all employees are treated fairly with respect and strive to promote a positive and nurturing work environment for our people to enrich their skills.

### o Occupational Safety and Health

Our key focus is to inculcate safe working environment via promoting safety measures and practices for our employees. Safety and Health Committee was tasked to ensure compliance to local regulations, promoting safety awareness and responding to any incidents. The extent of coverage of the said committee spans all aspects of safety, health, security and the environment.

We have also established and periodically maintain the HIRARC (Pengenalpastian Hazard, Penaksiran Risiko dan Kawalan Risiko) through Jabatan Keselamatan Dan Kesihatan Pekerjaan Selangor (JKKP) initiatives for various work activities. The emphasis on safety culture is supported via awareness training which is updated and reviewed regularly. During the year ended 31 March 2021, the Group did not encounter any major occupational accidents or injuries during its operation.

### o Corporate Social Responsibility



Foods and essential products support to 27 families in Tg. Karang and Kuala Selangor.



Food aids to Pertubuhan Kebajikan Anak Yatim dan Miskin Baitu Saidaki Khadijah.



Foods assistance to 54 Orang Asli families in Kampung Bukit Kepong, Pasir Panjang, Port Dickson.



Food Bank assistance to Balai Bomba dan Penyelamat, Teluk Kemang, Port Dickson.

## • CONCLUSION

The Group remains focused on creating shared value through its business activities for all stakeholders. This drives us to continuously improve on our efficiency and effectiveness to manage the impact across EES and we are committed to continue towards enhancing our corporate business sustainability.

## BOARD OF DIRECTORS' PROFILE

### YU SOO CHYE @ YEE SOO CHYE

*Chairman/Group Managing Director*

*Age 76, Malaysian, Male*

<b>Date of appointment as Director</b>	: 6 November 2009
<b>Length of service as director since appointment (as at 30 July 2021)</b>	: 11 years 8 months
<b>Board Committee(s) served on</b>	: Chairman of the Investment Committee
<b>Academic/Professional Qualification(s)</b>	: Elementary education
<b>Present Directorship(s) in other Public/Listed Companies</b>	: He has no directorship in any other public companies or listed corporations in Malaysia.
<b>Family relationship with any Director and/or major shareholder of the Company</b>	: He is the brother-in-law of Mr. Khong Yik Kam (Director) and Mr. Lee Seng Fan (Director)

### Working experience:

Mr. Yu has more than fifty (50) years of experience in the Chinese restaurant industry. As the Group's Managing Director and founder, he has been instrumental in the development, growth and success of our Group. He started his career in the early 1950s when he started working in the kitchen as a kitchen helper. In 1970s, he started his first Chinese restaurant operations under a partnership arrangement, namely Restoran Oversea in Jalan Imbi, Kuala Lumpur. Subsequently in 1983, he converted the partnership into a private limited company. To date, he has established a chain of six (6) wholly-owned restaurants, ie. two (2) Chinese restaurants in Klang Valley, two (2) outlets in Ipoh, one (1) outlet in Genting Highlands and one (1) Dim Sum outlet.

In 1986, he initiated the manufacturing of moon cakes by setting up a small manufacturing facility located in Jalan Imbi, Kuala Lumpur. Subsequently in 2002, the manufacturing facilities moved to a new manufacturing facility in Shah Alam, Selangor with a total built-up area of 63,246 square feet. As part of the Group's strategy to expand its portfolio of in-house manufactured products, the Company also ventured into the production of egg rolls in 1999. The manufacturing concern exports to various countries including the United States, Australia, New Zealand, Indonesia, Hong Kong, Canada, Macau, Papua New Guinea and the Netherlands.

Mr. Yu obtained his Diploma of Membership from Les Amis d'Escoffer Society, Inc. in 2007 for the meritorious service recognition for outstanding contributions to promote fine dining. He is currently the Consultant of World Association of Chinese Cuisine, Honoured Chairman of Wilayah Cooks' Friendly Association and Honoured Chairman of The International Exchange Association of Renowned Chinese Cuisine Chefs. He was the Chief Judge of Malaysia Cuisine Championship and Deputy Judge of the 4th World Championship of Chinese Cuisine. He has extensive experience in the operation and management of food services outlets and he is currently responsible for the overall operations of the Group with emphasis on strategic business planning.

### Time committed:

Mr. Yu has attended seven (7) out of eight (8) Board of Directors' Meetings of the Company held in the financial year ended 31 March 2021.

## BOARD OF DIRECTORS' PROFILE

cont'd

**KHONG YIK KAM***Executive Director**Age 72, Malaysian, Male*

<b>Date of appointment as Director</b>	:	6 November 2009
<b>Length of service as director since appointment (as at 30 July 2021)</b>	:	11 years 8 months
<b>Board Committee(s) served on</b>	:	Nil
<b>Academic/Professional Qualification(s)</b>	:	Senior Middle Three in Chinese Independent High School
<b>Present Directorship(s) in other Public/Listed Companies</b>	:	He has no directorship in any other public companies or listed corporations in Malaysia.
<b>Family relationship with any Director and/or major shareholder of the Company</b>	:	He is the brother-in-law of Mr. Yu Soo Chye @ Yee Soo Chye (Director) and Mr. Lee Seng Fan (Director).

**Working experience:**

Mr. Khong started his career in 1968 when he joined United Engineering Group as a supervisor. He joined Oversea Group in 1985 and has approximately thirty-six (36) years of experience in the Chinese restaurant industry in Malaysia. Currently, he is mainly responsible for the operational functions of our Group including overseeing the maintenance of the equipment and tools, management of licenses and banking facilities.

**Time committed:**

Mr. Khong has attended seven (7) out of eight (8) Board of Directors' Meetings of the Company held in the financial year ended 31 March 2021.



## BOARD OF DIRECTORS' PROFILE

cont'd

### LEE SENG FAN

*Executive Director*

*Age 55, Malaysian, Male*

<b>Date of appointment as Director</b>	:	6 November 2009
<b>Length of service as director since appointment (as at 30 July 2021)</b>	:	11 years 8 months
<b>Board Committee(s) served on</b>	:	Nil
<b>Academic/Professional Qualification(s)</b>	:	Senior Middle Four in Chinese Independent High School
<b>Present Directorship(s) in other Public/Listed Companies</b>	:	He has no directorship in any other public companies or listed corporations in Malaysia.
<b>Family relationship with any Director and/or major shareholder of the companies</b>	:	He is the brother-in-law of Mr. Yu Soo Chye @ Yee Soo Chye (Director) and Mr. Khong Yik Kam (Director).

### Working experience:

Mr. Lee started his career in 1986 when he joined Oversea Group as a chef and is currently the Chief Chef of the Group. He has more than thirty-one (31) years of experience as a chef in the Chinese restaurant industry and is mainly responsible for the overall planning and management of the kitchen operations that oversees the cooking, quality control, cost control and personnel management.

### Time committed:

Mr. Lee has attended seven (7) out of eight (8) Board of Directors' Meetings of the Company held in the financial year ended 31 March 2021.

## BOARD OF DIRECTORS' PROFILE

cont'd

### DATUK CHAI WOON CHET

*Executive Director*

*Age 42, Malaysian, Male*

**Date of appointment as Director** : 7 October 2020

**Length of service as director since appointment (as at 30 July 2021)** : 9 months

**Board Committee(s) served on** : Nil

**Academic/Professional Qualification(s)** : Diploma in Business Economics and Marketing from KDU University College

**Present Directorship(s) in other Public/Listed Companies** : Anzo Holdings Berhad  
M3 Technologies (Asia) Berhad

**Family relationship with any Director and/or major shareholder of the companies** : Nil

#### Working experience:

Datuk Chai was a Marketing Manager of Sanbumi Sawmill Sdn. Bhd. (a wholly-owned subsidiary of Sanbumi Holdings Berhad which is listed on the Main Board of Bursa Malaysia Securities Berhad). He had been involved in the timber business industry with buyers from Japan, Europe, South Africa and Korea for the past 9 years. He also has extensive experience in property development, construction and the automotive sector.

Datuk Chai was formerly the Group Managing Director of XOX Berhad. XOX is a mobile operator offering consumers full-fledged mobile services with unparalleled charging and payment flexibilities. Being awarded the mobile numbers by MCMC, leveraging on the widest nationwide coverage and riding on the full spectrum of services ranging from GSM, GPRS, 3G to 3.5G, XOX is positioned to serve its niche target market, the Chinese community in particular, with innovative and revolutionary mobile and convergence services. XOX is vibrant with its marketing efforts in positioning itself as a Telco that provides comprehensive Chinese centric contents and value-added services to enrich and enhance the user experience in mobile services.

Datuk Chai was formerly the Managing Director of Lintasan Mayang Development Sdn Bhd, which is the developer for Sabah's biggest integrated township, Alamesra, an innovative 265 acre of mixed development with gross development value of RM1.3 billion. Datuk Chai was also the former managing director of Maxims Circle Development Sdn Bhd, which carried out property development projects at Kuala Lumpur with gross development value of RM23 million in Taman Permata, Melawati and RM66 million in Segambut.

Currently, Datuk Chai is Director in Anzo Holdings Berhad, M3 Technologies (Asia) Berhad and also sits on the board of directors of various other private companies. Datuk is a substantial shareholder of the Company.

#### Time committed:

Datuk Chai has attended all two (2) Board of Directors' Meetings of the Company held after his appointment as an Executive Director in the financial year ended 31 March 2021.

## BOARD OF DIRECTORS' PROFILE

cont'd

### TAY BEN SENG, BENSON

*Executive Director*

*Age 37, Malaysian, Male*

**Date of appointment as Director** : 14 July 2021

**Length of service as director since appointment (as at 30 July 2021)** : 18 days

**Board Committee(s) served on** : Nil

**Academic/Professional Qualification(s)** : Degree in Commerce, Marketing and Management from Curtin University Technology, Perth

**Present Directorship(s) in other Public/Listed Companies** : Focus Dynamics Group Berhad  
Brahim's Holding Berhad  
Saudee Group Berhad

**Family relationship with any Director and/or major shareholder of the companies** : Nil

#### Working experience:

He was appointed as a Director of Marquee International Sdn Bhd, a wholly owned subsidiary of Focus Dynamics Group Berhad (Focus) in 2012. He spearheaded the expansion of Focus and has been instrumental in conceiving and driving the success of the distinctive lifestyle F&B brands of the group. He was then subsequently appointed as the Executive Director of Focus in 2017, in which he is at present, extensively involved in developing the business further in the e-commerce, robotics, healthcare and technology space.

Prior to joining Focus, he has had vast experiences in numerous fields ranging from event management to F&B operations and conceptualising new start-ups. He currently also sits as the Non-Executive Director of Brahim's Holdings Berhad and Executive Director of Saudee Group Berhad.

#### Time committed:

As Mr. Tay was appointed a Director on 14 July 2021, he did not attend any Board of Directors' Meetings of the Company held in the financial year ended 31 March 2021.

## BOARD OF DIRECTORS' PROFILE

cont'd

### ANDY LIEW HOCK SIM

*Independent Non-Executive Director*  
Age 41, Malaysian, Male

<b>Date of appointment as Director</b>	:	12 November 2020
<b>Length of service as director since appointment (as at 30 July 2021)</b>	:	8 ½ months
<b>Board Committee(s) served on</b>	:	<ul style="list-style-type: none"> <li>• Chairman of the Audit Committee</li> <li>• Chairman of the Risk Management Committee</li> <li>• Member of the Remuneration Committee</li> <li>• Member of the Nominating Committee</li> </ul>
<b>Academic/Professional Qualification(s)</b>	:	<ul style="list-style-type: none"> <li>• Member of the Malaysian Institute of Accountants (MIA)</li> <li>• Member of the Certified Practising Accountant (CPA) Australia</li> </ul>
<b>Present Directorship(s) in other Public/Listed Companies</b>	:	XOX Berhad Perak Corporation Berhad Macpie Berhad
<b>Family relationship with any Director and/or major shareholder of the companies</b>	:	Nil

### Working experience:

Mr. Andy Liew is a Chartered Accountant with Malaysian Institute of Accountants (MIA) and member of Certified Practising Accountant (CPA) Australia. He has twenty (20) years of experience in audit, taxation and accountancy with major audit firms from both Malaysia and overseas. He was involved in numerous successful initial public offerings (IPO) in Malaysia, Singapore, Hong Kong and Germany throughout his career.

Mr. Andy Liew started his career with a local audit firm in Malaysia. He then joined KPMG Kuala Lumpur after obtaining his professional qualifications, i.e. MIA and CPA Australia in 2006. In KPMG Kuala Lumpur, he was involved in the audit of multinational corporation (MNC) and public listed companies (PLC). He was also involved in the IPO of a financial services company in the Main Market of Kuala Lumpur Stock Exchange (KLSE).

In 2008, he ventured to China and since then, spent eight (8) years in China. From 2008 to 2012, he worked in KPMG Beijing and actively involved in audit and IPO engagements. In 2012, he joined a China-based manufacturing company in the capacity of Chief Financial Officer (CFO), and listed the company in Frankfurt Stock Exchange in 2014 prior to his return to Malaysia in 2016.

Upon his return to Malaysia, he joined Baker Tilly Malaysia and led a team of forty (40) specialise in IPO engagements and also, actively involved in various corporate exercises, e.g. business restructuring, merger and acquisition (M&A), reverse takeover (RTO), transfer listing, financial due diligence, regularisation plan for PN17 company, fund raising etc.

In 2019, he started his own public practice and assumed the role of Managing Partner.

### Time committed:

Mr. Andy has attended all two (2) Board of Directors' Meetings of the Company held after his appointment as an Independence Non-Executive Director in the financial year ended 31 March 2021.

## BOARD OF DIRECTORS' PROFILE

cont'd

### HOONG YIK MIIN

*Independent Non-Executive Director*

*Age 45, Malaysian, Male*

<b>Date of appointment as Director</b>	:	12 November 2020
<b>Length of service as director since appointment (as at 30 July 2021)</b>	:	8 ½ months
<b>Board Committee(s) served on</b>	:	<ul style="list-style-type: none"> <li>• Chairman of the Remuneration Committee</li> <li>• Member of the Audit Committee</li> <li>• Member of the Nominating Committee</li> <li>• Member of the Risk Management Committee</li> </ul>
<b>Academic/Professional Qualification(s)</b>	:	Bachelor Degree in Commerce (Finance and Marketing) from Curtin College
<b>Present Directorship(s) in other Public/Listed Companies</b>	:	He has no directorship in any other public companies or listed corporations in Malaysia
<b>Family relationship with any Director and/or major shareholder of the companies</b>	:	Nil

### Working experience:

After his graduation, Mr Hoong joined Jazz Laundry Pte. Ltd (based in Shanghai, China) as Assistant General Manager from 2002 to 2004. He then joined Charoen Pokphand (Indonesia, based in Jakarta) as Group Senior Associate responsible for Group Strategic Planning and left the company in February 2005.

After worked oversea a few years, he decided to return to Malaysia and started his banking career till now. He started with Citibank Berhad as Citigold Relationship Manager in March 2005. In February 2006, he decided to explore corporate banking and joined SME Banking, Standard Chartered Bank Malaysia Berhad as Cash Management & Services Manager.

In April 2007, he moved on to join Royal Bank of Scotland (Malaysia) as Head of Sales, Cash, Investment and FX Commercial Banking and was subsequently promoted to Acting Head of Commercial Banking in December 2009 till 2011.

In January 2011 to June 2013, he was with OCBC Bank (Malaysia) Berhad as Head of Transaction Services. In July 2013 to June 2015, He then joined Malaysia Building Society as Head of Branch Network and Deposits (BND).

He subsequently joined United Overseas Bank Berhad (Malaysia) in July 2015 as Head of Sales, Transaction Banking; Senior Vice President, Cash Management holding Commercial Banking/Enterprise Banking country portfolio till today. A total of 16 years in banking industry.

### Time committed:

Mr. Hoong has attended all two (2) Board of Directors' Meetings of the Company held after his appointment as an Independence Non-Executive Director in the financial year ended 31 March 2021.

## BOARD OF DIRECTORS' PROFILE

cont'd

### TANG YEE LING

*Independent Non-Executive Director  
Age 26, Malaysian, Female*

<b>Date of appointment as Director</b>	:	12 November 2020
<b>Length of service as director since appointment (as at 30 July 2021)</b>	:	8 ½ months
<b>Board Committee(s) served on</b>	:	<ul style="list-style-type: none"> <li>• Chairperson of the Nominating Committee</li> <li>• Member of the Risk Management Committee</li> <li>• Member of the Remuneration Committee</li> <li>• Member of the Audit Committee</li> </ul>
<b>Academic/Professional Qualification(s)</b>	:	Bachelor of Science (Hons) Accounting and Finance from Sunway University (Lancaster University)
<b>Present Directorship(s) in other Public/Listed Companies</b>	:	She has no directorship in any other public companies or listed corporations in Malaysia
<b>Family relationship with any Director and/or major shareholder of the companies</b>	:	Nil

#### Working experience:

Ms. Tang started her career as a Vacation Trainee at Pricewaterhousecoopers (PwC) from January 2017 to March 2017. She then joined Fave Asia Technologies (FAVE) as Business Development Executive in October 2017 and held the position of Business Development Senior Manager before she resigned from FAVE in December 2019.

In January 2020, she joined Strands, a fintech company as Business Development Manager for Asia Pacific (APAC) which she still holds to-date.

#### Time committed:

Ms. Tang has attended all two (2) Board of Directors' Meetings of the Company held after her appointment as an Independence Non-Executive Director in the financial year ended 31 March 2021.

## BOARD OF DIRECTORS' PROFILE

cont'd

### DATO' KU CHIN WAH

*Independent Non-Executive Director*

*Age 63, Malaysian, Male*

**Date of appointment as Director** : 12 March 2021

**Length of service as director since appointment (as at 30 July 2021)** : 4 ½ months

**Board Committee(s) served on** : Nil

**Academic/Professional Qualification(s)** : Master in Security and Policy Analysis from Universiti Kebangsaan Malaysia

**Present Directorship(s) in other Public/Listed Companies** : He has no directorship in any other public companies or listed corporations in Malaysia.

**Family relationship with any Director and/or major shareholder of the companies** : Nil

### Working experience:

Dato' Ku Chin Wah started his career with the Royal Malaysia Police Force in 1978 and retired in 2018. During his 40 years tour of duties, he has served in Peninsular Malaysia, Sabah and Sarawak. Amongst the posts held were, Commandant of the Police Training Centre Sarawak; Officer-In-Charge of Police District for Kota Kinabalu, Sabah and Officer-In-Charge of Criminal Investigation, Kuala Lumpur.

### Time committed:

Dato' Ku was appointed a Director on 12 March 2021. As there was no meeting held after his appointment, hence he did not attend any Board of Directors' Meetings of the Company in the financial year ended 31 March 2021.

### Other Information on Directors

- 1) *Other than traffic offences, if any, none of the Directors have any convictions for offences within the past five (5) years nor any public sanction or penalty imposed by any relevant regulatory bodies for the financial year ended 31 March 2021.*
- 2) *None of the Directors have any conflict of interest with the Company.*

## KEY SENIOR MANAGEMENT'S PROFILE

**YAP TECK BENG***Group General Manager**Age 49, Malaysian, Male*

<b>Date of appointment as Group General Manager</b>	:	5 February 1998
<b>Academic/Professional Qualification(s)</b>	:	Member of the Association of Chartered Certified Accountants (ACCA)
<b>Present Directorship(s) in other Public/Listed Companies</b>	:	He has no directorship in any other public companies or listed corporations in Malaysia.
<b>Family relationship with any Director and/or major shareholder of the Company</b>	:	Nil

**Working experience:**

Mr. Yap's career started in 1992 when he joined Paul Chuah & Co as Audit Assistant. In 1996, he left and joined Peter Chong & Co as a Senior Auditor. In 1997, he left and took up the position as Corporate Development Manager with Oversea Group. Subsequently in 1998, he was promoted to the position of Group General Manager. With over twenty-four (24) years with the Group, he has gained a broad range and extensive experience in operating and managing the Group's local and overseas business operations as well as the Group's investment. He is also involved in the planning, executing and monitoring the Group's business strategies as well as overseeing the sales operations.

Mr. Yap is a member of the Investment Committee and Risk Management Committee.

**List of convictions for offences:**

Other than traffic offences, if any, Mr. Yap does not have any convictions for offences within the past five (5) years nor any public sanction or penalty imposed by any relevant regulatory bodies for the financial year ended 31 March 2021.

**Conflict of Interest:**

Nil



## KEY SENIOR MANAGEMENT'S PROFILE

cont'd

### SOH JIN YIAT

*Deputy Group General Manager*

*Age 52, Malaysian, Male*

**Date of appointment as Deputy  
Group General Manager** : 1 November 2006

**Academic/Professional  
Qualification(s)** : Member of the Chartered Institute of Management Accountant (CIMA)

**Present Directorship(s) in other  
Public/Listed Companies** : He has no directorship in any other public companies or listed corporations in Malaysia.

**Family relationship with  
any Director and/or major  
shareholder of the Company** : Nil

### Working experience:

Mr. Soh's career started in 1994, when he joined Paul Chuah & Co as Audit Senior. Subsequently in 1996, he left and joined Bains Harding (M) Sdn. Bhd. as Assistant Cost Consultant. In 1997, he left and took up the position as Finance Manager with Mobility Avenue Sdn Bhd. Between 1998 and 2003, he was with Oversea Group as the Finance Manager. In 2003, he left Oversea Group and re-joined Oversea Group in 2005 as Factory Manager and was subsequently promoted to Deputy Group General Manager in 2006. Currently, he is mainly responsible for the overall management and execution of business plans and strategies and also overseeing the manufacturing operations.

Mr. Soh is a member of the Risk Management Committee.

### List of convictions for offences:

Other than traffic offences, if any, Mr. Soh does not have any convictions for offences within the past five (5) years nor any public sanction or penalty imposed by any relevant regulatory bodies for the financial year ended 31 March 2021.

### Conflict of Interest:

Nil

## KEY SENIOR MANAGEMENT'S PROFILE

cont'd

**LEE FUI MENG**

*Group Finance Manager  
Age 44, Malaysian, Female*

**Date of appointment as Group Finance Manager** : 1 July 2014

**Academic/Professional Qualification(s)** : 

- Bachelor of Business with honours in International Business from Universiti Malaysia Sabah
- Member of the Malaysian Institute of Accountants (MIA)

**Present Directorship(s) in other Public/Listed Companies** : She has no directorship in any other public companies or listed corporations in Malaysia.

**Family relationship with any Director and/or major shareholder of the Company** : Nil

**Working experience:**

Ms. Lee was formerly a Senior Manager, Finance of RHB Investment Bank Berhad from 2011 to 2014. Prior to joining RHB Investment Bank Berhad, she was attached with RCE Capital Berhad, Ernst & Young and Hwa Tai Food Industries (Sabah) Sdn. Bhd. Her working experience covered the areas of hotel, automotive, retailing, property development, construction, manufacturing and trading.

**List of convictions for offences:**

Other than traffic offences, if any, Ms. Lee does not have any convictions for offences within the past five (5) years nor any public sanction or penalty imposed by any relevant regulatory bodies for the financial year ended 31 March 2021.

**Conflict of Interest:**

Nil

## CORPORATE GOVERNANCE OVERVIEW STATEMENT



**“The main thing is to keep the main thing main thing.**

Trust is the glue of life. It is the most essential ingredient in effective communication. It is the foundational principle that holds all relationships. When the trust account is high, communication is easy, instant, and effective.”

*Inspirational quote by Stephen R. Covey, motivational writer*



Drawing the inspiration from Mr. Stephen R. Covey, the Board of Directors (“**the Board**”) of Oversea Enterprise Berhad (“**Oversea**” or “**the Company**”) believe that in order to instill trust amongst its stakeholders, the “**Main Thing**” to do is to adopt a set of good corporate governance practices. The Board is committed to maintain and promote high standards of corporate governance at all times in enhancing business prosperity and corporate accountability with the objective of realising long-term shareholders value, whilst taking into account the interests of other stakeholders.

Setting out below is a statement aims to provide an insight on how the Group applied the principles and the extent of its compliance with the best practice as stipulated in the Malaysian Code on Corporate Governance (“**MCCG**”) under the leadership of the Board. Other than the Directors, all management staff are also reminded that good governance is also part of their responsibilities.

This statement also serves as a compliance with Rule 15.25 of the ACE Market Listing Requirements (“**ACE LR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”).

Detail application for each practice of the MCCG during the financial year ended 31 March 2021 (“**FYE 2021**”) is disclosed in the Company’s Corporate Governance Report which is available on the Company’s website: [www.oversea.com.my](http://www.oversea.com.my).

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

#### I. BOARD RESPONSIBILITIES

##### 1.1 Establishing clear roles and responsibilities of the Board

###### *Duties and Responsibilities of the Board*

The Board is responsible for the business affairs and overall performance of the Company and its subsidiary companies. The Board plays an important role in determining the long term and strategic direction of the Group for the purpose of enhancing shareholders’ value and to ensure long term sustainability of the Group.

Certain responsibilities of the Board are delegated to other Board Committees, which operate within clearly defined Terms of Reference (“**TOR**”). Standing committees of the Board include the Audit Committee (“**AC**”), Nominating Committee (“**NC**”), Remuneration Committee (“**RC**”), Risk Management Committee (“**RMC**”) and Investment Committee (“**IC**”).

Although specific powers are delegated to the Board Committees, the Board keeps itself abreast of the key issues and/or decisions made by each Board Committee through the reports made by Chairman/ Chairperson or representative of each Committee and the tabling of Board Committee Minutes of the applicable period for notation by the Board.

It is the general policy of the Company that all major decisions be considered by the Board as a whole.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

### I. BOARD RESPONSIBILITIES (cont'd)

#### 1.1 Establishing clear roles and responsibilities of the Board (cont'd)

##### ***Duties and Responsibilities of the Board*** (cont'd)

To ensure the effective discharge of its function and duties, the primary duties and responsibilities of the Board include (but are not limited to) the following:-

(i) Review and adopt the Group's strategic plans

The Directors play an active role in formulating, reviewing and adopting the strategic plans for the Group. The Executive Directors and the Key Senior Management team work together to formulate the yearly strategies and plans for the Group for approval by the Directors. The Board monitors the implementation of the strategic initiatives regularly, through reporting progress updates by the Senior Management, to ensure the Group is aligned with its objectives set.

The formulation of the business plans and budget setting for the FYE 2021 commenced three (3) months before the beginning of the financial year. During the process of strategic planning, the Executive Directors met the Key Senior Management team several times to discuss important issues and concerns in order to deliver the best outcomes. Previous year's business performance, economic factors, change in market conditions and government regulations that may affect the performance of the businesses were taken into consideration in formulating the business plans and setting the Group budget.

For the FYE 2021, the Board has discharged the following principal duties and responsibilities on the affairs of the Company and its subsidiary companies:-

(a) Strategic Planning

- Temporary closure of business of Restoran Oversea (Skyplaza GH) Sdn. Bhd due to the travel ban and various Movement Control Orders implemented since March 2020.
- Convert its existing outlet in Skyplaza into 2 restaurants featuring different concept to attract a wider range of target customers.
- The Group intent to set up a seafood restaurant at a location to be identified in Kuala Lumpur.
- The Group plans to set up a banquet hall equipped with banquet kitchen at a location to be identified in Kuala Lumpur.
- The Group intent to upgrade and continuously enhance its website to include online ordering and delivery function
- The Group currently carry out its effort to enhance existing manufacturing production line with automation to improve the efficiency of its production process as well as new product production to expand its sources of revenue.

(ii) Oversee the Group's business operations and financial performance against the approved business plans

The Board has a collective responsibility and accountability in overseeing the businesses of the Group.

The Independent Non-Executive Directors ("INEDs") bring independent judgment and objective views to decisions taken by the Board. The Group Managing Director, on the other hand, is supported by the Executive Directors and the Key Senior Management team for the day-to-day management of the business and operations of the Group by ensuring that effective systems, controls and resources are in place to execute business strategies and plans entrusted to them. The Key Senior Management team highlights to the Executive Directors the significant operational issues and concerns arisen from the normal business operation and the progress of the key initiatives undertaken by them.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

### I. BOARD RESPONSIBILITIES (cont'd)

#### 1.1 Establishing clear roles and responsibilities of the Board (cont'd)

##### *Duties and Responsibilities of the Board* (cont'd)

- (ii) Oversee the Group's business operations and financial performance against the approved business plans (cont'd)

During the FYE 2021, the Executive Directors conducted quarterly Group performance review together with the Key Senior Management team before AC and Board meetings. The Board monitors the performance of Key Senior Management team on a regular basis vide the insertion of the following agenda items in the Board Meetings:-

- "To review the financial performance for the quarterly financial period"; and
- "To receive the Progress Report on the Group for the quarterly financial period".

The Key Senior Management team analysed the financial results and discussed on various operational issues and factors that affected the businesses. Instructions were given by the Board to the Key Senior Management team to take necessary actions to rectify problems faced and preventive actions were taken to avoid recurrence of similar problems in future. Any enquiries/concerns raised by the Board members in relation to the abovementioned agenda items would be clarified by a member of the Key Senior Management Team.

- (iii) Identify principal risks and ensuring the implementation of appropriate internal control system and to manage these risks

The Board recognises the importance of risk management and maintaining a sound and adequate system of internal controls which covers financial, operational and statutory compliance to mitigate risks.

The RMC is led by an Independent Director to assist the Board to oversee the risk management aspects of the Group. The Chairman of the RMC reports to the Board on a periodical basis regarding the Group's risk exposures and the adequacy of compliance and control throughout the Group.

A Steering Committee ("SC") which was set up on 4 November 2016, comprising of the management team from various departments. The SC is responsible to identify the business risks and report to the RMC.

- (iv) Establish and oversee a succession planning programme for Board and senior management of the Group including the remuneration and compensation policy thereof

The Board is mindful that succession planning is an integral part of the business continuity plan of the Company in ensuring the Company continues to achieve its long-term objectives. The Board, through the NC, is responsible for the succession planning of the Directors of the Company and Group. The NC has been entrusted by the Board to identify and assess potential candidates for the position in the Board and Key Senior Management team. The NC seeks to ensure that an appropriate succession planning framework, including the formulation of the nomination, selection and succession policies and procedures for the succession planning are in place.

The NC will continue to perform its duty to identify potential candidates to ensure orderly succession of the position of the Board and Key Senior Management team.

The NC will look into the preparation of the succession planning programme for Board and senior management of the Group.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

### I. BOARD RESPONSIBILITIES (cont'd)

#### 1.1 Establishing clear roles and responsibilities of the Board (cont'd)

##### ***Duties and Responsibilities of the Board*** (cont'd)

- (v) Review the adequacy and integrity of the internal control system and management information of the Group

The Board is committed to establish and maintain an adequate internal control system in all its business functions to provide reasonable assurance of effective and efficient operations, comply with the applicable laws and regulations as well as the internal policies and procedures of the Group.

The AC has been delegated by the Board to review the adequacy and integrity of the Group's internal control systems and management information systems. The AC has in turn entrusted the outsourced Internal Auditors, to carry out such tasks and the same be incorporated as part of the Internal Audit Plan of the year to be adopted. The Internal Auditors are required to report to the AC with their findings and recommendations on the status of the internal control system of the Group on a quarterly basis, and also to report on the status of implementation of previous quarters internal audit reports. The follow up of internal audit reports are done on the half yearly basis.

Details pertaining to the Group's internal control system and its effectiveness are set out in the Statement on Risk Management and Internal Control in this Annual Report.

- (vi) Oversee the development and implementation of various Board policies

The Board had established the following Board policies, serves as a guide to strengthen the governance of the Company:-

- Board Charter;
- Whistle Blowing Policy;
- Internal Audit Charter;
- Shareholder Communication Policy;
- Policies and procedures to assess the suitability, objectivity and independence of External Auditors;
- Related Party Transactions Policy;
- Risk Management Policies and Procedures; and
- Anti-Bribery & Corruption Policy.

The abovementioned policies are to be regularly reviewed by the Board as and when required.

- (vii) Avoiding conflicts of interest and ensuring disclosure of possible conflicts of interest

The Board has instituted Code of Ethics and Conduct by way of inclusion in the Board Charter as a guide for all individual Directors, their personal interests or the interest of any associated person is not allow to conflict with the interests of the Company and report to the Board on any potential conflict.

In addition, all individual Directors shall abstain from making decisions in respect of his own remuneration and re-election.

- (viii) Undertake various functions and responsibilities as specified in the guidelines and directives issued by the regulatory authorities from time to time.

The Board take note of the functions and responsibilities as specified in the regulatory requirements i.e. ACE LR of Bursa Securities and Companies Act 2016 on a regular basis.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

### I. BOARD RESPONSIBILITIES *(cont'd)*

#### 1.1 Establishing clear roles and responsibilities of the Board *(cont'd)*

##### ***Duties and Responsibilities of the Board*** *(cont'd)*

The Board has adopted a formal schedule of matters specifically reserved to the Board for decision-making, which include but not limited to the following:-

- i. Approval of business strategies and plans;
- ii. Approval of Group annual budget;
- iii. Acquisitions and disposals that are material to the business;
- iv. Declaration of interim dividend and make recommendation of final dividend for approval by shareholders, if any;
- v. Material corporate exercise, if any;
- vi. Approval of financial statements;
- vii. Investment in projects, if any;
- viii. Appointment of new Directors, Managing Director and other senior management positions based on recommendation of the NC; and
- ix. Related party transactions.

##### ***Chairman of the Board***

The Board recognises the importance of having a clearly accepted division of power and responsibilities at the head of the Company to ensure a balance of power and authority.

##### *Role of Founder/Chairman of the Board*

Being the founder of the "Oversea Restaurant (海外天)", Mr. Yu Soo Chye @ Yee Soo Chye has become as synonymous as the brand name itself which protrude confidence and good quality of Cantonese cuisine. Therefore, the Board has resolved to maintain Mr. Yu Soo Chye @ Yee Soo Chye as Chairman of the Board to continue in his role as the unofficial "Oversea's brand ambassador" for the essential survival and business continuation of the Group.

The responsibilities of the Chairman, among others, include but not limited to the following:-

- (i) Lead the Board and ensure its effectiveness of all aspects;
- (ii) Preside at Board and shareholders' meetings and ensuring the proceedings thereof comply with good conduct and practices;
- (iii) Facilitate the deliberation and discussion to enable the Board to arrive at clear and quality decisions on issues discussed;
- (iv) Ensure constructive relations between Directors, and between the Board and the management team; and
- (v) Ensure effective communication with shareholders and relevant stakeholders.

##### *Role of Group Managing Director*

With more than fifty (50) years of industry experience under his belt, Mr. Yu Soo Chye @ Yee Soo Chye has extensive experience in the operation and management of food services outlets, the Board has resolved to maintain Mr. Yu Soo Chye @ Yee Soo Chye, the Group Managing Director and Chairman to report to the Board, notwithstanding the non-adherence to the Practice 1.3 of the MCCG but to the essential survival and business continuation of the Group.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

### I. BOARD RESPONSIBILITIES (cont'd)

#### 1.1 Establishing clear roles and responsibilities of the Board (cont'd)

##### **Chairman of the Board** (cont'd)

##### *Role of Group Managing Director* (cont'd)

As the alternate practice, the Board undertakes the following effort to ensure there is a balance of power and authority on the Board:-

- (a) The decision of the Board shall always be agreed upon by at least majority of the Directors present at the Meeting, therefore, no individual Director can dominate the decision-making of the Board.
- (b) A clear division of responsibilities for the role of Chairman of the Board has been outlined in the Board Charter, which are distinct and separate from his roles and responsibilities as Group Managing Director through a separate employment contract.

##### **Qualified Company Secretaries**

The Board is supported by two (2) suitably qualified and competent Company Secretaries as follows:-

- Ms. Ho Mun Yee, ACIS
- Ms. Tam Fong Ying, ACIS

Both the Company Secretaries are members of the Malaysian Institute of Chartered Secretaries and Administrators (“MAICSA”) and are qualified to act as Company Secretary under Section 235(2) of the Companies Act 2016.

The brief profile of the Company Secretaries are as follows:-

##### **Ms. Ho Mun Yee, ACIS**

Ms. Ho has been elected as an Associate Member of the MAICSA since 1992. She has more than thirty (30) years of experience in handling corporate secretarial matters for both public and private companies, including charitable organisations.

Ms. Ho is a Chartered Secretary and Chartered Governance Professional by profession. She is the Managing Director of Esprit Management Services Sdn. Bhd., a corporate secretarial service provider in Malaysia. Ms. Ho is also the named company secretary for public listed companies, public companies and private limited companies.

Ms. Ho has been appointed as company secretary of the Company with effect from 31 August 2019.

##### **Ms. Tam Fong Ying, ACIS**

Ms. Tam has been elected as an Associate Member of the MAICSA since 2000. She has more than twenty (20) years of experience in handling corporate secretarial matters for both public and private companies.

Ms. Tam is a Chartered Secretary and Chartered Governance Professional by profession. She is the Manager of Esprit Management Services Sdn. Bhd., a corporate secretarial service provider in Malaysia. Ms. Tam is also the named company secretary for public listed companies, public companies and private limited companies.

Ms. Tam has been appointed as company secretary of the Company with effect from 31 August 2019.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

### I. BOARD RESPONSIBILITIES *(cont'd)*

#### 1.1 Establishing clear roles and responsibilities of the Board *(cont'd)*

##### **Qualified Company Secretaries** *(cont'd)*

##### **Ms. Tam Fong Ying, ACIS** *(cont'd)*

For the FYE 2021, the Company Secretaries had attended the relevant continuous professional development programmes as required by the Suruhanjaya Syarikat Malaysia (“SSM”) and MAICSA for practising company secretaries. Both the Company Secretaries possessed a valid Practising Certificate issued by SSM and MAICSA.

All Directors have unrestricted access to the advice and support of the Company Secretaries in relation to Board policies and procedures, compliance of applicable rules and regulations by the Group and corporate governance related practices.

The main roles and responsibilities of the Company Secretaries, include but not limited to the following:-

- (a) Co-ordinate with Management on the logistics of all Board and Committee Meetings, attend the Board and Committee Meetings and record the Minutes of the Meetings accordingly.
- (b) Ensure timely communication of the decision of the Board or Committee to be conveyed to the relevant parties and whether any follow-up actions are required.
- (c) Advise the Board on its roles and responsibilities, particularly the additional or changes in obligations arising from the implementation of the new laws and regulations or any amendments thereof.
- (d) Provide advisory assistance to the new Director(s) appointed to the Board.
- (e) Advise the Board on the requirements of corporate disclosures in accordance with the ACE LR for various corporate proposal, as well as compliance with the ACE LR and the Companies Act 2016.
- (f) Ensure that all the proceedings of the general meetings are in order and the general meetings are properly called and convened, record the Minutes of the general meetings, as well as the discussion during the Questions and Answers session.
- (g) Identify the corporate governance initiatives which are applicable to the Group and highlighted the same to the Board for consideration. Monitor the corporate governance practices, by proposing relevant agenda items to be included as recurring meeting agenda.
- (h) Advise the Board on corporate governance related matters.
- (i) Compilation of the results of the assessments for the Board and/or Board Committee’s review.

For the FYE 2021, the Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in discharging its functions.

##### **Access to information and advice**

In ensuring the effective functioning of the Board, all Directors have individual and independent access to the advice and support services of the Company Secretaries, Internal Auditors and External Auditors and, may seek advice from the management on issues under their respective purview.

During the FYE 2021, the Notice of the scheduled Board Meeting is served to the Directors at least seven (7) days prior to the Board Meeting, except in the case of emergency, shorter notice shall be deemed sufficient.

During the FYE 2021, for each meetings, the board/meeting papers detailing the matters to be transacted at the meeting, had been circulated to all Directors at least seven (7) days in advance of the meetings, so that the Directors have ample time to review and consider the relevant information.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

### I. BOARD RESPONSIBILITIES *(cont'd)*

#### 1.1 Establishing clear roles and responsibilities of the Board *(cont'd)*

##### ***Access to information and advice*** *(cont'd)*

All proceedings of the Board meetings were duly minuted and circulated to all Directors for their perusal prior to the confirmation of the minutes by the Chairman as a correct record. The Company Secretaries recorded the proceedings of all meetings including pertinent issues, the substance of inquiries, if any, and responses thereto, members' suggestion and the decision made, as well as the rationale for those decisions. By doing so, the Company Secretaries kept the Board updated on the follow-up actions arising from the Board's decisions and/or requests at subsequent meetings.

The Board is therefore able to perform its fiduciary duties and fulfil its oversight role towards instituting a culture of transparency and accountability in the Company.

##### ***Protocol for seeking of professional advisory services***

Where applicable, the Directors whether as a full board or in their individual capacity, are encouraged to seek independent professional advice from the following parties:-

- For corporate and/or governance matters, the external Company Secretaries;
- For audit and/or audit-related matters, any representatives of the audit engagement team of the External Auditors or the outsourced Internal Auditors;
- For any other specific issues where professional advice is required to enable the Board to discharge its duties in connection with specific matters, the Board may proceed to do so, upon the approval of the Chairman/Group Managing Director, in relation to the quantum of fees to be incurred.

For the FYE 2021, the Board sought advices from the external Company Secretaries. Other than the above, the Board has also sought advices from other independent professionals for the Company's corporate exercises (i.e. the Unconditional Mandatory Take-Over Offer, Proposed Share Split and Proposed Bonus Issue of Warrants).

#### 1.2 Demarcation of responsibility

##### ***Board Charter***

The Board Charter serves as a guide to the Board members of their roles and responsibilities in discharging their duties as Directors. The principles of good corporate governance as set out in the MCCG and ACE LR were taken into consideration during the process of formalising the Board Charter.

The Board Charter is subject to review by the Board as and when necessary to ensure it complies with all applicable laws, rules and regulations of the regulators and remain consistent with the policies and procedures of the Board. The Board Charter was reviewed and approved by the Board on 30 June 2016.

The Board Charter entails the following:

- i. The Board;
- ii. Duties and responsibilities of the Board;
- iii. Schedule of matters specifically reserved to the Board;
- iv. Roles of the Chairman of the board;
- v. Roles of the Chief Executive Officer/Group Managing Director;
- vi. Board Committees;
- vii. Code of ethics and conduct;
- viii. Board meeting;
- ix. Access to information and advice;
- x. Appointment, re-appointment and re-election of Directors;

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

### I. BOARD RESPONSIBILITIES *(cont'd)*

#### 1.2 Demarcation of responsibility *(cont'd)*

##### **Board Charter** *(cont'd)*

The Board Charter entails the following: *(cont'd)*

- xi. Directors' training;
- xii. Directors' remuneration;
- xiii. Board and Board members assessment; and
- xiv. Endorsement and review of the Board Charter.

The Board Charter is to be regularly reviewed by the Board as and when required. As at the date of this Annual Report, the Board Charter has not been reviewed by the Board since its establishment as the Board viewed that the Board Charter is suffice for the Board, Board Committees and the Management to carry out their roles and responsibilities.

A full copy of the Board Charter is available for viewing at the Group's corporate website at [www.oversea.com.my](http://www.oversea.com.my).

#### 1.3 Good business conduct and corporate culture

##### **Code of Ethics and Conduct**

The Directors and the employees of the Group are expected to behave ethically and professionally for or on behalf of the Company to comply with the Code of Ethics and Conduct of the Company.

The Code of Ethics and Conduct for Directors covers, among others, the aspects of the business operations, including compliance with the applicable laws, duties and responsibilities, conflict of interest, confidential information, workplace environment, working behavior, discipline and conduct, use of resources, protecting Company's assets, dealing with external parties and dealings in securities.

The Code of Ethics and Conduct will be communicated to new Director upon his/her appointment. All Directors are required to understand and accept the terms of the Code of Ethics and Conduct and it forms part of the Company's induction programme for newly appointed Directors. The contents of the Code of Ethic and Conduct as set out in the Board Charter are as follow:-

##### **(a) Corporate Governance**

- i. Compliance with legal and regulatory requirements and Board policies at all times;
- ii. Recognise the primary responsibilities to the shareholders as a whole, having regard for the interest for all the stakeholders of the Group and to ensure that the business of the Group is properly managed and effectively controlled;
- iii. Act in the best interest of the Company and its Shareholders with integrity and in good faith, with due diligence and care;
- iv. To be independent in judgement and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions of the Board;
- v. Devote time and effort to attend meetings and to discharge those functions;
- vi. Must not allow personal interests or the interest of any associated person, to conflict with the interests of the Company and report to the Board on any potential conflict;
- vii. Must not take improper advantage and not to make improper use of information of the position as Director;
- viii. Must not use price sensitive non-public information, which can affect the prices of the securities of the Company or make any gain from such information until and unless it becomes publicly known;
- ix. Keep confidential of the board's discussions and deliberations; and
- x. Notify the Chairman before accepting any new directorship outside the Group and limit the directorship in listed issuers.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

### I. BOARD RESPONSIBILITIES (cont'd)

#### 1.3 Good business conduct and corporate culture (cont'd)

##### **Code of Ethics and Conduct** (cont'd)

##### **(b) Relationship with Shareholders, Employees, Customers, Suppliers and Visitors**

- i. Promote professionalism and improve the competency of management and employees at all times; and
- ii. Ensure adequate safety measures and provide proper protection to employees, customers, suppliers and visitors at workplace.

##### **(c) Social Responsibilities**

- i. Ensure the effective use of natural resources and consider the environment impact before disposal of waste;
- ii. Ensure the activities and the operations of the Company do not harm the interest and well-being of the society; and
- iii. Care and proactive to the needs of the community and to assist in society-related programmes.

The Code of Ethics and Conduct as set out in the Board Charter is available for viewing at the Group's corporate website at [www.oversea.com.my](http://www.oversea.com.my).

##### **Whistle Blowing Policy**

The Whistle Blowing Policy is established to provide employees or stakeholders (shareholders, customers and suppliers) with proper internal reporting channels and guidance to raise genuine concerns on any wrongdoing or improper/unlawful conduct, inappropriate behavior or malpractices within the Group or any action that could be harmful to the reputation of the Group or compromise the interests of the shareholders, stakeholders and the public.

##### **(a) Reporting procedure**

Employees of the Group who wish to report concerns for malpractice, illegal act or omission of work by any employee of the Group should be communicated to the immediate superior. If for any reason, it is believed that this is not possible or appropriate to do so, the concern should be reported to the Group General Manager as follows:-

Name : Mr. Yap Teck Beng  
 Email : [tbyap@oversea.com.my](mailto:tbyap@oversea.com.my)  
 Mail : Oversea Enterprise Berhad  
 D-3-1 & D-3A-1, Seri Gembira Avenue,  
 Jalan Senang Ria, Taman Gembira,  
 58200 Kuala Lumpur, Wilayah Persekutuan  
 (Please mark "Strictly Confidential")

In case where reporting to the management is a concern, the report should be made directly to the Chairman of the AC. The channel of reporting is as follows:-

Name : Mr. Andy Liew Hock Sim  
 Email : [andy.liew@hslgroup.com.my](mailto:andy.liew@hslgroup.com.my)  
 Mail : Oversea Enterprise Berhad  
 D-3-1 & D-3A-1, Seri Gembira Avenue,  
 Jalan Senang Ria, Taman Gembira,  
 58200 Kuala Lumpur, Wilayah Persekutuan  
 (Please mark "Strictly Confidential")

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

### I. BOARD RESPONSIBILITIES (cont'd)

#### 1.3 Good business conduct and corporate culture (cont'd)

##### *Whistle Blowing Policy* (cont'd)

##### **(b) Action(s) to be taken upon received the report**

- i. All reports will be investigated promptly by the authorised person receiving the report. If required, he may seek assistance from the legal adviser or the Human Resource Department. He may also co-opt with any other employees from time to time to assist on investigation;
- ii. Upon completion of investigation, the authorised person will prepare and endorse the investigation report and give recommendation to the Audit Committee and Board of Directors for their deliberation. Decision taken by the Board will be implemented immediately; and
- iii. Where possible, proper steps will also be implemented to prevent similar situation arising.

##### **(c) Investigation**

Upon receipt of concerns raised under the Whistle Blowing Policy, investigation shall be carried out as soon as it is practicable. The objectives of conducting investigation are as follows:

- i. To collate information relating to the allegation. This may involve taking steps to protect or preserve documents or materials;
- ii. To consider the information collected and draw conclusions objectively and impartially;
- iii. To maintain procedural fairness in the treatment of witnesses and the person who is the subject of the disclosure; and
- vi. To make recommendations to the relevant approving authority arising from the conclusions drawn concerning remedial or other appropriate actions.

At the conclusion of the investigation, the authorised investigator will submit his findings to the Group General Manager or the Chairman of the AC, as appropriate.

For the FYE 2021, neither the Group General Manager nor the Chairman of the AC has received any report(s) of concern.

A copy of the Whistle Blowing Policy is available for viewing at the Group's corporate website at [www.oversea.com.my](http://www.oversea.com.my).

##### ***Sustainability***

The Group recognises the importance of promoting sustainability in regards to economic, environmental and social. It aims to follow and to promote good sustainability practices and continually integrates them into the Group's decision-making and activities, to avoid, minimise or mitigate adverse environmental, social or economic impacts of all our activities and to encourage our clients and business partners to do the same.

In upholding the commitment to sustainability, the Company is desirous to establish a Sustainability Policy with the guiding principles as follows:

- i. To consider sustainability issues and integrate these considerations into all our business decisions, taking into consideration the economic, environmental and social aspects;
- ii. To ensure that potential adverse impacts and risks are assessed and avoided, or where avoidance is not possible, minimized, mitigated and managed;
- iii. Caring for the environment and promoting a culture of sustainability. Endeavour to remain environmentally friendly, avoid environmental contamination from its production effluents, efficient use and conservation of energy and resources and minimisation of waste;

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

### I. BOARD RESPONSIBILITIES *(cont'd)*

#### 1.3 Good business conduct and corporate culture *(cont'd)*

##### **Sustainability** *(cont'd)*

In upholding the commitment to sustainability, the Company is desirous to establish a Sustainability Policy with the guiding principles as follows: *(cont'd)*

- iv. Create awareness of sustainability among the employees, business associates and the community;
- v. Create a motivated, skilled and effective workforce through which organizational goals can be achieved by providing various training programs to staffs to boost their career growth;
- vi. To contribute to the society by participating in community or charity activities;
- vii. To observe and comply with all applicable legislation, regulations and practices; and
- viii. To maintain and promote high standards of corporate governance at all times.

### II. BOARD COMPOSITION

#### **Size and Composition of the Board**

For the FYE 2021, the Board comprises eight (8) members, four (4) of whom are INEDs and is in compliance with the Rule 15.02(1) of the ACE LR, three (3) Executive Directors and one (1) Chairman/Group Managing Director. Subsequent to the FYE 2021, the Board had on 14 July 2021 appointed an Executive Director. As at the date of this report, the Board comprises of nine (9) members, four (4) of whom are INEDs and five (5) Executive Directors, including the Chairman/Group Managing Director.

The roles of the Independent Directors are particularly important in ensuring that the strategies proposed by the Executive Directors and Management are deliberated on and have taken into account the interest, not only of the Company, but also that of the shareholders, employees, customers, suppliers and the community.

The Board took note of the requirement of Practice 5.2 of the MCCG which requires at least half (1/2) of the Board comprises Independent Directors, nonetheless, the Board is of the view that the current composition of the Board facilitates effective decision making and independent judgement where no individual shall dominate the Board's decision making.

The composition of the Board provides an effective blend of entrepreneurship, business and professional expertise in general management, finance, corporate affairs, legal and technical areas of the industry in which the Group operates. The individuality and vast experience of the Directors in arriving at collective decisions at board level will ensure impartiality.

As the alternate practice, the Board undertakes the decision of the Board shall always be agreed upon by at least majority of the Independent Directors present at the Meeting, therefore, no individual Director can dominate the decision-making of the Board.

#### **Tenure of Independent Directors**

It should be highlighted that the Company specialised in the provision of traditional and authentic Cantonese cuisine as well as various Hong Kong-styled cuisines. The ability to retain its key talent, which includes, inter alia, the Independent Directors with an intrinsic understanding of Cantonese culture as well as food and beverages trend remain one of the key success factors as well as sustainability of the Group.

The Board subscribes to an open policy on the tenure of INEDs whereby there should not be an arbitrary tenure be imposed on the INEDs. The Board believes that the length of tenure of Independent Directors on the Board does not interfere with their objective and independent judgement or their ability to act in the best interest of the Company. In addition, the Board will take into consideration of the existing board composition viz-a-viz the commercial interest/benefits of the Company.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

#### II. BOARD COMPOSITION (cont'd)

##### *Tenure of Independent Directors (cont'd)*

The Board takes cognisance that Practice 5.3 of MCCG recommends that the tenure of an independent director should not exceed a term limit of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the Board as a non-independent director. In the event such director is to be retained as an independent director, the Board would first justify and seek annual shareholders' approval through a two-tier voting process. As at the date of this report, none of the independent directors is currently serving beyond nine (9) years.

##### *Procedures for Appointment of Directors and Senior Management*

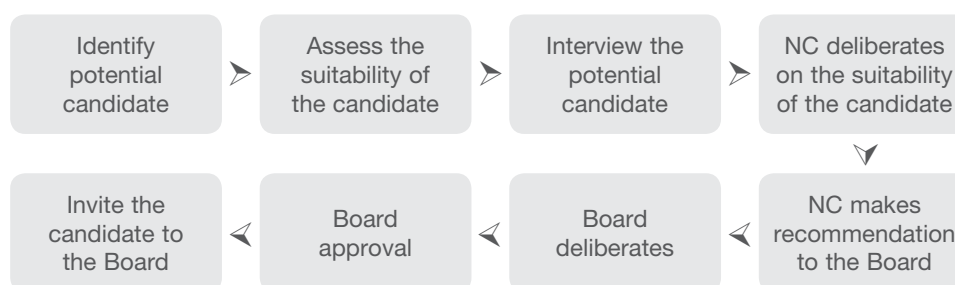
The NC is entrusted to develop the policies and procedures in formalising the approach in the recruitment process and annual assessment of Directors, which serve as guides for the NC in discharging its duties in the aspects of nomination, evaluation, selection and appointment process of new Directors.

##### Appointment of Directors

In recommending to the Board of any appointment of Director, the NC considers the criteria, namely the composition requirements for the Board, skills, knowledge, expertise, experience, professionalism, integrity, capability, time commitment, character, competence, age, cultural background, gender and such other relevant criteria of the proposed candidate.

The NC will assess the independence of the candidate in the case of appointment of an Independent Non-Executive Director.

The process for the recruitment of new Director is summarised as follows:



The NC is responsible to identify and select potential new Directors and to make recommendations to the Board for the appointment of Directors.

During FYE 2021, the Board has appointed four (4) INEDs and one (1) Executive Director.

In the event that candidate is required for the appointment of Director, the NC would use variety of approaches and sources to ensure that it identifies the most suitable candidates and will not limit themselves by solely rely on the recommendations from existing Board members, management or major shareholders.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

### II. BOARD COMPOSITION (cont'd)

#### *Procedures for Appointment of Directors and Senior Management (cont'd)*

##### **Re-election of Directors**

In accordance with Clause 21.6 of the Company's Constitution, one-third (1/3) of the Directors for the time being, or the number nearest to one-third (1/3) shall retire from office at each AGM provided always that all Directors shall retire from office at least once every three (3) years in compliance with the Rule 7.26(2) of ACE LR of Bursa Securities.

For the FYE 2021, Mr. Yu Tack Tein and Ms. Chui Mee Chuen were due for retirement and both of them did not seek for re-election at the Twenty-Fifth AGM held on 28 September 2020.

At the forthcoming Twenty-Sixth AGM, Mr. Khong Yik Kam will be retiring by rotation in accordance to Clause 21.6 of the Company's Constitution and being eligible offered himself for re-election.

The following Directors are due for retirement in accordance to Clause 21.10 of the Company's Constitution and being eligible offered themselves for re-election at the forthcoming Twenty-Sixth AGM :

- (a) Datuk Chai Woon Chet;
- (b) Mr. Andy Liew Hock Sim;
- (c) Mr. Hoong Yik Miin;
- (d) Ms. Tang Yee Ling;
- (e) Dato' Ku Chin Wah; and
- (f) Mr. Tay Ben Seng, Benson.

In determining the Director's eligibility for re-election, the NC conducted the following assessments:

- (i) Formal review of the performance of the retiring Directors, taking into account the results of the latest Board Effectiveness Evaluation, the time commitment to discharge their roles, the level of contribution to the Board through their skills, experience and strength in qualities; and
- (ii) Ability to act in the best interest of the Company in decision-making.

Upon review, the NC were satisfied with the performance of the abovementioned Directors, and recommended their re-election to the Board for approval. The Board has in turn, recommended the same to be considered by the shareholders at the forthcoming Twenty-Sixth AGM of the Company.

##### **Appointments to Board Committees**

The review is conducted on an annual basis, and as and when the need arises, such as when a new Director is appointed. In determining the candidates for appointment to the Board Committees, various factors are considered by the NC, including but not limited to the following factors:

- the needs of the particular Board Committees;
- the results of the Board Effectiveness Evaluation for the Board Committees;
- time commitment and availability;
- regulatory requirements; and
- best practices or governance practices.

##### **Appointments to Senior Management**

The Human Resources Department is responsible for selection and appointment of candidates for senior management position based on selection criteria which best matches the requirements of the open position. The selection criteria include (but not limited to) diversity in skills, experience, age, cultural background and gender.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

#### II. BOARD COMPOSITION (cont'd)

##### *Boardroom Diversity*

The NC recognises and embraces the importance of having a diverse Board that will benefit from a diverse mix of knowledge and experience, background, expertise, age, gender, ethnicity and other qualities in its composition. It is an essential element in maintaining competitive advantage by having diverse Board members to leverage different perspectives to various issues raised and help in decision making, which will contribute to the sustainable development of the Company. The NC will take into consideration the benefits of diversity in sourcing and selecting new Board members as well as in conducting annual assessment of Board and Board Committee members.

Despite the Board not having a formal Board Diversity Policy, the Board has indicated its commitment to boardroom diversity as follows:

##### *Gender Diversity*

For the FYE 2021, the Board comprises one (1) female Director, equivalent to 11% women representation on the Board.

The Board affirmed that gender diversity shall be one of the criteria to be considered by the NC during the evaluation process on potential candidate(s) for Board's membership to fill the above vacancy.

##### *Ethnicity Diversity*

The NC does not set any target on ethnicity diversity but endeavour to include any member who will improve the Board's overall composition balance.

##### *Age Diversity*

The Board believes that the Directors with diverse age profile will be able to provide a different perspective and bring vibrancy to the Group's strategy making process.

The age profile of the Directors were ranging from twenties to seventies years of age, which underlies the Board's commitment to age diversity at the Board level appointment.

##### **Board Committee**

##### **AC**

The AC was set up on 6 November 2009 with current TOR revised on 23 February 2018.

The memberships of the AC are stated in the AC Report of this Annual Report. A summary of works of the AC to discharge their duties during the FYE 2021 is set out in the AC Report of this Annual Report.

A copy of the TOR of the AC is available for viewing at the Group's corporate website at [www.oversea.com.my](http://www.oversea.com.my).

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

### II. BOARD COMPOSITION (cont'd)

#### **Board Committee** (cont'd)

#### **NC**

The NC was set up on 17 May 2010 with current TOR revised on 30 June 2016. The NC comprises exclusively of INEDs as follows:

NC	Designation	Directorate
Ms. Tang Yee Ling (Appointed w.e.f. 12.11.2020)	Chairperson	Independent Non-Executive Director
Mr. Andy Liew Hock Sim (Appointed w.e.f. 12.11.2020)	Member	Independent Non-Executive Director
Mr. Hoong Yik Miin (Appointed w.e.f. 12.11.2020)	Member	Independent Non-Executive Director
Ms. Chui Mee Chuen (Resigned w.e.f. 28.09.2020)	Chairperson	Independent Non-Executive Director
Mr. Koong Lin Loong (Resigned w.e.f. 28.09.2020)	Member	Independent Non-Executive Director
Mr. Chiam Soon Hock (Resigned w.e.f. 28.09.2020)	Member	Independent Non-Executive Director

The Chairperson of the NC, Ms. Tang Yee Ling is an Independent Non-Executive Director of the Company. The NC is governed by the TOR of the NC which outlines its remit, duties and responsibilities. The principal duties and responsibilities of the NC are as defined in the TOR, including but not limited to the following:

- i. To propose nominees for appointment to the Board and Board Committees as additional member or filling up vacancy. The NC should consider the candidates' skills, knowledge, expertise, experience, professionalism, integrity, time commitment, character, competence and number of directorships in companies outside the Group, and in the case of candidates for the position of Independent Non-Executive Director, the NC should ensure the candidate meets the requirements as an Independent Non-Executive Director;
- ii. To oversee the overall composition of the Board and Board Committees in terms of the structure, size and composition;
- iii. To assist the Board in carrying out annual assessment on the effectiveness of the Board and Board Committees and the performance of each Director;
- iv. To carry out annual assessment on the independence of the Independent Directors;
- v. To assess on an annual basis the tenure of an Independent Director, to ensure it does not exceed a cumulative term of nine (9) years;
- vi. To make recommendation to the Board concerning the re-election of any Director under the retirement by rotation; and
- vii. To identify and assess potential candidates for the position of the Board and key management, to ensure that an appropriate succession planning framework is in place.

A copy of the TOR of the NC is available for viewing at the Group's corporate website at [www.oversea.com.my](http://www.oversea.com.my).

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

### II. BOARD COMPOSITION *(cont'd)*

#### **Board Committee** *(cont'd)*

#### **NC** *(cont'd)*

##### **(a) Summary of Works**

Pursuant to Rule 15.08A(3) of ACE LR of Bursa Securities, the summary of activities of the NC during the FYE 2021 were disclosed as follows:

- i. Reviewed and confirmed the minutes of the NC Meeting held in financial year ended 31 March 2020;
- ii. Carried out annual assessment on the effectiveness of the Board, the contribution of each Director and the Board committees;
- iii. Reviewed the term of office and performance of AC for the financial year ended 31 March 2020;
- iv. Reviewed the assessment of the independency of the INEDs;
- v. Reviewed and recommended the retention of INEDs who served the Board for more than nine (9) years;
- vi. Reviewed and recommended the re-election of Directors who were retiring by rotation;
- vii. Reviewed the attendance of the Directors at Board and/or Board Committee Meetings for the financial year ended 31 March 2020;
- viii. Reviewed the training programmes attended by the Directors for the financial year ended 31 March 2020 and the training needs of the Directors for the FYE 2021.
- ix. Carried out necessary evaluation before appointing Dato' Ku Chin Wah as an Independent Non-Executive Director.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

### II. BOARD COMPOSITION (cont'd)

#### Board Committee (cont'd)

#### NC (cont'd)

#### (b) Time Commitment by Directors

The NC has been tasked to review the attendance of the Directors at Board and/or Board Committee Meetings. Upon review, the NC noted the Board members have devoted sufficient time and effort to attend Board and/or Board Committee meetings for the FYE 2021.

Details of attendance of each Director in respect of the Board and Board Committees meetings held during the FYE 2021 are as follows:

#### Board of Directors' Meeting

No.	Name of Directors	No. of Board Meetings attended	% of Attendance
1.	Yu Soo Chye @ Yee Soo Chye	7/8	87.5%
2.	Khong Yik Kam	7/8	87.5%
3.	Lee Seng Fan	7/8	87.5%
4.	Datuk Chai Woon Chet (Appointed w.e.f. 07.10.2020)	2/2	100%
5.	Andy Liew Hock Sim (Appointed w.e.f. 12.11.2020)	2/2	100%
6.	Hoong Yik Miin (Appointed w.e.f. 12.11.2020)	2/2	100%
7.	Tang Yee Ling (Appointed w.e.f. 12.11.2020)	2/2	100%
8.	Dato' Ku Chin Wah (Appointed w.e.f. 12.03.2021)	N/A	N/A
9.	Tay Ben Seng, Benson (Appointed w.e.f. 14.07.2021)	N/A	N/A
10.	Yu Tack Tein (Retired w.e.f. 28.09.2020)	6/6	100%
11.	Koong Lin Loong (Resigned w.e.f. 28.09.2020)	6/6	100%
12.	Chiam Soon Hock (Resigned w.e.f. 28.09.2020)	6/6	100%
13.	Chui Mee Chuen (Retired w.e.f. 28.09.2020)	4/6	66%

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

### II. BOARD COMPOSITION (cont'd)

#### Board Committee (cont'd)

#### NC (cont'd)

#### (b) Time Commitment by Directors (cont'd)

#### NC

No.	Name of Directors	No. of NC Meetings attended	% of Attendance
1.	Tang Yee Ling (Appointed w.e.f. 12.11.2020)	N/A	N/A
2.	Andy Liew Hock Sim (Appointed w.e.f. 12.11.2020)	N/A	N/A
3.	Hoong Yik Miin (Appointed w.e.f. 12.11.2020)	N/A	N/A
4.	Chui Mee Chuen (Resigned w.e.f. 28.09.2020)	1/1	100%
5.	Koong Lin Loong (Resigned w.e.f. 28.09.2020)	1/1	100%
6.	Chiam Soon Hock (Resigned w.e.f. 28.09.2020)	1/1	100%

#### RC

No.	Name of Directors	No. of RC Meetings attended	% of Attendance
1.	Hoong Yik Miin (Appointed w.e.f. 12.11.2020)	N/A	N/A
2.	Andy Liew Hock Sim (Appointed w.e.f. 12.11.2020)	N/A	N/A
3.	Tang Yee Ling (Appointed w.e.f. 12.11.2020)	N/A	N/A
4.	Chiam Soon Hock (Resigned w.e.f. 28.09.2020)	1/1	100%
5.	Chui Mee Chuen (Resigned w.e.f. 28.09.2020)	1/1	100%
6.	Koong Lin Loong (Resigned w.e.f. 28.09.2020)	1/1	100%
7.	Yu Soo Chye @ Yee Soo Chye (Resigned w.e.f. 22.01.2021)	0/1	0%
8.	Datuk Chai Woon Chet (Appointed w.e.f. 12.11.2020 & Resigned w.e.f. 22.01.2021)	N/A	N/A

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

### II. BOARD COMPOSITION *(cont'd)*

#### **Board Committee** *(cont'd)*

#### **NC** *(cont'd)*

#### **(b) Time Commitment by Directors** *(cont'd)*

##### **AC**

The attendance of the AC Meetings held during FYE 2021 is stated in the AC Report in this Annual Report.

Upon review, the NC noted that the Directors, to the best of their ability, have devoted sufficient time and effort to attend Board and/or Board Committee Meetings for the FYE 2021.

#### **(c) Continuing Education and Training of Directors**

The Board acknowledges the importance of continuous education and training to equip themselves for the effective discharge of its duties.

The Board has cultivated the following best practices:

- (a) All newly appointed Directors are required to attend the Mandatory Accreditation Training Programme (MAP) as prescribed by Bursa Securities within the stipulated timeframe;
- (b) All Directors are encouraged to attend talks, training programmes and seminars to update their knowledge on the latest regulatory and business environment;
- (c) The Directors may be requested to attend additional training courses according to their individual needs as Directors/Board Committee members on which they serve; and
- (d) The Directors are briefed by the Company Secretaries on the letters issued by Bursa Securities at the Board Meeting.

All Directors have attended the MAP prescribed by Bursa Securities.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

### II. BOARD COMPOSITION (cont'd)

#### Board Committee (cont'd)

#### NC (cont'd)

#### (c) Continuing Education and Training of Directors (cont'd)

Upon assessing the training needs of the Directors, the Board recognised that continuing education would be the way forward in ensuring its members are continually equipped with the necessary skills and knowledge to meet the challenges ahead. FYE 2021, the Board has participated in the following continuing education programmes:

No.	Name of Directors	Training/Courses Attended
1.	Yu Soo Chye @ Yee Soo Chye	<ul style="list-style-type: none"> <li>Briefing by the Company Secretaries on the amendments to the ACE LR of Bursa Securities</li> </ul>
2.	Lee Seng Fan	<ul style="list-style-type: none"> <li>Briefing by the Company Secretaries on the amendments to the ACE LR of Bursa Securities</li> </ul>
3.	Khong Yik Kam	<ul style="list-style-type: none"> <li>Briefing by the Company Secretaries on the amendments to the ACE LR of Bursa Securities</li> </ul>
4.	Yu Tack Tein	<ul style="list-style-type: none"> <li>Briefing by the Company Secretaries on the amendments to the ACE LR of Bursa Securities</li> </ul>
5.	Koong Lin Loong	<ul style="list-style-type: none"> <li>Briefing by the Company Secretaries on the amendments to the ACE LR of Bursa Securities</li> <li>MIA Webinar Series : Technical Update on IFRS (MFRS) 2020 National Indirect Tax Conference 2020</li> </ul>
6.	Chiam Soon Hock	<ul style="list-style-type: none"> <li>Briefing by the Company Secretaries on the amendments to the ACE LR of Bursa Securities</li> </ul>
7.	Chui Mee Chuen	<ul style="list-style-type: none"> <li>Briefing by the Company Secretaries on the amendments to the ACE LR of Bursa Securities</li> </ul>
8.	Andy Liew Hock Sim	<ul style="list-style-type: none"> <li>Briefing by the Company Secretaries on the amendments to the ACE LR of Bursa Securities</li> <li>Accounting for Impairment – Online</li> <li>MIA Webinar Series: Fraud and the Auditor's Responsibilities – Incorporating ISAs 240, 315, 450, 550 and 580 and selected case studies</li> </ul>
9.	Hoong Yik Miin	<ul style="list-style-type: none"> <li>Briefing by the Company Secretaries on the amendments to the ACE LR of Bursa Securities</li> <li>Mandatory Accreditation Program (MAP)</li> <li>Malaysian Perspective – Anti-Bribery &amp; Corruption Awareness</li> <li>Operational Risk Management Begins With Me</li> </ul>
10.	Tang Yee Ling	<ul style="list-style-type: none"> <li>Briefing by the Company Secretaries on the amendments to the ACE LR of Bursa Securities</li> <li>Mandatory Accreditation Program (MAP)</li> <li>CRIF: Cyber Security &amp; Smart Working</li> </ul>
11.	Datuk Chai Woon Chet	<ul style="list-style-type: none"> <li>Briefing by the Company Secretaries on the amendments to the ACE LR of Bursa Securities</li> </ul>
12.	Tay Ben Seng, Benson	<ul style="list-style-type: none"> <li>Briefing by the Company Secretaries on the amendments to the ACE LR of Bursa Securities</li> </ul>
13.	Dato' Ku Chin Wah	<ul style="list-style-type: none"> <li>Briefing by the Company Secretaries on the amendments to the ACE LR of Bursa Securities</li> </ul>

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

### II. BOARD COMPOSITION (cont'd)

#### **Board Committee** (cont'd)

#### **NC** (cont'd)

#### (c) Continuing Education and Training of Directors (cont'd)

In addition, the Company Secretaries and External Auditors update the Board on a regular basis the respective changes and amendments to regulatory requirements and laws and accounting standards to help Directors keep abreast of such developments.

Upon review, the Board concluded that the Directors' Trainings for the FYE 2021 were adequate.

#### 2022 Directors' Training

In recognising the need to keep abreast with the fast changing business and regulatory environment, the Board has encouraged its members to attend at least one (1) continuing education programme, whereby it should be in relation to the ACE LR of Bursa Securities, Companies Act 2016 or corporate governance of a listed corporation.

#### **RC**

The RC was set up on 19 August 2011 with current TOR revised on 30 June 2016. The RC comprises three (3) Non-Executive Director and the composition of the RC is as follows:

RC	Designation	Directorate
Hoong Yik Miin	Chairman	Independent Non-Executive Director
Andy Liew Hock Sim	Member	Independent Non-Executive Director
Tang Yee Ling	Member	Independent Non-Executive Director
Chiam Soon Hock (Resigned w.e.f. 28.09.2020)	Chairman	Independent Non-Executive Director
Chui Mee Chuen (Resigned w.e.f. 28.09.2020)	Member	Independent Non-Executive Director
Yu Soo Chye @ Yee Soo Chye (Resigned w.e.f. 21.01.2021)	Member	Chairman/Group Managing Director
Datuk Chai Woon Chet (Appointed w.e.f. 12.11.2020 & Resigned w.e.f. 21.01.2021)	Member	Executive Director

The RC is governed by the TOR of the RC which outlines its remit, duties and responsibilities. The principal duties and responsibilities of the RC are as defined in the TOR, including but not limited to the following:

- i. To ensure that remuneration for Directors is set at a competitive level to recruit, attract, retain and motivate high calibre individuals;
- ii. To recommend to the Board the remuneration packages for the Executive Directors and to review and assess the remuneration packages of the Executive Directors in all forms, with or without other independent professional advice or other outside advice to reflect the Board's responsibilities, expertise and complexity of the Company's activities;
- iii. To determine and agree with the Board an appropriate performance framework, assessing Directors' performance against targets and determine resultant annual remuneration levels;
- iv. To determine the policy for and scope of service agreements for Directors, termination payment and compensation commitments;



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

#### II. BOARD COMPOSITION (cont'd)

##### **Board Committee** (cont'd)

##### **RC** (cont'd)

The RC is governed by the TOR of the RC which outlines its remit, duties and responsibilities. The principal duties and responsibilities of the RC are as defined in the TOR, including but not limited to the following: (cont'd)

- v. To determine and recommend to the Board any performance related pay schemes for the Executive Directors and/or any other persons as the RC is designated to consider by the Board; and
- vi. Review and recommend to the Board a formal and transparent remuneration policy and framework for Non-Executive Directors.

A copy of the TOR of the RC is available for viewing at the Group's corporate website at [www.oversea.com.my](http://www.oversea.com.my).

##### **(a) Summary of Works**

The following works were undertaken by the RC during the FYE 2021:

- i. Reviewed and confirmed the minutes of the RC Meeting held in financial year ended 31 March 2020;
- ii. Deliberated on the remuneration packages of the Executive Directors of the Company for the financial year ending 31 March 2021 and recommended the same to the Board for approval;
- iii. Reviewed the Directors' fees payable to the Directors of the Company for the financial year ended 31 March 2020 and recommended the same to the Board of Directors for approval;
- iv. Reviewed the benefits payable to the Directors of the Company for the period from Twenty-Fifth AGM until the next AGM of the Company in year 2021 pursuant to Section 230(1)(b) of the Companies Act 2016 and recommended the same to the Board of Directors for approval; and
- v. Reviewed the remuneration package for senior management for the financial year ended 31 March 2021.

##### **RMC**

The RMC was set up on 19 August 2011 with current TOR revised on 20 February 2017.

The memberships of the RMC are stated in the corporate information of this Annual Report. The RMC is governed by the TOR of the RMC which outlines its remit, duties and responsibilities. The principal duties and responsibilities of the RMC are as defined in the TOR.

A copy of the TOR of the RMC is available for viewing at the Group's corporate website at [www.oversea.com.my](http://www.oversea.com.my).

During FYE 2021, one (1) RMC meeting was held together with the members of SC. The activities carried out by the RMC were as follows:

- (i) Reviewed the report from the SC's Chairman on the departmental Risk Determination, Risk Assessment and Risk Recommendations;
- (ii) Reviewed the terms of reference of Risk Management/Steering Committee composition; and
- (iii) Discussed on the draft Risk Management Policies and Procedures.

On 6 August 2021, a RMC meeting was held together with the members of SC to discuss about the following:

- (i) Understand from the SC on the history of the Group risk assessment activities;
- (ii) Updating on the risk assessment report; and
- (iii) the need to emphasise on the cashflow impact arises from Covid-19 pandemic.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

### II. BOARD COMPOSITION (cont'd)

#### **Board Committee** (cont'd)

#### **IC**

The Investment Committee was set up on 17 May 2010 with current TOR revised on 23 February 2018.

The composition of the Investment Committee is as follows:

IC	Position	Office Designation
Yu Soo Chye @ Yee Soo Chye	Chairman	Group Managing Director
Yu Tack Tein	Member	Director of subsidiary
Yu Suat Yin	Member	Vice President, Group Operation
Yap Teck Beng	Member	Group General Manager

The Investment Committee is governed by the TOR of the Investment Committee which outlines its remit, duties and responsibilities. The principal duties and responsibilities of the Investment Committee are as defined in the TOR.

A copy of the TOR of the Investment Committee is available for viewing at the Group's corporate website at [www.oversea.com.my](http://www.oversea.com.my).

During the FYE 2021, two (2) Investment Committee meetings were held. The activities carried out by the Investment Committee were as follows:

- i. Reported the closure of Restoran Oversea Hong Kong Dim Sum Sdn. Bhd. which operate a dim sum and steamboat outlet at Jalan Imbi, Kuala Lumpur;
- ii. Reviewed the performance of the restaurant in Genting Highlands, Pahang Darul Makmur;
- iii. Review the performance of the restaurant in Lockchart Road, Hong Kong;
- iv. Reported the disposal of the entire shareholding in Santaisan Sdn. Bhd.;
- v. Discussed about the performance of the associate company in KLIA 2, which is run by Santai Gateway Sdn. Bhd.; and
- vi. Discussed about the performance of the associate company in Genting Premium Outlet, which is run by Santai GPO Sdn. Bhd..

#### **Annual Assessment on effectiveness of Board and Individual Directors**

Assessments of the effectiveness of the Directors, the Board as a whole and the Board Committees are being carried out annually. The objective is to improve the Board's effectiveness by identifying gaps, maximise strengths and address weaknesses. The Chairman of the Board oversees the overall evaluation process and responses are analysed by the NC, before being tabled and discussed at Board meeting.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

### II. BOARD COMPOSITION (cont'd)

#### *Annual Assessment on effectiveness of Board and Individual Directors (cont'd)*

FYE 2021, the Board through the NC conducted the following annual assessments:

<b>Evaluation</b>	<b>Assessment criteria</b>
Individual Directors	<ul style="list-style-type: none"> <li>• Fit and proper;</li> <li>• Contribution and performance; and</li> <li>• caliber and personality.</li> </ul>
Board and Board Committee	<ul style="list-style-type: none"> <li>• Board mix and composition;</li> <li>• Quality of information and decision making;</li> <li>• Boardroom activities; and</li> <li>• Board Committees' Performance.</li> </ul>
Audit Committee	<ul style="list-style-type: none"> <li>• Quality and composition;</li> <li>• Skills and Competencies;</li> <li>• Meeting Administration and Conduct; and</li> <li>• Duties and Responsibilities.</li> </ul>

Based on the assessments conducted for the FYE 2021, the NC was satisfied with the performance of the Board as a whole, the Board Committees and each individual Director.

#### *Annual Assessment on Independence of Directors*

The Board recognises that it is important to assess the independence of its Independent Directors. An "Independent Director" must satisfy the definition of "independent director" set out in Rule 1.01 and Guidance Note 9 of the ACE LR of Bursa Securities.

The Board has conducted annual assessment on its Independent Directors through the assistance of the NC. The Board has put in place proper policies and procedures to ensure effectiveness of the INEDs on the Board.

For the FYE 2021, the NC has received assurance from the following INEDs vide their Letters of Declaration, confirming their independence and have undertaken to inform the Company immediately should there be any change which could interfere with the exercise of their independent judgement or ability to act in the best interest of the Company:-

- Mr. Andy Liew Hock Sim
- Mr. Hoong Yik Miin
- Ms. Tang Yee Ling
- Dato' Ku Chin Wah

Based on the outcome of the abovementioned assessment conducted by the NC, the Board is satisfied with the level of independence demonstrated by the INEDs and their ability to act in the best interest of the Company for the FYE 2021.

The Board considers that its Independent Directors provide an objective and independent views on various issues dealt with at the Board and Board Committees level. All INEDs are independent of management and free from any relationship. The Board is of the view that the current composition of Independent Directors fairly reflects the interest of minority shareholder in the Company through the Board representation.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

#### III. REMUNERATION

##### *Directors and Senior Managements' Remuneration Policy and Procedures*

The Board had on 1 July 2019 adopted a Directors and Senior Management's Remuneration Policy and Procedures to set out the criteria for remunerating its Directors and/or Senior Management.

The objective of the Directors and Senior Management's Remuneration Policy and Procedures are as follows:

- Determine the level of remuneration package of Directors and senior management;
- Attract, develop and retain high performing and motivated Directors and senior management with a competitive remuneration package;
- Provide a remuneration such that the Directors and senior management are paid a remuneration commensurate with the responsibilities of their position; and
- Encourage value creation for the Company and its stakeholders.

The RC, when recommending the remuneration package of the Directors and Senior Management, shall be guided by the main components and procedures provided in the Directors and Senior Management's Remuneration Policy and Procedures.

The Directors and Senior Management's Remuneration Policy and Procedures is to be regularly reviewed by the Board, as and when required.

A copy of the Directors and Senior Management's Remuneration Policy is available for viewing at the Group's corporate website at [www.oversea.com.my](http://www.oversea.com.my).

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

### III. REMUNERATION (cont'd)

#### 3.1 Remuneration of Directors

For the FYE 2021, the aggregate remuneration received/receivable by the Directors of the Company from the Company and the Group categorised into appropriate components are as follows:

##### *Received from the Company*

Directors' Remuneration	Fees* (RM'000)	Salaries and Other emoluments (RM'000)	Bonus (RM'000)	Benefits- in-kind (RM'000)	Others (RM'000)	Total (RM'000)
<b>Executive Directors</b>						
Yu Soo Chye @ Yee Soo Chye	-	-	-	-	-	-
Lee Seng Fan	-	-	-	-	-	-
Khong Yik Kam	-	-	-	-	-	-
Datuk Chai Woon Chet (Appointed w.e.f. 07.10.2020)	-	-	-	-	-	-
Yu Tack Tein (Retired w.e.f. 28.09.2020)	-	-	-	-	-	-
Tay Ben Seng, Benson (Appointed w.e.f. 14.07.2021)	-	-	-	-	-	-
<b>Non-Executive Directors</b>						
Andy Liew Hock Sim (Appointed w.e.f. 12.11.2020)	-	-	-	-	-	-
Hoong Yik Miin (Appointed w.e.f. 12.11.2020)	-	-	-	-	-	-
Tang Yee Ling (Appointed w.e.f. 12.11.2020)	-	-	-	-	-	-
Dato' Ku Chin Wah (Appointed w.e.f. 12.03.2021)	-	-	-	-	-	-
Koong Lin Loong (Resigned w.e.f. 28.09.2020)	32	-	-	-	1	33
Chiam Soon Hock (Resigned w.e.f. 28.09.2020)	32	-	-	-	1	33
Chui Mee Chuen (Retired w.e.f. 28.09.2020)	32	-	-	-	1	33

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

### III. REMUNERATION (cont'd)

#### 3.1 Remuneration of Directors (cont'd)

##### Received on the Group Basis

Directors' Remuneration	Fees (RM'000)	Salaries and Other emoluments (RM'000)	Bonus (RM'000)	Benefits- in-kind (RM'000)	Others (RM'000)	Total (RM'000)
<b>Executive Directors</b>						
Yu Soo Chye @ Yee Soo Chye	-	304	-	12	37	353
Lee Seng Fan	-	97	-	-	11	108
Khong Yik Kam	-	58	-	4	8	70
Datuk Chai Woon Chet (Appointed w.e.f. 07.10.2020)	-	-	-	-	-	-
Yu Tack Tein (Retired w.e.f. 28.09.2020)	-	81	-	-	10	91
Tay Ben Seng, Benson (Appointed w.e.f. 14.07.2021)	-	-	-	-	-	-
<b>Non-Executive Directors</b>						
Andy Liew Hock Sim (Appointed w.e.f. 12.11.2020)	-	-	-	-	-	-
Hoong Yik Miin (Appointed w.e.f. 12.11.2020)	-	-	-	-	-	-
Tang Yee Ling (Appointed w.e.f. 12.11.2020)	-	-	-	-	-	-
Dato' Ku Chin Wah (Appointed w.e.f. 12.03.2021)	-	-	-	-	-	-
Koong Lin Loong (Resigned w.e.f. 28.09.2020)	32	-	-	-	1	33
Chiam Soon Hock (Resigned w.e.f. 28.09.2020)	32	-	-	-	1	33
Chui Mee Chuen (Retired w.e.f. 28.09.2020)	32	-	-	-	1	33

#### 3.2 Remuneration of top five (5) senior management

The Board is of the view that, given that the disclosure of the remuneration of the top five (5) senior management will give rise to recruitment and talent retention issues and may lead to the performing senior management staff being lured away by the competitors and hence, the Group may lose high calibre personnel who have been contributing to the Group's performance.

The Board will ensure that the remuneration for the senior management personnel is commensurate with their performance in order to attract, retain and motivate them to contribute positively to the Group's performance.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### I. AC

#### ***Separation of the positions of the chair of the AC and the Board***

In compliance with Practice 9.1 of the MCCG, the AC is chaired by Mr. Andy Liew Hock Sim, who is a separate person from the chair of the Board, Mr. Yu Soo Chye @ Yee Soo Chye.

The composition of the AC is set out in the **AC Report** of this Annual Report.

#### ***No appointment of former key audit partners as member of the AC***

In compliance with Practice 9.2 of the MCCG, the AC has instituted a policy by way of inclusion in the TOR of the AC that requires a former key audit partner to observe a cooling-off period before being appointed as a member of the AC. The TOR of the AC will be updated accordingly in order for the AC to formalise such policy.

As a matter of practice, the AC has recommended to the NC not to consider any key audit partner as a potential candidate for Board Directorship/Audit Committee to affirm the AC's stand on such policy.

#### ***Assessment on External Auditors***

In compliance with Practice 9.3 of the MCCG, the AC has policies and procedures to assess the suitability, objectivity and independence of External Auditors vide annual assessment on the suitability, objectivity and independence of the External Auditors.

The salient terms of the policies and procedures are as follows:

#### **Assessment Criteria**

(i) Fees

The External Auditors must provide a fee quotation for its audit services. However, price will not be the sole determining factor of suitability.

(ii) Competence, audit quality and resource capacity

Audit quality typically increases with audit firm size because of experience and functional industry knowledge. Typically, large or global companies have expansive resources, in terms of personnel, expertise and worldwide availability.

The Committee shall consider the audit firm's reputation and the qualifications of its professionals, including the breadth and depth of resources, expertise and experience of the team members. Their networking ability and competency to address any complex issues, are equally important to assess its suitability.

(iii) Non-audit work

All engagements of the External Auditors to provide non-audit services are subject to the necessary approvals outlined in the Policy (section 5).

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

### I. AC (cont'd)

#### Assessment on External Auditors (cont'd)

#### Assessment Criteria (cont'd)

#### (iv) Independence

The External Auditors must satisfy the Committee that it is independent and outline the procedures it has in place to maintain its independence.

The independence of the External Auditors is integral to the role of auditors and the Committee shall give due consideration to this requirement when putting forward a recommendation to the Board.

The External Auditors are precluded from providing any services that may impair their independence or conflict with their role as External Auditors. A written assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements is to be given to the Company.

#### (v) Material matters

The External Auditors must outline its proposed procedures to address the issue of material significance or matter of disagreement with the Management. The External Auditors is required to disclose to the Committee all issues of material significance and all matters of disagreement with the Management, whether resolved or unresolved, and to assist the Committee to review such matters.

A copy of the Policies and Procedures to assess the Suitability, Objectivity and Independence of External Auditors is available for viewing at the Group's corporate website at [www.oversea.com.my](http://www.oversea.com.my).

During FYE 2021, the AC has carried out the annual assessment and in its assessment, the AC considered, inter alia, the following factors:

For "**suitability**" assessment:

- The External Auditors have the adequate resources, skills, knowledge and experience to perform their duties with professional competence and due care in accordance with approved professional auditing standards and applicable regulatory and legal requirements;
- To the knowledge of the AC, the External Auditors do not have any record of disciplinary actions taken against them for unprofessional conduct by the Malaysian Institute of Accountants ("**MIA**") which has not been reserved by the Disciplinary Board of MIA;
- The External Audit firm has the geographical coverage required to audit the Group;
- The External Audit firm advises the AC on significant issues and new developments pertaining to risk management, corporate governance, financial reporting standards and internal controls on a timely basis;
- The External Audit firm consistently meets the deadlines set by the Group;
- The level of quality control procedures in the external audit firm, including the audit review procedures; and
- The External Auditors' scope is adequate to cover the key financial and operational risks of the Group.

For "**objectivity**" assessment:

- The nature and extent of the non-audit services rendered and the appropriateness of the level of fees.

For "**independence**" assessment:

- The engagement partner has not served for a continuous period of more than five (5) years with the Company;
- The AC receives written assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements; and
- Tenure of the current auditors.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

#### I. AC (cont'd)

##### *Assessment on External Auditors (cont'd)*

##### *Assessment Criteria (cont'd)*

The External Auditors provided a written statement that they will continuously comply with the relevant ethical requirements regarding independence throughout the audit of the Group, in accordance with the International Federation of Accountants' Code of Ethics for Professional Accountants and the Malaysian Institute of Accountants' By-Laws (On Professional Ethics, Conduct and Practice). They are not aware of any relationship between Messrs. Crowe Malaysia PLT and the Group that, in their professional judgment, may reasonably be thought to impair their independence. They have reviewed the non-audit services provided to the Company during the FYE 2021 and are not aware of any non-audit services that have compromised their independence as External Auditors of the Company.

Upon completion of its assessment, the AC was satisfied with Messrs. Crowe Malaysia PLT's technical competency and audit independence and recommended to the Board the re-appointment of Messrs. Crowe Malaysia PLT as External Auditors for the financial year ending 31 March 2022. The Board, in turn, has recommended the same for shareholders' approval at the Twenty-Sixth AGM of the Company.

##### *Skillsets of AC*

The AC conducts self and peer evaluation annually to assess the performance and skillsets of the individual AC members and their peers.

During the FYE 2021, the AC members had completed the assessment on individual basis and the results were compiled by the Company Secretaries and tabled for the NC's review.

Based on the results of the assessment, the AC members are financially literate and understand the Group's business. The AC as a whole, has necessary skills and knowledge to discharge their duties. The AC members had also given feedback to their peers on areas of focus for enhancement.

The members of the AC have attended various continuous trainings and development programmes as detailed in **Principle A, Section II, Continuing Education and Training of Directors** in this Statement.

#### II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

##### *Risk Management and Internal Control Framework*

The Board assumes its overall responsibility in establishing a risk management framework and maintaining a sound system of risk management and internal control throughout the Group which provides reasonable assurance in ensuring the effectiveness and efficiency of the Group's operations that not limiting to financial aspects of the business but also operational and regulatory compliance. The AC has been entrusted by the Board to ensure effectiveness of the Group's internal control systems. The ultimate objectives are to protect the Group's assets and safeguard shareholders' investments.

The RMC leads by an Independent Non-Executive Director to assists the Board to oversee the risk management framework of the Group. The Chairman of the RMC reports to the Board on areas of high risk and the adequacy of compliance and control throughout the Group. A Steering Committee comprises of the Management staff from various departments was formed on 4 November 2016 to assist on the risk management aspects of the respective departments. The Steering Committee is responsible to report to the RMC on key risks identified and action plans to mitigate such risks. As a result of the increased level of challenge, the RMC continues to devote additional effort, time and resources in managing risk.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

### II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (cont'd)

#### *Risk Management and Internal Control Framework (cont'd)*

The composition of the RMC and Steering Committee are as follows:

#### **RMC**

Office	Name and Designation
Chairman	Andy Liew Hock Sim (Independent Non-Executive Director)
Member	Hoong Yik Miin (Independent Non-Executive Director)
Member	Tang Yee Ling (Independent Non-Executive Director)
Member	Yap Teck Beng (Group General Manager)
Member	Soh Jin Yiat (Deputy Group General Manager)

#### **Steering Committee**

Office	Name and Designation
Chairman	Yap Teck Beng (Group General Manager)
Member	Yu Suat Yin (Vice President, Group Operation)
Member	Soh Jin Yiat (Deputy Group General Manager)
Member	Chow Way Keong (Group Admin Manager)
Member	Lee Pek Chan (Group Purchasing Manager)
Member	Lee Fui Meng (Group Finance Manager)
Member	Raymond Ng Mun Loong (Group MIS Manager)
Member	Lee Ying Hoe (Group Marketing Manager)

The **Statement on Risk Management and Internal Control** as set out in this Annual Report provides an overview of the state of risk management and internal controls within the Group.

#### **Internal Audit Function**

The Directors are responsible for the Group's system of internal controls and its effectiveness. The principal aim of the system of internal controls is the management of financial and business risks that are significant to the fulfilment of the Group's business objectives, which is to enhance the value of shareholders' investment and safeguarding the Group's assets.

The Company outsourced its internal audit function to an independent internal audit service provider, namely Sterling Business Alignment Consulting Sdn. Bhd., who reports directly to the AC. The functions of the Internal Auditors are to assist the AC in providing independent assessment and review on the adequacy, efficiency and effectiveness of the key controls and processes in the operating units, as well as the governance aspect of the Group and to ensure compliance with the established policies and procedures of the Group.

The internal controls are tested for effectiveness and efficiency by the Internal Auditors. The report of the internal audit is tabled for AC's review and comments, and the audit findings will then be communicated to the Board. The outsourced Internal Auditor's representatives met up four (4) times with the AC for the FYE 2021.

During the FYE 2021, the AC had reviewed and assessed the adequacy of the scope, functions, competency, resources and independence of the Sterling Business Alignment Consulting Sdn. Bhd., the outsourced Internal Auditors for the FYE 2021 and that they have the necessary authority to carry out their work.

The **AC Report** as set out in this Annual Report provides further details of the Internal Audit Function.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### I. COMMUNICATION WITH STAKEHOLDERS

The Board recognises the importance of an effective communication channel between the Board, Shareholders and the general public and shall inform in a timely manner to its Shareholders of its latest business and corporate developments in enhancing value to its shareholders.

In consequence thereto, the Board had a Shareholders' Communication Policy in place to provide guidance as well as ensuring a consistent approach towards the Company's communication with the Shareholders.

A copy of the Shareholders' Communication Policy is available for viewing at the Group's corporate website at [www.oversea.com.my](http://www.oversea.com.my).

During the FYE 2021, the Company has implemented the following manners to communicate with its Shareholders:

i. General meeting

The Twenty-Fifth AGM was held on 28 September 2020. The Chairman of the AGM allowed reasonable time for questions and answers session in the AGM to ensure that all subject matters tabled are thoroughly considered and debated. The summary of the key matters discussed at the AGM of the Company was uploaded onto the Company's website after the AGM.

The Extraordinary General Meetings ("EGMs") were held on 28 September 2020 and 2 February 2021. The Chairman of the both EGMs allowed reasonable time for questions and answers session in the EGMs to ensure that all subject matters tabled are thoroughly considered and debated. The summaries of the key matters discussed at the EGMs of the Company were uploaded onto the Company's website after the EGMs.

ii. Announcements made to Bursa Securities

Annual Report, quarterly financial results and various announcements were made to Bursa Securities in accordance with the ACE LR of Bursa Securities.

iii. Annual Report and Circular to Shareholders

The Annual Report for year 2020 of the Company, together with the notice of Twenty-Fifth AGM were distributed to Shareholders on 28 August 2020.

The Circular to Shareholders in relation to Proposed Amendment to the Constitution of the Company together with the notice of Extraordinary General Meeting were distributed to Shareholders on 5 September 2020.

The Independent Advice Circular in relation to the Unconditional Mandatory Take-Over Offer by Datuk Chai Woon Chet ("Offeror") through Mercury Securities Sdn Bhd to acquire all the remaining ordinary shares in the Company (excluding treasury shares) not already held by the Offeror and any persons acting in concert with him ("offer shares") for a cash offer price of RM0.30 per offer share ("Offer") was distributed to Shareholders on 7 September 2020.

The Circular to Shareholders in relation to the (i) Proposed Share Split involving a subdivision of every 1 existing ordinary share in the Company held on an entitlement date to be determined and announced later, into 3 shares ("Subdivided Shares") ("Proposed Share Split"); and (ii) Proposed Bonus Issue of up to 442,377,000 free warrants in Oversea ("Warrants") on the basis of 1 Warrant for every 2 shares held on an entitlement date to be determined and announced later ("Proposed Bonus Issue of Warrants") together with the notice of Extraordinary General Meeting were distributed to Shareholders on 18 January 2021.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (cont'd)

### I. COMMUNICATION WITH STAKEHOLDERS (cont'd)

#### iv. Company's website

All announcements released to Bursa Securities are also appearing in the Company's website at [www.oversea.com.my](http://www.oversea.com.my). Shareholders and the general public may also access to the said website for information such as stock price, corporate information, financial information, Board Charter, TOR of the Board Committees, Annual Reports, outcome of the general meetings and other information.

#### v. Media release

Write-ups about the business of the Group were published on local newspapers and the clippings have been uploaded to the Company's website.

### II. CONDUCT OF GENERAL MEETINGS

The Board acknowledged that the Annual General Meeting ("AGM") is a crucial mechanism and it is the principal forum in shareholder communication. The Board is also of the opinion that it already engages actively with the Company's shareholders at a level that promotes shareholder participation.

At the Company's general meetings, shareholders will be informed at the beginning of the general meetings that all resolutions set out in the notice of general meetings are to be voted by poll as required under the Listing Requirements. Scrutineer will be appointed by the Board to validate the votes cast at the general meetings. At each AGM, the Board presents the progress and performance of the Group and provides shareholders with the opportunity to raise questions pertaining to the Group.

The Board will be adopting electronic voting at the forthcoming AGM, and the notice of the AGM together with a copy of the Annual Report will be provided to the shareholders at least 28 days before the AGM.

The Board has ensured that each item of special business included in the notice of the AGM is accompanied by an explanatory statement on the effects of the proposed resolution to facilitate full understanding and evaluation of the issues involved. Where Extraordinary General Meeting is held to obtain shareholders' approval on business or corporate proposals, comprehensive circulars are sent to shareholders within prescribed deadlines in accordance with regulatory and statutory provisions.

## CONCLUSION

The Board is satisfied that for the FYE 2021, it complies substantially with the principles and guidance of the MCCG.

This Corporate Governance Overview Statement is made in accordance with a resolution of the Board of Directors passed on 24 August 2021.

## AUDIT COMMITTEE REPORT

The Board of Directors (“**Board**”) is pleased to present the Audit Committee Report for the financial year ended 31 March 2021 (“**FYE2021**”).

### COMPOSITION OF THE AUDIT COMMITTEE (“**AC**”)

The AC comprises the following three (3) Independent Non-Executive Directors:-

1. Andy Liew Hock Sim - Chairman
2. Hoong Yik Miin - member
3. Tang Yee Ling - member

The Audit Committee Members satisfied the test of independence under the ACE Market Listing Requirements (“**ACE LR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and also meets the requirements of the Malaysian Code on Corporate Governance (“**MCCG**”).

The Chairman of the AC, Mr. Andy Liew Hock Sim is an Independent Non-Executive Director. In this respect, the Company complies with Rule 15.10 of the ACE LR of Bursa Securities. Furthermore, in compliance with Practice 9.1 of the MCCG, the Chairman of AC is not the Chairman of the Board.

In addition, Mr. Andy Liew Hock Sim, being a member of the Malaysian Institute of Accountants (“**MIA**”), fulfilled the requirement of Paragraph 15.09(1)(c) of the ACE LR of Bursa Securities.

The performance of the AC and each of its members was reviewed by the Board on 21 May 2021. The Board was satisfied that they are able to discharge their functions, duties and responsibilities in accordance with the Terms of Reference of the AC, thereby supporting the Board in ensuring appropriate corporate governance standards within the Group.

### ATTENDANCE OF MEETINGS

A total of five (5) AC meetings were held during the FYE2021. The details of attendance at AC meetings held during the FYE2021 were as follows:-

Name of AC Members	No. of AC Meetings attended	%
Andy Liew Hock Sim (Appointed w.e.f. 12.11.2020)	2/2	100
Hoong Yik Miin (Appointed w.e.f. 12.11.2020)	2/2	100
Tang Yee Ling (Appointed w.e.f. 12.11.2020)	2/2	100
Koong Lin Loong (Resigned w.e.f. 28.09.2020)	3/3	100
Chiam Soon Hock (Resigned w.e.f. 28.09.2020)	3/3	100
Chui Mee Chuen (Resigned w.e.f. 28.09.2020)	2/3	66

### MINUTES OF MEETINGS

The minutes of the AC meeting were recorded and tabled for confirmation at the next following AC meeting and presented to the Board for notation.

### TERMS OF REFERENCE

The Terms of Reference of the AC are available for viewing at the Group’s corporate website at [www.oversea.com.my](http://www.oversea.com.my).

# AUDIT COMMITTEE REPORT

cont'd

## SUMMARY OF WORK OF THE AC

During the FYE2021 and up to the date of this Report, the summary of works undertaken by the AC to meet its responsibilities in the discharge of its function and duties comprised the followings:-

### (a) Overview of Financial Performance and Reporting

- i. Reviewed the unaudited quarterly financial results for the quarters ended 31 March 2020 (FYE2020), 30 June 2020, 30 September 2020, 31 December 2020 and 31 March 2021 on 23 June 2020, 28 August 2020, 24 November 2020, 24 February 2021 and 21 May 2021, respectively, and recommended the same to the Board for approval;
- ii. Reviewed the draft audited financial statements of the Company for the FYE2020 and recommended the same to the Board for approval on 21 August 2020;
- iii. Reviewed the financial performance of the Company and the Group;
- iv. Reviewed the identified significant matters pursuant to Rule 15.12(1)(g)(ii) of the ACE LR; and
- v. Reviewed the Group's compliance with the accounting standards and relevant regulatory requirements.

### (b) Oversight of External Audit

- i. Reviewed the Audit Review Memorandum for the FYE2020 and FYE2021 presented by the External Auditors on 23 June 2020 and 21 May 2021, respectively, entailing the significant audit findings, significant deficiencies in internal control, status of audit, compliance with the ethical requirements on independence, communication with the AC, summary of audit adjustments, summary of unadjusted differences and total audit and non-audit fees;
- ii. Reviewed the Group's Audit Planning Memorandum for the FYE2021 on 24 February 2021, entailing mainly the overview of audit approach and areas of audit emphasis of the Group;
- iii. Reviewed and evaluated the adequacy and effectiveness of the Group's accounting policies, procedures and system of internal controls;
- iv. Met three (3) times with the External Auditors on 23 June 2020, 24 February 2021 and 21 May 2021 without the presence of the Management and the Executive Directors; and
- v. Reviewed the suitability and independence of the External Auditors vide a formalised "Assessment on External Auditors" on 23 June 2020 and 21 May 2021 upon review and being satisfied with the results of the said assessment, the same has been recommended to the Board for approval.

### (c) Oversight of Internal Audit

- i. Reviewed the Internal Audit Plan for the FYE 2021 and financial year ended 31 March 2022 presented by the outsourced Internal Auditors;
- ii. Reviewed the reports from the Internal Auditors and assessed the Internal Auditors' findings and the management's responses and made the necessary recommendations to the Board for approval on 23 June 2020, 28 August 2020, 24 November 2020, 24 February 2021 and 21 May 2021;
- iii. Reviewed the adequacy of the scope and coverage of the Group's activities, functions, competency and resources of the Internal Audit functions;

# AUDIT COMMITTEE REPORT

cont'd

## SUMMARY OF WORK OF THE AC *(cont'd)*

### (c) Oversight of Internal Audit *(cont'd)*

- iv. Reviewed the existing internal controls and work processes undertaken by the respective departments in the companies under review for relevant areas or business and the Group's systems and practices for identification and management of risks;
- v. Reviewed and recommended improvements to the existing System of Internal Controls and Risk Management System of the Group; and
- vi. Reviewed and assessed the adequacy of the scope, functions, competency and resources of the outsourced Internal Auditors on 23 June 2020 and 21 May 2021 and that they have the necessary authority to carry out their work.

### (d) Reviewed of related party transactions

- i. Monitored and reviewed the recurrent related party transactions and any conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises the question of management integrity on a quarterly basis.

### (e) Oversight of Risk Management

- i. Reviewed the Risk Assessment Report and Risk Assessment Tool, presented by the Risk Management Committee on 22 June 2020 and 6 August 2021.

### (f) Oversight of Internal Control Matters

- i. Reviewed and confirmed the minutes of the AC Meetings; and
- ii. Reviewed the AC Report and Statement on Risk Management and Internal Control for inclusion in the Annual Report 2021.

The Board is satisfied that the AC has carried out its responsibilities and duties in accordance with the AC's Terms of Reference.

## INTERNAL AUDIT FUNCTION

The Company recognised that an internal audit function is essential to ensure the effectiveness of the Group's systems of internal control and is an integral part of the risk management process.

### (1) Outsourced Internal Auditors

The Group has appointed an outsourced internal audit service provider, namely Sterling Business Alignment Consulting Sdn. Bhd. ("**Sterling**") to carry out the internal audit function. The Internal Auditors conduct independent, regular and systematic reviews of the key controls and processes in the operating units and assess compliance with the established policies and procedures. The Internal Auditors report directly to the AC and assist the Board in monitoring the internal controls and mitigate the risks of the Group.

# AUDIT COMMITTEE REPORT

cont'd

## INTERNAL AUDIT FUNCTION *(cont'd)*

### (1) Outsourced Internal Auditors *(cont'd)*

The profile of Sterling is set out as follows:-

Principal Engagement Lead	: So Hsien Ying
Qualifications	: Certified Internal Control Professional from Internal Control Institute Associate Member of The Institute of Internal Auditors Malaysia (IIAM) Master in Business Administration (Finance) (Hull) BSc Economics (Hons) (London)
Experiences	: more than twenty (20) years of experience in corporate planning, business process improvement, risk management, internal audit and internal control review
Number of resources	: each internal audit review ranges from three (3) to four (4) staff per visit

Sterling is a corporate member of the Institute of Internal Auditors Malaysia (“IIAM”). Sterling use the Committee of Sponsoring Organisations of the Treadway Commission (“**COSO**”) Internal Control – Integrated Framework as a basis for evaluating the effectiveness of the internal control systems.

FYE 2021, Sterling’s engagement team personnel have affirmed to the AC that in relation to the Company/ Group, they were free from any relationships or conflicts of interest, which could impair their objectivity and independency.

### (2) Summary of Internal Audit works for the FYE2021

During the FYE2021 and up to the date of this Report, the summary of works undertaken by the Internal Auditors comprised the followings:-

- i. Reviewed compliance with policies, procedures and standards, relevant external rules and regulations;
- ii. Assessed the adequacy and effectiveness of the Group’s system of internal control and recommended appropriate actions to be taken where necessary;
- iii. The internal audit works performed met the objective of highlighting to the AC the audit findings which required follow-up actions by the Management, any outstanding audit issues which required corrective actions to be taken to ensure an adequate and effective Internal Control System within the Group, as well as any weaknesses in the Group’s Internal Control System;
- iv. Ensured that those weaknesses were appropriately addressed and that recommendations from the internal audit reports and corrective actions on reported weaknesses were taken appropriately by the Management within the required timeframe; and
- v. Presentation of audit findings and corrective actions to be taken by the Management in the quarterly AC Meetings.

### (3) Total costs incurred for the FYE2021

The cost incurred for the internal audit function of the Group for the FYE2021 amounted to RM53,150/- (FYE2020: RM57,000/-).

### (4) Review of internal audit function

The AC and the Board were satisfied with the performance of the Internal Auditors for the FYE2021 and have, in the interest of greater independence and continuity in the internal audit function, taken the decision to continue with the outsource of the internal audit function.



## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant to Rule 15.26(b) of the ACE Market Listing Requirements (“**ACE LR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), the Board of Directors is pleased to provide the Statement on the Risk Management and Internal Control of the Group, which had been prepared in accordance with the “Statement of Risk Management & Internal Control: Guidance for Directors of Public Listed Companies” (“**the Risk Management & Internal Control Guidance**”) and Malaysian Code on Corporate Governance.

### BOARD RESPONSIBILITY

The Board of Directors (“**Board**”) is responsible for the adequacy and effectiveness of the Group’s risk management and internal control system. The Board recognises the importance of good corporate governance and is committed to maintaining a sound system of internal control and risk management. This includes the establishment of an appropriate control environment and risk management framework, processes and structures and continually reviewing the adequacy and integrity of the said systems to safeguard shareholders’ investment and the Group’s assets. The Board is pleased to provide the Statement on the Risk Management and Internal Control, which outlines the nature and scope of risk management and internal control of the Group during the financial year end 31 March 2021 (“**FY2021**”).

The system of risk management and internal control covers finance, operations, management information systems and compliance with relevant laws, regulations, policies and procedures. There is an ongoing process to identify, evaluate and manage significant risk faced or potentially to be encountered by the Group. The process is regularly reviewed by the Board, through the Audit Committee (“**AC**”).

Due to the limitations that are inherent in any system of internal controls, these systems are designed to manage, rather than eliminate the risk of failure to achieve business objectives and it can only provide reasonable and not absolute assurance against material misstatement or loss.

The implementation of the risk management and internal control system within the Group inclusive of design, operation, identification, assessment, mitigation and control risks, are operated with the assistance of management throughout the FY2021.

The key features of the risk management and internal control systems are described under the following headings:-

### Risk Management Process

The Board regards risk management as an integral part of business operations. The Board has established a Risk Management Committee (“**RMC**”) to fulfil its corporate governance duties in overseeing the establishment of a risk management framework and maintaining a sound system of risk management and internal control throughout the Group. A Steering Committee (“**SC**”) has in turn being formed by the RMC to assist with the execution of the risk action plan formalised by the RMC to instill risk management culture and awareness in the Group.

### RMC

The RMC has identified and reviewed the major business risk factors affecting the Group and derive risk management strategies to manage and mitigate the risks identified. The following factors were considered in the risk assessment:

- (a) The nature and extent of risks facing the Group;
- (b) The extent and categories of risk which it regards as acceptable for the Group to bear;
- (c) The likelihood of the risks concerned materialising; and
- (d) The Group’s ability to reduce the incidence of risks that may materialise and their impact on the business.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

## BOARD RESPONSIBILITY (cont'd)

### SC

The Head of Department (“HOD”) from the following departments have been automatically co-opted as member of SC by default:-

Department	Name of HOD	Office Designation
Strategic Planning	Yap Teck Beng	Group General Manager
Production	Soh Jin Yiat	Deputy Group General Manager
Finance and Accounts	Lee Fui Meng	Group Finance Manager
Office Administration	Chow Way Keong	Group Admin Manager
Purchasing	Lee Pek Chan	Group Purchasing Manager
Human Resources	Yu Suat Yin	Vice President, Group Operation
Sales	Yap Teck Beng	Group General Manager
Marketing	Lee Ying Hoe	Group Marketing Manager
MIS	Raymond Ng Mun Loong	Group MIS Manager
Corporate Affairs	Yu Suat Yin	Vice President, Group Operation
Restaurant Operations	Yu Suat Yin	Vice President, Group Operation

Further particulars on the RMC and SC in terms of their respective composition, Terms of Reference (“TOR”) and summary of activities undertaken can be found in the Corporate Governance Overview Statement.

### Identification of Principal Risks

Assisted by the SC, the RMC has conducted assessments on all potentially serious risks inherent in strategies and business processes as part of the internal control and essential for evaluating the relevance and reliability of information and its context.

Strategic risks have been identified by RMC through SC’s discussions with the Group’s management personnel in the context of their understanding of external forces, industry issues and the Group’s business.

Given that the Group operates in the food service industry, the RMC recognised that the business process of the Group would not be structured by process, but rather by the departmental basis for ease of identification, monitoring and control by the senior management team.

### Risk Evaluation Process

The SC assists the RMC in defining the Group’s risk appetite in terms of its tolerance through specific risk limits, during their process of assessing the identified principal risk.

The risk evaluation process undertaken by the SC involves the utilisation of the following assessment models:-

#### (a) Risk Likelihood Definitions

This model is to assist in ascertaining possibility of each identified risk might materialise as resulted from the Group’s activities.

Risk Likelihood	Definitions
High (H)	More Than 50% Chance
Medium (M)	More Than 5% and Less Than 50% Chance
Low (L)	Less Than 5% Chance

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

### BOARD RESPONSIBILITY *(cont'd)*

#### Risk Evaluation Process *(cont'd)*

##### **(b) Impact Rating Definitions**

This model is to assist in ascertaining the monetary and non-monetary impact of each identified risk to the Group's financial and non-financial position.

Magnitude of Impact	Impact Definitions	
	Monetary	Non-Monetary
High (H)	More Than RM 200,000	May Significant Impact
Medium (M)	More Than RM 50,000 And Less Than RM 200,000	Probably May Materially Impact
Low (L)	Less Than RM 50,000	Probably May Not Materially Impact

##### **(c) Overall Risk Rating Matrix**

This model used to determine overall risk rating after evaluating the likelihood of happen and the overall monetary and non-monetary impact to the Group.

Risk Likelihood	Risk Impact (Monetary and Non-Monetary)		
	LOW (L)	MEDIUM (M)	HIGH (H)
High (H)	Low	Medium	High
Medium (M)	Low	Medium	Medium
Low (L)	Low	Low	Low

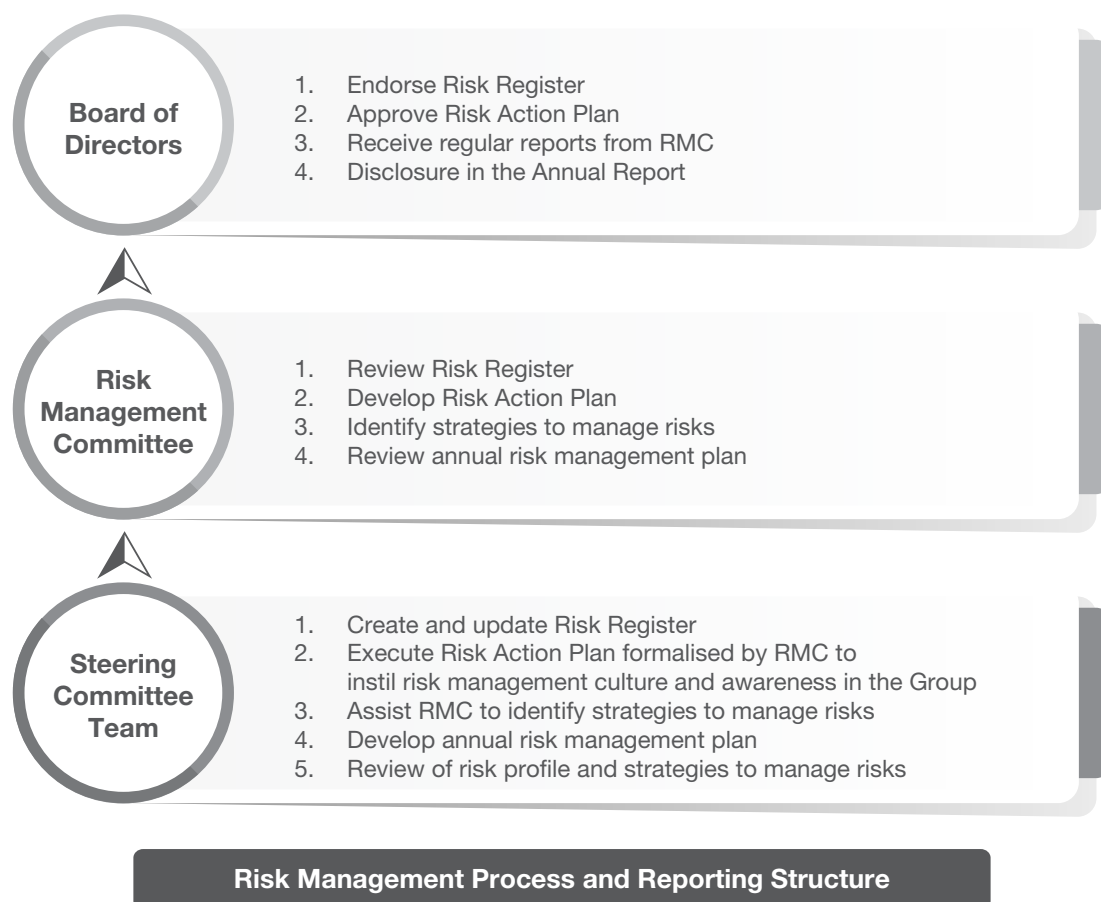
## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

### BOARD RESPONSIBILITY (cont'd)

#### Risk Management Process and Reporting Structure

The risk management process and reporting structure have been illustrated in the diagram below:-



During FYE 2021, one (1) RMC meeting was held together with the members of SC. The activities carried out by the RMC were as follows:

- Reviewed the report from the SC's Chairman on the departmental Risk Determination, Risk Assessment and Risk Recommendations;
- Reviewed the terms of reference of Risk Management/Steering Committee composition; and
- Discussed on the draft Risk Management Policies and Procedures.

On 6 August 2021, a RMC meeting was held together with the members of Steering Committee to discuss about the following:

- Understand from the Steering Committee on the history of the Group risk assessment activities;
- updating on the risk assessment report;
- the need to emphasise on the cashflow impact arises from Covid-19 pandemic;

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

## KEY ELEMENTS OF INTERNAL CONTROL

The Group has an established system of internal controls that enables the management to ensure that established policies, guidelines and procedures are followed and complied with. The control structure and environment are supported by the following activities:-

### 1. Authority and Responsibility

Certain responsibilities are delegated to the following Board Committees through clearly defined TOR which are reviewed periodically and/or when the need arises:-

- i. Audit Committee;
- ii. Nominating Committee;
- iii. Remuneration Committee; and
- iv. Risk Management Committee.

### 2. Internal Audit

#### Qualified and Independent Internal Auditors

The Group's internal audit has been outsourced to an independent service provider. The Board has appointed Sterling Business Alignment Consulting Sdn. Bhd. ("**SBACSB**"), an established internal audit advisory practice provider in Malaysia. Prior to their appointment, the AC has considered the following criteria:-

- i. Length of establishment;
- ii. Core specialty area;
- iii. Industry reputation;
- iv. International affiliation;
- v. Qualification and experience of the engagement partner and team; and
- vi. Existing client base.

The costs incurred for the internal audit functions for the financial year ended 31 March 2021 were RM53,150.

#### Risk-Based Internal Audits

SBACSB has prepared a risk-based internal audit plan based on their review of the financial report of the Group and taking into consideration the impact of the different areas of the Group based on the materiality of the numbers reported.

Through SBACSB, the effectiveness and efficiency of the Group's risk management and internal control system were examined and evaluated in an independent capacity. SBACSB has assessed the Group's compliance with policies and procedures as well as relevant laws and regulations. SBACSB then provided reports on issues relating to internal controls and the associated risks together with recommendations for appropriate actions to the AC.

#### Summary of Works Undertaken by the Internal Auditors

For FY2021, SBACSB had:-

- Carried out their activities in accordance with the scope of work;
- Presented their findings with the AC on a quarterly basis and recommended corrective actions for the Management; and
- Conducted follow-up review on their previous internal audit reports.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

## KEY ELEMENTS OF INTERNAL CONTROL *(cont'd)*

### 2. Internal Audit *(cont'd)*

#### **Adequacy of Scope, Functions, Competency and Resources of the Outsourced Internal Audit Functions**

In the first quarter of FY2021, the AC had vided its assessment, assessed the adequacy of scope, functions, competency and resources of the outsourced internal audit function and that it has the necessary authority to carry out its work and the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function for the FY2021.

Based on the collated results of the above said assessment, the AC was of the view that the internal audit has added value to the Group by providing further assurance relating to internal control and fraud control and assessed the Internal Auditors' performance as "Adequate".

### 3. Monitoring and Reporting

The Group Finance Manager in charge of the Group's financial affairs is required to give assurance to the AC that adequate processes and controls are in place in the preparation of each quarterly financial statements, including consolidated condensed financial statements, and that appropriate accounting policies are adopted and applied consistently to give a true and fair view of the state of affairs of the Group and to ensure compliance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Company Act 2016 in Malaysia.

### 4. Staff Competency

It is part of the Company's policies to ensure the provision of constant training and development programmes to ensure that the employees are kept up-to-date with the necessary competencies to carry out their responsibilities towards achieving the Group's objectives.

## ASSURANCE FROM THE MANAGEMENT

The Board has received assurance from the Executive Director and the Group General Manager that the function of the Company's risk management and internal control system for the financial year under review, and up to the date of approval of this statement, has been sound and sufficient, in all material aspects, based on the risk management model and internal control system adopted by the Group, thereby safeguarding the shareholders' investments; the interests of customers; regulators; employees and other stakeholders, as well as the Group's assets.

## REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the listing requirements, the External Auditors have reviewed this statement on Risk Management and Internal Control for inclusion in the 2021 Annual Report. Their reviews were performed in accordance with Audit and Assurance Practice Guide 3 ("AAPG3") Guidance for Auditors on Engagement to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants.

Based on their review, the External Auditors reported to the Board that nothing has come to their attention that causes them to believe that this statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is the statement factually inaccurate.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

### CONCLUSION

For the financial year under review and up to 24 August 2021, being the date of this Statement, the Board noted that there is an ongoing process of identifying, evaluating, and managing significant risks faced by the Group. The Board considers the existing systems of internal controls currently in place for the Group to be adequate and sufficient taking into the account the material risks of the business environment within which the Group operates. The Board will ensure that the internal control framework be continuously reviewed, improved and enhanced to ensure its effectiveness, adequacy and relevance.

This statement was made in accordance with a Board resolution dated 24 August 2021.

## ADDITIONAL COMPLIANCE INFORMATION

### 1. UTILISATION OF PROCEEDS

During the financial year ended 31 March 2021 (“**FYE 2021**”), the Company completed a private placement exercise which involved the issuance of 48,503,000 new Shares (representing 20% of the then existing total number of issued Shares (excluding treasury shares) before the private placement), raising a total of RM17.46 million. The status on utilisation of proceeds are as follows:

	Intended timeframe for utilisation from 19 February 2021	Actual proceeds raised RM	Amount utilised as at 30 July 2021 RM	Balance unutilised RM
(i) Expansion of new outlets and refurbishment of existing outlets	Within 24 months	12,000,000	-	12,000,000
(ii) Working capital	Within 24 months	5,070,208	3,830,000	1,240,208
(iii) Expenses for the private placement	Immediate	390,872	390,872	-
<b>Total</b>		<b>17,461,080</b>	<b>4,220,872</b>	<b>13,240,208</b>

### 2. AUDIT AND NON-AUDIT FEES

The breakdown of audit and non-audit fees incurred for services rendered to the Company and its subsidiaries for the FYE 2021 by Messrs. Crowe Malaysia PLT, the External Auditors, or a firm or company affiliated to the External Auditors' firm are as follow:-

	Company (RM)	Group (RM)
<u>Audit services rendered</u>	204,000	39,700
<u>Non-audit services rendered</u>	4,000	4,000
- Review of the Statement on Risk Management and Internal Control		
	<u>208,000</u>	<u>43,700</u>

### 3. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Details of the RRPTs occurred during the FYE 2021 are disclosed in Note 39 to the Financial Statements set out on page 146 of this Annual Report.

### 4. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and/or its subsidiaries which involved Directors and major shareholders' interest either still subsisting at the end of the FYE 2021 or entered into since the end of the previous financial year of the Company that have not been reflected in the financial statement for the FYE 2021.



## ADDITIONAL COMPLIANCE INFORMATION

cont'd

### STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 to prepare financial statements for each year which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of their results and cash flow for the financial year then ended. In preparing these financial statements, the Directors have:

- i. adopted appropriate accounting policies and applying them consistently;
- ii. made judgement and estimates that are prudent and reasonable;
- iii. ensured all applicable approved accounting standards have been followed; and
- iv. prepared the financial statements on the going concern basis.

The Directors have relied on the system of internal controls to ensure that the information generated for the preparation of the financial statements from the underlying accounting records are accurate and reliable.

The Directors are responsible for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Company and which enable them to ensure that the financial statements comply with the Companies Act 2016, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, and the applicable approved Malaysian Accounting Standard Board approved accounting standard in Malaysia.

The Directors have overall responsibility for taking such steps that are reasonably open to them to safeguard the assets of the Group and the Company to prevent and detect fraud and other irregularities.

This statement on Directors' Responsibility in respect the Financial Statements is made in accordance with the resolution of the Board of Directors dated 24 August 2021.

# Financial Statements

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## DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2021.

### PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

### RESULTS

	The Group RM	The Company RM
Loss after taxation for the financial year	(7,684,051)	(2,030,255)
Attributable to:-		
Owners of the Company	(7,684,051)	(2,030,255)

### DIVIDENDS

No dividend was recommended by the directors for the financial year.

### RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

### ISSUES OF SHARES AND DEBENTURES

During the financial year:

- (a) the Company increased its issued and paid-up share capital from RM50,321,157 to RM67,782,237 by an issuance of 48,503,000 new ordinary shares for a cash consideration of RM17,461,080 through Private Placement.
- (b) the Company undertook a subdivision of every one (1) ordinary share into three (3) ordinary shares on 24 February 2021. As a result, the issued ordinary shares of the Company as of the date was increased from 294,918,000 shares to 884,754,000 ("the Split Shares"). The share split exercise was approved by the shareholders on 11 December 2020. The Split Shares were listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad on 24 February 2021.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

There were no issues of debentures by the Company.

## DIRECTORS' REPORT

cont'd

### WARRANT 2021/2024

On 10 March 2021, the Company issued 436,526,991 free warrants ("Warrants A") pursuant to the bonus issue of warrant on the basis of one (1) warrant for every two (2) shares held by entitled shareholders after the completion of share split.

The Warrants are constituted by the Deed Poll dated 23 February 2021.

The salient features of the Warrants are as follows:-

- (i) the exercise price is RM0.16 per ordinary share and each Warrant entitles the registered holder ("Warranholders") to subscribe for one (1) new ordinary share of the Company during the 3 year period expiring on 4 March 2024 ("Exercise Period");
- (ii) at the expiry of the Exercise Period, any Warrants, which have not been exercised shall automatically lapse and cease to be valid for any purposes;
- (iii) Warranholders must exercise the Warrants in accordance with the procedures set out in the Deed Poll and shares allotted and issued upon such exercise shall rank pari passu in all respects with the then existing ordinary shares of the Company, and shall be entitled to any dividends, rights, allotments and/or other distributions after the issue and allotment thereof; and
- (iv) the Warranholders are not entitled to any voting rights or to participate in any distribution and/or offer of further securities in the Company until and unless such Warranholders exercise their Warrants for new ordinary shares of the Company.

Movement in the Warrants since the listing and quotation thereof are as follows:

	Number of Warrants			At 31.3.2021
	At 10.3.2021	Exercised	Expired	
Warrants	436,526,991	-	-	436,526,991

### TREASURY SHARES

During the financial year, there were no treasury shares being purchased or cancelled by the Company.

As at 31 March 2021, the Company held as treasury shares a total of 11,700,000 (2020 - 3,900,000) of its 884,754,000 (2020 - 246,415,000) issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM835,550 (2020 - RM835,550). The details on the treasury shares are disclosed in Note 23 to the financial statements.

### OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

# DIRECTORS' REPORT

cont'd

## **BAD AND DOUBTFUL DEBTS**

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

## **CURRENT ASSETS**

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, 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 which would render the values attributed to the current assets in the financial statements misleading.

## **VALUATION METHODS**

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

## **CONTINGENT AND OTHER LIABILITIES**

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

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company 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 when they fall due.

## **CHANGE OF CIRCUMSTANCES**

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

## **ITEMS OF AN UNUSUAL NATURE**

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

## DIRECTORS' REPORT

cont'd

### DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Yu Soo Chye @ Yee Soo Chye  
 Khong Yik Kam  
 Lee Seng Fan  
 Datuk Chai Woon Chet (Appointed on 7.10.2020)  
 Hoong Yik Miin (Appointed on 12.11.2020)  
 Andy Liew Hock Sim (Appointed on 12.11.2020)  
 Tang Yee Ling (Appointed on 12.11.2020)  
 Dato' Ku Chin Wah (Appointed on 12.3.2021)  
 Tay Ben Seng, Benson (Appointed on 14.7.2021)  
 Chiam Soon Hock (Resigned on 28.9.2020)  
 Koong Lin Loong (Resigned on 28.9.2020)  
 Chui Mee Chuen (Retired on 28.9.2020)  
 Yu Tack Tein (Retired on 28.9.2020)

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Yu Tack Tein  
 Yu Suat Yin  
 Lee Seng Pun (Resigned on 1.5.2021)  
 Yu Suat Li (Resigned on 1.5.2021)  
 Yu Tack Yuen (Resigned on 1.5.2021)

### DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	Number of Ordinary Shares				At 31.3.2021
	At 1.4.2020	Bought	Sold	Effect of Share Split	
<i>Direct Interests in the Company</i>					
Datuk Chai Woon Chet	-	151,259,492	-	302,518,984	453,778,476
Yu Soo Chye @ Yee Soo Chye	82,744,270	-	(73,043,670)	19,401,200	29,101,800
Khong Yik Kam	6,456,338	100,000	(6,456,338)	200,000	300,000
Lee Seng Fan	5,868,496	-	(4,127,000)*	6,436,992	8,178,488
Chiam Soon Hock	100,000	-	(100,000)	-	-
Koong Lin Loong	100,000	-	(100,000)	-	-
<i>Indirect Interests in the Company</i>					
Khong Yik Kam ^	1,350,000	-	(1,350,000)	-	-
Lee Seng Fan #	50,917,358	-	(50,917,358)	-	-
Yu Tack Tein @	600,033	-	(600,033)	-	-

## DIRECTORS' REPORT

cont'd

### DIRECTORS' INTERESTS (cont'd)

#### Notes:-

- <sup>^</sup> - Deemed interested by virtue of his substantial shareholding and directorship in Rurng Juang Realty Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 and his spouse's shareholdings in the Company pursuant to Section 59(11)(c) of the Companies Act 2016.
- # - Deemed interested by virtue of his substantial shareholdings in Lee Lim & Sons Sdn. Bhd. which in turn is a substantial shareholder of the Company pursuant to Section 8 of the Companies Act 2016 and his spouse's shareholding in the Company pursuant to Section 59(11)(c) of the Companies Act 2016.
- @ - Deemed interested by virtue of his substantial shareholding and directorship in Simple Angel Capital Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.
- \* - Consists of 2,650,000 ordinary share sold before share split and 1,477,000 ordinary shares sold after share split.

By virtue of his shareholdings in the Company, Datuk Chai Woon Chet is deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial year had no interest in shares of the Company or its related corporations during the financial year.

### DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors shown in the financial statements, or the fixed salary of a full-time employee of the Company or related corporations) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 39(b) to the financial statements.

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

### DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are disclosed in Note 38 to the financial statements.

### INDEMNITY AND INSURANCE COST

During the financial year, the total amount of indemnity coverage and insurance premium paid for the directors and certain officers of the Company were RM10,000,000 and RM20,400 respectively. No indemnity was given to or insurance effected for auditors of the Company.

**SUBSIDIARIES**

The details of the Company's subsidiaries are disclosed in Note 5 to the financial statements.

**SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**

The significant events during the financial year are disclosed in Note 43 to the financial statements.

**SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD**

The significant events occurring after the reporting period are disclosed in Note 44 to the financial statements.

**AUDITORS**

The details of the auditors' remuneration are disclosed in Note 33 to the financial statements.

Signed in accordance with a resolution of the directors dated 24 August 2021

**Yu Soo Chye @ Yee Soo Chye**

**Khong Yik Kam**



## STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, Yu Soo Chye @ Yee Soo Chye and Khong Yik Kam, being two of the directors of Oversea Enterprise Berhad, state that, in the opinion of the directors, the financial statements set out on pages 84 to 165 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 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 March 2021 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 24 August 2021

**Yu Soo Chye @ Yee Soo Chye**

**Khong Yik Kam**

## STATUTORY DECLARATION

Pursuant to Section 251(1)(B) of the Companies Act 2016

I, Yu Soo Chye @ Yee Soo Chye, being the director primarily responsible for the financial management of Oversea Enterprise Berhad, do solemnly and sincerely declare that the financial statements set out on pages 84 to 165 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned  
Yu Soo Chye @ Yee Soo Chye, NRIC Number: 450307-08- 5175  
at Kuala Lumpur  
in the Federal Territory  
on this 24 August 2021

**Yu Soo Chye @ Yee Soo Chye**

Before me

**Datin Hajah Raihela Wanchik (W-275)**  
Commissioner for Oaths

## INDEPENDENT AUDITORS' REPORT

To the Members of Oversea Enterprise Berhad (Incorporated in Malaysia) Registration No: 199401031473 (317155 - U)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the financial statements of Oversea Enterprise Berhad, which comprise the statements of financial position as at 31 March 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 84 to 165.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

#### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue recognition	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Risk that revenue may be overstated arising from pressure faced by the Group in achieving performance targets as revenue recognition has a direct impact on the results of the Group.</p> <p>We determined this to be a key audit matter as the vast majority of revenue is settled in cash or by credit card and focused on manual adjustments to revenue as they are susceptible to manipulation.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> <li>▪ tested the operating effectiveness of internal controls relevant to recognition of revenue.</li> <li>▪ tested sales transactions recorded to relevant supporting documents to ascertain validity of sales.</li> <li>▪ assessed sales transactions as well as credit notes issued, both before and after the year end date to assess whether the revenue was recognised in the correct period.</li> <li>▪ tested the journal entries on revenue recognition.</li> <li>▪ performed analytical review on the sales trend and gross profit margin.</li> </ul>

## INDEPENDENT AUDITORS' REPORT

To the Members of Oversea Enterprise Berhad (Incorporated in Malaysia) Registration No: 199401031473 (317155 - U)  
cont'd

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *(cont'd)*

#### ***Information Other than the Financial Statements and Auditors' Report Thereon***

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### ***Responsibilities of the Directors for the Financial Statements***

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

#### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

## INDEPENDENT AUDITORS' REPORT

To the Members of Oversea Enterprise Berhad (Incorporated in Malaysia) Registration No: 199401031473 (317155 - U)  
cont'd

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *(cont'd)*

#### *Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)*

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, is disclosed in Note 5 to the financial statements.

### OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**Crowe Malaysia PLT**  
201906000005 (LLP0018817-LCA) & AF 1018  
Chartered Accountants

Kuala Lumpur

24 August 2021

**Chua Wai Hong**  
02974/09/2021 J  
Chartered Accountant

# STATEMENTS OF FINANCIAL POSITION

At 31 March 2021

	Note	The Group		The Company	
		2021 RM	2020 RM	2021 RM	2020 RM
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Investments in subsidiaries	5	-	-	38,596,839	39,638,968
Investments in associates	6	-	280,144	-	-
Property, plant and equipment	7	25,702,801	25,092,636	-	-
Investment properties	8	4,850,000	5,364,616	-	-
Right-of-use assets	9	20,176,738	18,191,499	-	93,451
Other investments	10	376,684	367,496	-	-
Intangible asset	11	79,104	73,372	-	-
Long-term receivables	12	69,523	88,577	-	-
Deferred tax assets	13	-	49,000	-	-
		51,254,850	49,507,340	38,596,839	39,732,419
<b>CURRENT ASSETS</b>					
Inventories	14	3,919,484	4,326,895	-	-
Trade receivables	15	381,328	251,649	-	-
Other receivables, deposits and prepayments	16	1,576,043	1,725,695	58,641	59,959
Amount owing by subsidiaries	17	-	-	7,474,674	7,435,407
Amount owing by associates	18	-	136,335	-	-
Amount owing by related parties	19	-	32,724	-	-
Current tax assets		237,820	142,086	4,673	7,000
Short-term investments with financial institutions	20	18,977	29,311	-	-
Deposits with licensed banks	21	16,137,601	3,097,564	15,010,477	266,699
Cash and bank balances		3,712,239	4,023,453	754,198	149,648
		25,983,492	13,765,712	23,302,663	7,918,713
<b>TOTAL ASSETS</b>		<b>77,238,342</b>	<b>63,273,052</b>	<b>61,899,502</b>	<b>47,651,132</b>

The annexed notes form an integral part of these financial statements

# STATEMENTS OF FINANCIAL POSITION

At 31 March 2021  
cont'd

	Note	The Group		The Company	
		2021 RM	2020 RM	2021 RM	2020 RM
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	22	67,782,237	50,321,157	67,782,237	50,321,157
Treasury shares	23	(835,550)	(835,550)	(835,550)	(835,550)
Reserves	24	(3,573,772)	(803,167)	(8,575,474)	(6,545,219)
<b>TOTAL EQUITY</b>		<b>63,372,915</b>	<b>48,682,440</b>	<b>58,371,213</b>	<b>42,940,388</b>
<b>NON-CURRENT LIABILITIES</b>					
Long-term borrowings	25	1,141,461	1,168,777	-	-
Lease liabilities	26	369,601	497,724	-	991
Deferred tax liabilities	13	7,027,753	5,419,788	-	-
		<b>8,538,815</b>	<b>7,086,289</b>	<b>-</b>	<b>991</b>
<b>CURRENT LIABILITIES</b>					
Trade payables	28	1,190,318	2,211,723	-	-
Other payables and accruals	29	3,294,692	2,345,114	254,669	188,637
Amount owing to subsidiaries	17	-	-	3,273,620	4,425,618
Short-term borrowings	30	77,124	58,515	-	-
Lease liabilities	26	706,628	2,835,284	-	95,498
Current tax liabilities		57,850	53,687	-	-
		<b>5,326,612</b>	<b>7,504,323</b>	<b>3,528,289</b>	<b>4,709,753</b>
<b>TOTAL LIABILITIES</b>		<b>13,865,427</b>	<b>14,590,612</b>	<b>3,528,289</b>	<b>4,710,744</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>77,238,342</b>	<b>63,273,052</b>	<b>61,899,502</b>	<b>47,651,132</b>

The annexed notes form an integral part of these financial statements

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Year Ended 31 March 2021

	Note	The Group		The Company	
		2021 RM	2020 RM	2021 RM	2020 RM
REVENUE	31	23,374,304	51,814,609	-	-
COST OF SALES		(10,149,306)	(20,413,093)	-	-
GROSS PROFIT		13,224,998	31,401,516	-	-
OTHER INCOME		4,230,038	4,717,860	264,670	274,552
		17,455,036	36,119,376	264,670	274,552
SELLING AND DISTRIBUTION EXPENSES		(16,556,854)	(25,367,570)	(107,226)	(183,131)
ADMINISTRATIVE EXPENSES		(7,565,811)	(15,525,627)	(2,177,845)	(453,625)
FINANCE COSTS		(315,302)	(579,524)	(7,527)	(17,595)
NET IMPAIRMENT (LOSSES)/GAINS ON FINANCIAL ASSETS	32	(267,190)	222,600	-	-
SHARE OF PROFITS OF EQUITY ACCOUNTED ASSOCIATES		(98,745)	403,765	-	-
LOSS BEFORE TAXATION	33	(7,348,866)	(4,726,980)	(2,027,928)	(379,799)
INCOME TAX EXPENSE	34	(335,185)	(771,370)	2,327	-
LOSS AFTER TAXATION		(7,684,051)	(5,498,350)	(2,030,255)	(379,799)
OTHER COMPREHENSIVE INCOME/(EXPENSES)	35				
<u>Items that Will Not be Reclassified Subsequently to Profit or Loss</u>					
Revaluation of properties and equipment		4,691,424	-	-	-
Remeasurement of deferred tax on revalued property, plant and equipment arising from change in tax rates of real property gains tax		(97,301)	-	-	-
Fair value changes of equity investments		9,188	(19,522)	-	-

The annexed notes form an integral part of these financial statements

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Year Ended 31 March 2021  
cont'd

	Note	The Group		The Company	
		2021 RM	2020 RM	2021 RM	2020 RM
OTHER COMPREHENSIVE INCOME/(EXPENSES) <i>(cont'd)</i>	35				
<u>Items that Will be Reclassified Subsequently to Profit or Loss</u>					
Foreign currency translation differences		310,135	(267,241)	-	-
TOTAL OTHER COMPREHENSIVE INCOME/(EXPENSES)		4,913,446	(286,763)	-	-
TOTAL COMPREHENSIVE EXPENSES FOR THE FINANCIAL YEAR		(2,770,605)	(5,785,113)	(2,030,255)	(379,799)
<b>LOSS AFTER TAXATION ATTRIBUTABLE TO:-</b>					
Owners of the Company		(7,684,051)	(5,498,350)	(2,030,255)	(379,799)
<b>TOTAL COMPREHENSIVE EXPENSES ATTRIBUTABLE TO:-</b>					
Owners of the Company		(2,770,605)	(5,785,113)	(2,030,255)	(379,799)
<b>LOSS PER SHARE (SEN):</b>					
- Basic	36	(1.02)	(0.76)	-	-
- Diluted		(1.02)	(0.76)	-	-

The annexed notes form an integral part of these financial statements



# STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 March 2021

The Group	Note	Non-Distributable				Distributable			Total Equity
		Share Capital	Treasury Shares	Revaluation Reserve	Foreign Exchange Translation Reserve	Fair Value Reserve	Accumulated Losses	Attributable to Owners of the Company	
		RM	RM	RM	RM	RM	RM	RM	
Balance at 1.4.2019		50,321,157	(835,550)	17,633,923	(228,711)	(63,380)	(12,359,886)	54,467,553	54,467,553
Loss after taxation for the financial year		-	-	-	-	-	(5,498,350)	(5,498,350)	(5,498,350)
Other comprehensive expenses for the financial year:									
- Fair value changes of equity instruments	24.1	-	-	-	-	(19,522)	-	(19,522)	(19,522)
- Foreign currency translation differences	24.2	-	-	-	(267,241)	-	-	(267,241)	(267,241)
Total comprehensive expenses for the financial year		-	-	-	(267,241)	(19,522)	(5,498,350)	(5,785,113)	(5,785,113)
Amortisation of revaluation reserve	24.3	-	-	(237,906)	-	-	237,906	-	-
Balance at 31.3.2020		50,321,157	(835,550)	17,396,017	(495,952)	(82,902)	(17,620,330)	48,682,440	48,682,440

The annexed notes form an integral part of these financial statements

# STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 March 2021  
cont'd

The Group	Note	Non-Distributable			Distributable			Attributable to Owners of the Company	Total Equity
		Share Capital	Treasury Shares	Revaluation Reserve	Foreign Exchange Translation Reserve	Fair Value Reserve	Accumulated Losses		
		RM	RM	RM	RM	RM	RM	RM	
Balance at 1.4.2020		50,321,157	(835,550)	17,396,017	(495,952)	(82,902)	(17,620,330)	48,682,440	48,682,440
Loss after taxation for the financial year		-	-	-	-	-	(7,684,051)	(7,684,051)	(7,684,051)
Other comprehensive income for the financial year:									
- Revaluation of property, plant and equipment	24.3	-	-	4,691,424	-	-	-	4,691,424	4,691,424
- Remeasurement of deferred tax on revalued property, plant and equipment arising from change in tax rates of real property gains tax	24.3	-	-	(97,301)	-	-	-	(97,301)	(97,301)
- Fair value changes of equity instruments	24.1	-	-	-	-	9,188	-	9,188	9,188
- Foreign currency translation differences	24.2	-	-	-	310,135	-	-	310,135	310,135
Total comprehensive expenses for the financial year		-	-	4,594,123	310,135	9,188	(7,684,051)	(2,770,605)	(2,770,605)
Balance carried forward		50,321,157	(835,550)	21,990,140	(185,817)	(73,714)	(25,304,381)	45,911,835	45,911,835

The annexed notes form an integral part of these financial statements

# STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 March 2021  
cont'd

The Group	Note	Non-Distributable				Distributable			Attributable to Owners of the Company	Total Equity
		Share Capital	Treasury Shares	Revaluation Reserve	Foreign Exchange Translation Reserve	Fair Value Reserve	Accumulated Losses	RM		
Balance brought forward		50,321,157	(835,550)	21,990,140	(185,817)	(73,714)	(25,304,381)	45,911,835	45,911,835	
Contribution by and distribution to owners of the Company:										
- Issuance of shares	22(a)	17,461,080	-	-	-	-	-	17,461,080	17,461,080	
Total transaction with owners		17,461,080	-	-	-	-	-	17,461,080	17,461,080	
Amortisation of revaluation reserve	24.3	-	-	(279,380)	-	-	279,380	-	-	
Balance at 31.3.2021		67,782,237	(835,550)	21,710,760	(185,817)	(73,714)	(25,025,001)	63,372,915	63,372,915	

The annexed notes form an integral part of these financial statements

## STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 March 2021  
cont'd

<b>The Company</b>	<b>Note</b>	<b>Share Capital RM</b>	<b>Treasury Shares RM</b>	<b>Accumulated Losses RM</b>	<b>Total Equity RM</b>
Balance at 1.4.2019		50,321,157	(835,550)	(6,165,420)	43,320,187
Loss after taxation/Total comprehensive expenses for the financial year		-	-	(379,799)	(379,799)
Balance at 31.3.2020/1.4.2020		50,321,157	(835,550)	(6,545,219)	42,940,388
Loss after taxation/Total comprehensive expenses for the financial year		-	-	(2,030,255)	(2,030,255)
Issuance of shares	22(a)	17,461,080	-	-	17,461,080
Balance at 31.3.2021		67,782,237	(835,550)	(8,757,475)	58,371,213

The annexed notes form an integral part of these financial statements

## STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 March 2021

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES				
Loss before taxation	(7,348,866)	(4,726,980)	(2,027,928)	(379,799)
Adjustments for:-				
Amortisation of intangible asset	15,517	13,152	-	-
Bad debts written off:				
- trade and other receivables	17,768	398	-	-
Depreciation of property, plant and equipment	1,371,189	2,637,159	-	35,013
Depreciation of right-of-use assets	3,218,561	4,437,398	91,551	129,545
Impairment loss:				
- investment in subsidiaries	-	-	1,042,129	-
- investment in associates	-	252,000	-	-
- investment in properties	514,616	100,000	-	-
- trade receivables	130,855	-	-	-
- other receivables	136,335	485,384	-	-
- property, plant and equipment	21,072	3,874,379	-	119,908
- other investment	181,399	-	-	-
Interest expense on lease liabilities	279,814	536,983	7,527	17,595
Other interest expense	45,630	74,232	-	-
Written-off:				
- property, plant and equipment	48	125,038	-	-
- inventories	1,656	-	-	-
- deposit	-	10,700	-	-
Accretion of long-term receivables	(3,975)	(12,065)	-	-
Dividend income from other investments	-	(210)	-	-
Gain on disposal of:				
- property, plant and equipment	38,748	-	-	-
Interest income	(88,501)	(165,790)	(9,694)	(10,043)
Net loss on disposal of:				
- equity interest in an associate	325,334	75,719	-	-
Reversal of impairment loss of:				
- amount owing by associates	-	(222,600)	-	-
- investment in other investment	(325,334)	-	-	-
- property, plant and equipment	(301,390)	-	-	-
Gain on termination of lease	(381)	(16,031)	(76)	-
Gain on revision of lease liabilities	-	(18,645)	-	-
Share of net loss of equity accounted associates	98,745	334,653	-	-
Operating (loss)/profit before working capital changes	(1,671,160)	7,794,874	(896,491)	(87,781)
Decrease in inventories	405,755	713,721	-	-
(Increase)/Decrease in trade and other receivables	(241,956)	465,001	1,318	24,876
(Decrease)/Increase in trade and other payables	(71,827)	(608,076)	66,032	(17,498)
CASH (FOR)/FROM OPERATIONS	(1,579,188)	8,365,520	(829,141)	(80,403)
Income tax paid	(431,095)	(1,114,904)	-	(8,620)
Income tax refunded	-	168,959	-	19,440
NET CASH (FOR)/FROM OPERATING ACTIVITIES CARRIED FORWARD	(2,010,283)	7,419,575	(829,141)	(69,583)

The annexed notes form an integral part of these financial statements

## STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 March 2021  
cont'd

	Note	The Group		The Company	
		2021 RM	2020 RM	2021 RM	2020 RM
NET CASH (FOR)/FROM OPERATING ACTIVITIES BROUGHT FORWARD		(2,010,283)	7,419,575	(829,141)	(69,583)
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES					
Dividend income received		-	210	-	-
Interest received		88,501	165,790	9,694	10,043
Payment for intangible asset		(21,249)	(25,449)	-	-
(Placement)/Withdrawal of deposits pledged with licensed banks		(6,411)	37,443	-	-
Proceeds from disposal of:					
- equity interest in an associate		-	381	-	-
- other investments		-	350,000	-	-
- property, plant and equipment		372,806	15,643	-	-
Repayment from associates		136,335	10,365	-	-
Repayment from/(Advances to) subsidiaries		32,724	-	(39,267)	251,754
Advances to related parties		-	(32,724)	-	-
Purchase of property, plant and equipment	37(a)	(368,880)	(1,383,009)	-	(25,603)
NET CASH FROM/(FOR) INVESTING ACTIVITIES		233,826	(861,350)	(29,573)	236,194
BALANCE CARRIED FORWARD		(1,776,457)	6,558,225	(858,714)	166,611

The annexed notes form an integral part of these financial statements

## STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 March 2021  
cont'd

	Note	The Group		The Company	
		2021 RM	2020 RM	2021 RM	2020 RM
BALANCE BROUGHT FORWARD		(1,776,457)	6,558,225	(858,714)	166,611
CASH FLOWS FROM/(FOR)FINANCING ACTIVITIES					
Proceeds from issuance of shares		17,461,080	-	17,461,080	-
Repayment to subsidiaries		-	-	(1,151,998)	(11,823)
Interest paid		(45,630)	(74,232)	-	-
Repayment of term loans	37(b)	(8,707)	(59,017)	-	-
Repayment of lease liabilities	37(b)	(2,948,529)	(3,983,147)	(94,513)	(126,507)
Repayment of interest expense on lease liabilities	37(b)	(279,814)	(536,983)	(7,527)	(17,595)
NET CASH FROM/(FOR) FINANCING ACTIVITIES		14,178,400	(4,653,379)	16,207,042	(155,925)
NET INCREASE IN CASH AND CASH EQUIVALENTS		12,401,943	1,904,846	15,348,328	10,686
EFFECT OF FOREIGN EXCHANGE TRANSLATION		310,135	(267,241)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		6,730,813	5,093,208	416,347	405,661
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	37(d)	19,442,891	6,730,813	15,764,675	416,347

The annexed notes form an integral part of these financial statements

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021

## 1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office : 3rd Floor, No. 17,  
Jalan Ipoh Kecil,  
50350 Kuala Lumpur.

Principal place of business : D-3-1 & D-3A-1,  
Seri Gembira Avenue,  
Jalan Senang Ria,  
Taman Gembira,  
58200 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 24 August 2021.

## 2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## 3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

3.1 During the current financial year, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

### **MFRSs and/or IC Interpretations (Including The Consequential Amendments)**

Amendments to MFRS 3: Definition of a Business

Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9

Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform

Amendment to MFRS 16: Covid-19 – Related Rent Concessions

Amendment to MFRS 16: Covid-19 – Related Rent Concessions beyond 30 June 2021

Amendments to MFRS 101 and MFRS 108: Definition of Material

Amendments to References to the Conceptual Framework in MFRS Standards

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements except.



## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 3. BASIS OF PREPARATION (cont'd)

- 3.2 The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

### 4. SIGNIFICANT ACCOUNTING POLICIES

#### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The outbreak of the COVID-19 has brought unprecedented challenges and added economic uncertainties in Malaysia and markets in which the Group operates. While the Group has considered the potential financial impact of the COVID-19 pandemic in the preparation of these financial statements, the full financial impact to the Group remains uncertain. Accordingly, there is a possibility that factors not currently anticipated by management could occur in the future and therefore affect the recognition and measurement of the Group's assets and liabilities at the reporting date.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

#### *Key Sources of Estimation Uncertainty*

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

#### **(a) Property and Equipment under Revaluation**

Certain properties of the Group are reported at revalued amounts which are based on valuations performed by independent professional valuers by reference to the selling prices of recent transactions and asking prices of similar properties of nearby location and where necessary, adjusting for tenure, location, size and market trends. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting valuations. The carrying amount of property and equipment measured at revaluation as at the reporting date is disclosed in Note 7 to the financial statements.

#### **(b) Valuation of Investment Properties**

Investment properties of the Group are reported at fair value which is based on valuations performed by independent professional valuers.

The independent professional valuers have exercised judgement in determining discount rates, estimates of future cash flows, capitalisation rate, terminal value, and market rental used in the valuation process. Also, judgement has been applied in estimating prices for less readily observable external parameters. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting fair value. The carrying amount of investment properties as at the reporting date is disclosed in Note 8 to the financial statements.

#### **(c) Impairment of Property, Plant and Equipment**

The Group determines whether its property, plant and equipment is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 7 to the financial statements.

#### **(d) Write-down of Inventories**

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 14 to the financial statements.

#### **(e) Impairment of Trade Receivables**

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables. The carrying amount of trade receivables as at the reporting date is disclosed in Note 15 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

#### *Critical Judgements Made in Applying Accounting Policies*

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

#### (a) Classification between Investment Properties and Owner-occupied Properties

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

#### (b) Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

In determining the incremental borrowing rate of the respective leases. The Group first determines the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

### 4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities, if any) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.2 BASIS OF CONSOLIDATION (cont'd)

#### (a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

#### (b) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

#### (c) Changes in Ownership Interests in Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

#### (d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

## 4. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

### 4.3 FUNCTIONAL AND FOREIGN CURRENCIES

#### (a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

#### (b) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

#### (c) Foreign Operations

Assets and liabilities of foreign operations (including any goodwill and fair value adjustments arising on acquisition) are translated to the Group's presentation currency at the exchange rates at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or a partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion that related to non-controlling interests is derecognised but is not reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the proportionate share of the accumulative exchange differences is reclassified to profit or loss.

In the consolidated financial statements, when settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.4 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

#### (a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

##### *Debt Instruments*

#### (i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

#### (ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

#### (iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.4 FINANCIAL INSTRUMENTS (cont'd)

#### (a) Financial Assets (cont'd)

##### *Debt Instruments (cont'd)*

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

##### *Equity Instruments*

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

#### (b) Financial Liabilities

##### (i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value of these financial liabilities are recognised in profit or loss.

##### (ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

#### (c) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

##### (i) Ordinary Shares

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.4 FINANCIAL INSTRUMENTS (cont'd)

#### (c) Equity Instruments (cont'd)

##### (ii) Treasury Shares

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares.

Where treasury shares are reissued by resale, the difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity.

Where treasury shares are cancelled, their costs are transferred to retained profits.

#### (d) 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 when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

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.

#### (e) 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.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the amount of the credit loss determined in accordance with the expected credit loss model and the amount initially recognised less cumulative amortisation.

### 4.5 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of investments includes transaction costs.

On the disposal of the investments in subsidiaries the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.



## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 4.6 INVESTMENTS IN ASSOCIATES

An associate is an entity in which the Group has a long-term equity interest and where it exercises significant influence over the financial and operating policies.

The investment in an associate is accounted for in the consolidated financial statements using the equity method based on the financial statements of the associate made up to the end of the reporting period. The Group's share of the post acquisition profits and other comprehensive income of the associate is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's interest in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post acquisition retained profits and reserves. The cost of the investment includes transaction costs.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation. The interest in the associate is the carrying amount of the investment in the associate determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the associate.

Unrealised gains or losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

When the Group ceases to have significant influence over an associate and the retained interest in the former associate is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 9. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that associate to profit or loss when the equity method is discontinued.

#### 4.7 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all property, plant and equipment, other than freehold land and buildings, are stated at cost less accumulated depreciation and any impairment losses.

Freehold land is stated at valuation less impairment losses recognised after the date of the revaluation. Leasehold land and buildings are stated at revalued amount less accumulated depreciation and impairment losses recognised after the date of the revaluation.

Land and buildings are revalued periodically, at least once in every five years. Surpluses arising from the revaluation are recognised in other comprehensive income and accumulated in equity under the revaluation reserve to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss. Deficits arising from the revaluation, to the extent that they are not supported by any previous revaluation surpluses, are recognised in profit or loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

#### 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

##### 4.7 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Freehold land is not depreciated. Depreciation on other property, plant and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Buildings	2%
Plant and machinery	20%
Motor vehicles	20%
Renovation, furniture and fittings	10 - 20%
Equipment and electrical installation	10 - 20%

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment. Any changes are accounted for as a change in estimate.

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.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss. The revaluation reserve included in equity is transferred directly to retained profits on retirement or disposal of the asset. In addition, the Group also makes an annual transfer of the revaluation reserve to retained profits as the asset is used by the Group. In such a case, the amount of the revaluation reserve transferred would be the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

##### 4.8 INVESTMENT PROPERTIES

Investment properties are properties which are owned or right-to-use asset held 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.

Investment properties which are owned are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The right-of-use asset held under a lease contract that meets the definition of investment property is measured initially similarly as other right-of-use assets.

Subsequent to initial recognition, investment properties are stated at fair value with fair value changes recognised in profit or loss.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property or inventories, the fair value at the date of change becomes the cost for subsequent accounting purposes. If the owner-occupied property becomes an investment property, such property shall be accounted for in accordance with the accounting policy for property, plant and equipment up to date of change in use.

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 4.9 INTANGIBLE ASSETS

An intangible asset shall be recognised if, and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and that the cost of the asset can be measured reliably. An entity shall assess the probability of the expected future economic benefits using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset. An intangible asset shall be measured initially at cost.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful lives or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of comprehensive income in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

##### (a) Trademarks

The purchased trademarks are stated at cost less accumulated amortisation and impairment losses, if any. The trademarks are amortised over their remaining useful lives. In the event that the expected future economic benefits are no longer probable of being recovered, the trademarks are written down to their recoverable amounts.

#### 4.10 LEASES

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group has elected not to separate non-lease components from lease components of the right-of-use assets. Instead, the Group has accounted for the lease component and the associated non-lease components as a single lease arrangement.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets that do not meet the definition of investment property and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 4.10 LEASES (cont'd)

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

Variable rents that linked to future performance or usage of the underlying asset are not included in the measurement of the lease liability and the right-of-use asset. Instead, these payments are recognised as an expense in the period in which the performance or use occurs.

#### 4.11 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost method and comprises the purchase price, production costs and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs of production and the estimated costs necessary to make the sale.

#### 4.12 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

#### 4.13 IMPAIRMENT

##### (a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income and trade receivables, as well as on financial guarantee contracts.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 4.13 IMPAIRMENT (cont'd)

##### (a) Impairment of Financial Assets (cont'd)

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 months expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

##### (b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset. Any impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 4.14 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The unwinding of the discount is recognised as interest expense in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.15 EMPLOYEE BENEFITS

#### (a) Short-term Benefits

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

#### (b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

### 4.16 INCOME TAXES

#### (a) Current Tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

#### (b) Deferred Tax

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Where investment properties are carried at their fair value, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.17 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements, unless the probability of outflow of economic benefits is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

### 4.18 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 to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

### 4.19 EARNINGS PER ORDINARY SHARE

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

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible preference shares and share options granted to employees.

### 4.20 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted. The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is the weighted average of the borrowing costs applicable to borrowings that are outstanding during the financial year, other than borrowings made specifically for the purpose of financing a specific project-in-progress, in which case the actual borrowing costs incurred on that borrowings less any investment income on temporary investment of that borrowings will be capitalised.

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

### 4.21 FAIR VALUE MEASUREMENTS

Fair value is 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, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction 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.

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 4.21 FAIR VALUE MEASUREMENTS (cont'd)

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;
- Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs are unobservable inputs for the asset or liability.

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

#### 4.22 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

##### (a) Sale of Food and Beverage

Revenue from sale of food and beverage is recognised when the Group has transferred control of the food and beverage to the customer, being when the food and beverage have been delivered to the customer and upon its acceptance. Payment of the transaction is due at the point the food and beverage being accepted by the customer.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

##### (b) Sale of Goods

Revenue from sale of goods is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.



## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 4.23 REVENUE FROM OTHER SOURCES AND OTHER OPERATING INCOME

##### (a) Interest Income

Interest income is recognised on an accrual basis using the effective interest method. Interest income from financial assets at fair value through profit or loss is included in the net fair value gains/losses.

##### (b) Service Fee Income

Service fee income represents service charge to customers at the Group's restaurants and is recognised at the point of sales.

##### (c) Rental Income

Rental income is accounted for on a straight-line method over the lease term unless collectability is in doubt.

### 5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2021 RM	2020 RM
Unquoted shares, at cost	47,109,805	47,109,805
Accumulated impairment losses	(8,512,966)	(7,470,837)
	38,596,839	39,638,968
Accumulated impairment losses:-		
At 1 April	(7,470,837)	(7,470,837)
Addition during the financial year	(1,042,129)	-
At 31 March	(8,512,966)	(7,470,837)

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principle Place of Business/Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2021	2020	
		%	%	
<i>Subsidiaries of the Company</i>				
Restoran Oversea (Imbi) Sdn. Bhd.	Malaysia	100	100	Restaurant operator.
Restoran Oversea (Subang Parade) Sdn. Bhd.	Malaysia	100	100	Dormant.
Restoran Oversea (Bandar Baru Sri Petaling) Sdn. Bhd.	Malaysia	100	100	Restaurant operator.

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 5. INVESTMENTS IN SUBSIDIARIES (cont'd)

The details of the subsidiaries are as follows (cont'd):-

Name of Subsidiary	Principle Place of Business/Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2021	2020	
		%	%	
<i>Subsidiaries of the Company</i>				
Oversea Training Academy Sdn. Bhd.	Malaysia	100	100	Training provider.
Haewaytian Restaurant Sdn. Bhd.	Malaysia	100	100	Restaurant operator.
Restoran Oversea Dian Xin (Sri Petaling) Sdn. Bhd.	Malaysia	100	100	Restaurant operator.
Restoran Tsim Tung Sdn. Bhd.	Malaysia	100	100	Dormant.
Haewaytian Cake House Sdn. Bhd.	Malaysia	100	100	Manufacturer and wholesaler of confectioneries.
Haewaytian Food Industries Sdn. Bhd.	Malaysia	100	100	Distributor of food products.
Restoran Oversea Confectioneries Sdn. Bhd.	Malaysia	100	100	Manufacturer and wholesaler of confectioneries.
Tenshou International Sdn. Bhd.	Malaysia	100	100	Retailer of foodstuff.
Haewaytian Trading Sdn. Bhd.	Malaysia	100	100	Distributing general products.
Restoran Oversea Holdings Sdn. Bhd.	Malaysia	100	100	Owner of trademark.
Restoran Oversea JV (International) Sdn. Bhd.	Malaysia	100	100	Investment holding.
Ipoh Group Limited # ^	Hong Kong	100	100	Restaurant and cafe operator. (in the process of deregistration)
Restoran Oversea Hong Kong Dim Sum Sdn. Bhd.*	Malaysia	100	100	Dormant.
Restoran Oversea (Skyplaza GH) Sdn. Bhd.*	Malaysia	100	100	Restaurant operator.
Restoran Oversea (P.J.) Sdn. Bhd.	Malaysia	100	100	Dormant.
Restaurant Oversea (CST) Sdn. Bhd.*	Malaysia	100	100	Dormant.

Notes:-

- ^ - The subsidiary has ceased its business operations.
- # - This subsidiary was audited by another firm of chartered accountant.
- \* - Held through Restoran Oversea JV (International) Sdn. Bhd.

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 5. INVESTMENTS IN SUBSIDIARIES (cont'd)

During the financial year, the Company has carried out a review of the recoverable amounts of its investments in certain subsidiaries as their financial performance was deteriorating due to keen competition and the outbreak of COVID-19 pandemic. A total impairment losses of RM1,042,129 (2020 - Nil), representing the write-down of the investments to their recoverable amounts, was recognised in "Administrative Expenses" line item of the statement of profit or loss and other comprehensive income.

### 6. INVESTMENTS IN ASSOCIATES

	The Group	
	2021 RM	2020 RM
Unquoted shares, at cost	797,668	797,668
Share of post-acquisition losses, net of dividend received	(217,601)	(118,856)
Disposal during the financial year	(325,334)	-
Transferred to other investment (Note 10)	(254,733)	-
	-	678,812
Accumulated impairment losses	-	(398,668)
	-	280,144
Accumulated impairment losses:-		
At 1 April	(398,668)	(146,668)
Addition during the financial year	-	(252,000)
Disposal during the financial year	325,334	-
Transferred to other investment (Note 10)	73,334	-
At 31 March	-	(398,668)

The details of associates are as follows:-

Name of Associate	Principal place of Business	Percentage of Ownership		Principal Activities
		2021	2020	
		%	%	
Wanhoh GH Sdn. Bhd.	Malaysia	-	10.0	Restaurant operator.
Santaisan Sdn. Bhd.	Malaysia	-	19.9	Investment holding.
MDC Melawati Sdn. Bhd.	Malaysia	-	21.6	Restaurant operator.

- (a) During the financial year, the Group disposed of its entire equity interest in Santaisan Sdn Bhd ("SAN") for a cash consideration of RM1,439. Consequently, the loss on disposal in SAN was recognised in "Administrative Expenses" line item of the statement of profit or loss and other comprehensive income.
- (b) During the financial year, the Group disposed of its entire equity interest MDC Melawati Sdn Bhd ("MDC") for a cash consideration of RM1. Consequently, the gain on disposal in MDC was recognised in "Other Income" line item of the statement of profit or loss and other comprehensive income.
- (c) During the financial year, the Group has lost the ability to exercise significant influence over Wanhoh GH Sdn Bhd ("WH") due to the common directors appointed by the Group has resigned from the Group. Consequently, the Group's equity interest in WH of 10% have been accounted for as other investment to the Group.

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 6. INVESTMENTS IN ASSOCIATES (cont'd)

- (d) In the previous financial year, Wanhoi GH Sdn. Bhd. ("WH"), an indirect associate of the Company, has increased its issued share capital from 100,000 shares to 200,000 shares. The entire 100,000 shares were allotted to other shareholders. Consequently, the Group's entity interest in WH was diluted from 20% to 10%. Although the Group holds less than 20% of the voting power in WH, it remained as an associate of the Group as the Group is able to exercise significant influence because the Group has representation on the board of directors of WH.

The statutory financial year end of Wanhoi GH Sdn. Bhd. and its subsidiaries ("Wanhoi GH Group") is 31 December. The share of results in Wanhoi GH Group in the previous financial year was based on the unaudited financial statements for the 12 months ended 31 March 2020.

- (e) In the previous financial year, the Group converted 73,334 units of MDC Melawati Sdn. Bhd. ("MDC")'s non-cumulative preference shares into ordinary shares at RM1 each, which is equivalent to equity interest of 14.7%. As MDC is also an associate of Santaisan Sdn. Bhd. ("SAN"), therefore the Group has an additional 6.9% effective equity interest in MDC through SAN, thus bringing the effective equity interest of the Group in MDC to 21.6%. MDC is considered an associate of the Group as the Group is able to exercise significant influence through the Group's representation on the board of directors of MDC.

The statutory financial year end of MDC is 31 December. The share of results in MDC in the previous financial year was based on the unaudited financial statements for the 12 months ended 31 March 2020.

- (f) The summarised unaudited financial information for each associate that is material to the Group is as follows:-

	Wanhoi GH Group	
	2021	2020
	RM	RM
<u>At 31 March</u>		
Non-current assets	-	1,368,092
Current assets	-	3,175,721
Current liabilities	-	(2,304,429)
Net assets	-	2,239,384
Less: Non-controlling interests	-	(20,000)
Net assets attributable to owners of Wanhoi GH Group	-	2,219,384
<u>12-month Period Ended 31 March</u>		
Revenue	-	17,082,506
Profit after taxation/Total comprehensive income attributable to owners of Wanhoi GH Group	-	3,393,086
Group's share of profit after taxation/Total comprehensive income for the financial year	-	287,011
Dividend received	-	569,485
<u>Reconciliation of Net Assets to Carrying Amount</u>		
Group's share of net assets	-	221,938

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 6. INVESTMENTS IN ASSOCIATES (cont'd)

- (f) The summarised unaudited financial information for each associate that is material to the Group is as follows (cont'd):-

	Santaisan Group	
	2021	2020
	RM	RM
<u>At 31 March</u>		
Non-current assets	-	1,710,218
Current assets	-	4,170,360
Current liabilities	-	(3,203,980)
Net assets	-	2,676,598
Less: Non-controlling interests	-	(1,098,005)
Net assets attributable to owners of Santaisan Group	-	1,578,593
<u>12-month Period Ended 31 March</u>		
Revenue	-	10,897,444
Profit after taxation/Total comprehensive income attributable to owners of Santaisan Group	-	1,545,910
Group's share of profit after taxation/ Total comprehensive income for the financial year	-	116,754
Dividend received	-	168,933
<u>Reconciliation of Net Assets to Carrying Amount</u>		
Group's share of net assets	-	314,140

- (g) Summarised financial information of MDC Melawati Sdn. Bhd. ("MDC") was not presented, as the associate was not material to the Group.

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 7. PROPERTY, PLANT AND EQUIPMENT

	At	Additions	Disposals	Write-off	Impairment Loss	Revaluation		At
	1.4.2020					(Deficit)/ Surplus	Depreciation Charges	31.3.2021
	RM	RM	RM	RM	RM	RM	RM	RM
<b>The Group</b>								
<b>2021</b>								
<i>Carrying Amount</i>								
Freehold land	5,070,000	-	-	-	-	(180,000)	-	4,890,000
Freehold buildings	6,559,600	-	-	-	-	599,667	(142,600)	7,016,667
Leasehold buildings	10,039,138	-	-	-	-	1,324,091	(220,896)	11,142,333
Plant and machinery	128,528	245,807	(10,914)	-	-	-	(101,005)	262,416
Motor vehicles	138,413	-	-	-	-	-	(54,032)	84,381
Renovation, furniture and fittings	2,429,399	86,817	(99,250)	(48)	(1,460)	-	(708,982)	1,706,476
Equipment and electrical installation	707,896	36,256	-	-	(19,612)	-	(143,674)	580,866
Capital work-in-progress	19,662	-	-	-	-	-	-	19,662
	25,092,636	368,880	(110,164)	(48)	(21,072)	1,743,758	(1,371,189)	25,702,801

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 7. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Group	At	Additions	Disposals	Write-offs	Impairment Loss	Transfer to Investment Properties	Depreciation Charges	At
	1.4.2019							31.3.2020
	RM	RM	RM	RM	RM	RM	RM	RM
<i>Carrying Amount</i>								
Freehold land	5,860,000	-	-	-	-	(790,000)	-	5,070,000
Freehold buildings	6,852,600	-	-	-	-	(147,200)	(145,800)	6,559,600
Leasehold land	1,788,462	-	-	-	-	(1,764,616)	(23,846)	-
Leasehold buildings	10,576,967	-	-	-	-	(312,800)	(225,029)	10,039,138
Plant and machinery	256,470	17,949	-	-	-	-	(145,891)	128,528
Motor vehicles	197,140	-	-	-	(2)	-	(58,725)	138,413
Renovation, furniture and fittings	5,052,766	825,469	(7,719)	(117,164)	(1,982,546)	-	(1,341,407)	2,429,399
Equipment and electrical installation	2,772,395	539,591	(7,924)	(7,874)	(1,891,831)	-	(696,461)	707,896
Capital work-in-progress	19,662	-	-	-	-	-	-	19,662
	33,376,462	1,383,009	(15,643)	(125,038)	(3,874,379)	(3,014,616)	(2,637,159)	25,092,636

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 7. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Group	At Cost RM	At Valuation RM	Accumulated Depreciation RM	Accumulated Impairment Losses RM	Carrying Amount RM
<b>2021</b>					
Freehold land	-	4,890,000	-	-	4,890,000
Freehold buildings	-	7,110,000	(93,333)	-	7,016,667
Leasehold buildings	-	11,325,000	(182,667)	-	11,142,333
Plant and machinery	9,206,735	-	(8,944,319)	-	262,416
Motor vehicles	2,418,103	-	(2,333,719)	(3)	84,381
Renovation, furniture and fittings	19,524,576	-	(15,617,788)	(2,200,312)	1,706,476
Equipment and electrical installation	9,312,179	-	(6,646,573)	(2,084,740)	580,866
Capital work-in-progress	19,662	-	-	-	19,662
	40,481,255	23,325,000	(33,818,399)	(4,285,055)	25,702,801
<b>2020</b>					
Freehold land	-	5,070,000	-	-	5,070,000
Freehold buildings	-	7,130,000	(570,400)	-	6,559,600
Leasehold buildings	61,439	10,850,000	(872,301)	-	10,039,138
Plant and machinery	9,009,818	-	(8,857,450)	(23,840)	128,528
Motor vehicles	2,418,103	-	(2,279,687)	(3)	138,413
Renovation, furniture and fittings	19,722,656	-	(15,089,193)	(2,204,064)	2,429,399
Equipment and electrical installation	10,080,356	-	(6,696,006)	(2,676,454)	707,896
Capital work-in-progress	19,662	-	-	-	19,662
	41,312,034	23,050,000	(34,365,037)	(4,904,361)	25,092,636
	<b>At 1.4.2019 RM</b>	<b>Addition RM</b>	<b>Depreciation Charges RM</b>	<b>Impairment Loss RM</b>	<b>At 31.3.2020 RM</b>
<b>The Company</b>					
<b>2020</b>					
<i>Carrying Amount</i>					
Renovation, furniture and fittings	83,928	-	(14,624)	(69,304)	-
Equipment and electrical installation	45,390	25,603	(20,389)	(50,604)	-
	129,318	25,603	(35,013)	(119,908)	-



## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 7. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	At Cost RM	Accumulated Depreciation RM	Accumulated Impairment Losses RM	Carrying Amount RM
<b>2021</b>				
Renovation, furniture and fittings	146,239	(76,935)	(69,304)	-
Equipment and electrical installation	328,116	(277,512)	(50,604)	-
	474,355	(354,447)	(119,908)	-
<b>2020</b>				
Renovation, furniture and fittings	146,239	(76,935)	(69,304)	-
Equipment and electrical installation	328,116	(277,512)	(50,604)	-
	474,355	(354,447)	(119,908)	-

- (a) During the financial year, the Group's land and buildings were revalued by independent professional valuers. The surpluses or deficits arising from the revaluations, net of deferred taxation, have been credited or debited respectively to other comprehensive income as disclosed in Note 35 to the financial statements and accumulated in equity under the revaluation reserve.
- (b) The carrying amounts of the property, plant and equipment which have been pledged to licensed banks as security for banking facilities granted to the Group are as follows:-

	The Group	
	2021 RM	2020 RM
Leasehold buildings	63,000	57,138

- (c) If the land and buildings were measured using the cost model, the carrying amounts would be as follows:-

The Group	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
<b>2021</b>			
Freehold land and buildings	9,606,730	(1,620,528)	7,986,202
Leasehold buildings	5,588,922	(1,016,457)	4,572,465
	15,195,652	(2,636,985)	12,558,667
<b>2020</b>			
Freehold land and buildings	9,606,730	(1,480,773)	8,125,957
Leasehold buildings	5,588,922	(906,338)	4,682,584
	15,195,652	(2,387,111)	12,808,541

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 7. PROPERTY, PLANT AND EQUIPMENT (cont'd)

- (d) During the financial year, the Group has carried out a review of the recoverable amount of certain equipment in subsidiaries which had been persistently making losses. An impairment loss of RM21,072 (2020 - RM3,874,379) and Nil (2020 - RM119,908) of the Group and the Company respectively representing the writedown of the equipment to the recoverable amount was recognised in "Administrative Expenses" line item of the consolidated statement of profit or loss and other comprehensive income as disclosed in Note 33 to the financial statements.
- (e) In the previous financial year, the Group transferred freehold land and building of RM937,200 and leasehold land and building of RM2,077,416 from property, plant and equipment to investment properties as a result of change in use.

### 8. INVESTMENT PROPERTIES

	The Group	
	2021 RM	2020 RM
<i>Carrying Amount</i>		
At 1 April	5,364,616	2,450,000
Transfer from property, plant and equipment	-	3,014,616
Loss on changes in fair value (Note 33)	(514,616)	(100,000)
At 31 March	4,850,000	5,364,616
Included in the above are:-		
Freehold land and buildings, at fair value	2,850,000	3,287,200
Leasehold land and buildings, at fair value	2,000,000	2,077,416
	4,850,000	5,364,616

- (a) The investment properties of the Group are leased to customers under operating leases with rentals payable monthly. The leases contain initial non-cancellable periods ranging from 1 to 3 (2020 - 1 to 3) years and an option that is exercisable by the customers to extend their leases for an average of 2 (2020 - 2) years.

As at the reporting date, the future minimum rentals receivable under the non-cancellable operating leases are as follows:-

	The Group	
	2021 RM	2020 RM
Within 1 year	164,600	156,750
Between 1 and 2 years	89,013	102,800
Between 2 and 3 years	35,647	29,600
	289,260	289,150

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 8. INVESTMENT PROPERTIES (cont'd)

- (b) The carrying amount of the investment properties which have been pledged to licensed banks as security for banking facilities granted to the Group are as follows:-

	The Group	
	2021 RM	2020 RM
Leasehold land and buildings, at fair value	2,000,000	2,077,416

- (c) The fair value of the investment properties have been determined based on valuations performed by independent professional valuers at the end of the reporting date 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. There has been no change to the valuation technique during the financial year.

There were no transfers between level 1 and level 2 during the financial year.

The fair values of the investment properties are within level 2 of the fair value hierarchy.

The details of the Group's investment properties carried at fair values are analysed as follows:-

The Group	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>2021</b>				
Shoplot	-	3,275,000	-	3,275,000
Terrace house	-	1,550,000	-	1,550,000
Carpark	-	25,000	-	25,000
	-	4,850,000	-	4,850,000
<b>2020</b>				
Shoplot	-	3,450,916	-	3,450,916
Terrace house	-	1,887,200	-	1,887,200
Carpark	-	26,500	-	26,500
	-	5,364,616	-	5,364,616

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 9. RIGHT-OF-USE ASSETS

The Group	At 1.4.2020 RM	Termination of Lease RM	Modification of Lease Liabilities RM	Revaluation Surplus RM	Depreciation Charges RM	At 31.3.2021 RM
<b>2021</b>						
<i>Carrying Amount</i>						
Leasehold land	14,869,971	-	-	4,511,669	(241,443)	19,140,197
Accommodations	111,175	-	9,515	-	(107,025)	13,665
Shoplot	2,825,010	(16,379)	700,895	-	(2,684,274)	825,252
Equipment	20,728	(1,900)	-	-	(18,828)	-
Motor vehicles	364,615	-	-	-	(166,991)	197,624
	18,191,499	(18,279)	710,410	4,511,669	(3,218,561)	20,176,738

The Group	At 1.4.2019 RM	Termination of Lease RM	Modification of Lease Liabilities RM	Depreciation Charges RM	At 31.3.2020 RM
<b>2020</b>					
<i>Carrying Amount</i>					
Leasehold land	15,073,608	-	-	(203,637)	14,869,971
Accommodations	437,849	-	-	(326,674)	111,175
Shoplot	7,152,234	(273,239)	(346,469)	(3,707,516)	2,825,010
Equipment	53,308	-	-	(32,580)	20,728
Motor vehicles	531,606	-	-	(166,991)	364,615
	23,248,605	(273,239)	(346,469)	(4,437,398)	18,191,499

The Company	At 1.4.2020 RM	Termination of Lease RM	Depreciation Charges RM	At 31.3.2021 RM
<b>2021</b>				
<i>Carrying Amount</i>				
Shoplot	72,723	-	(72,723)	-
Equipment	20,728	(1,900)	(18,828)	-
	93,451	(1,900)	(91,551)	-

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 9. RIGHT-OF-USE ASSETS (cont'd)

The Company	At 1.4.2019 RM	Depreciation Charges RM	At 31.3.2020 RM
<b>2020</b>			
<i>Carrying Amount</i>			
Shoplot	169,688	(96,965)	72,723
Equipment	53,308	(32,580)	20,728
	222,996	(129,545)	93,451

- (a) The Group's and the Company's leasehold land, shoplot and accommodations, equipment and motor vehicles which are under leasing arrangement are summarised below:-
- (i) Leasehold land      The leases are for a period of 46 to 77 (2020 - 58 to 88) years with no renewal or purchase option included in the agreements. The leases do not allow the Group to assign, transfer or sublease or create any charge, lien or trust in respect of or dispose of the whole or any part of the land.
  - (ii) Shoplot and accommodations      The Group and the Company have leased a number of shoplot and accommodations that run between 2 years and 3 years (2020 - 1 year and 5 years), with an option to renew the lease after that date. The Group and the Company are not allowed to sublease the shoplot and accommodations.
  - (iii) Equipment      The Group and the Company have leased a number of equipment for a period of 3 years, with an option to renew the lease on a monthly basis. The Group and the Company are not allowed to sublease the equipment.
  - (iv) Motor vehicles      The Group has leased its motor vehicles under hire purchase arrangements. The leases are secured by the leased assets. The Group has an option to purchase the asset at the expiry of the lease period at an insignificant amount.
- (b) During the financial year, the Group's leasehold land was revalued by independent professional valuers. The surplus arising from the revaluations, net of deferred taxation, have been credited to other comprehensive income as disclosed in Note 35 to the financial statements and accumulated in equity under the revaluation reserve.
- (c) The Group reassesses whether it is reasonably certain to exercise the options if there is a significant change in circumstances within its control. During the financial year, the financial effect of revising the lease terms to reflect the effect of exercising the termination options was a decrease in lease liabilities and right-of-use assets of RM18,660 (2020 - RM289,270) and RM18,279 (2020 - RM273,239) respectively.
- (d) In the previous financial year, the financial effect from the revision of rental rates on the remaining lease period of a shoplot was a decrease in lease liabilities and right-of-use assets of RM365,114 and RM346,469 respectively.
- (e) The Group also has leases with lease terms of 12 months or less. The Group has applied the 'short-term lease' recognition exemptions for these leases.
- (f) The leasehold land of RM387,000 (2020 - RM361,341) has been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 27 to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 10. OTHER INVESTMENTS

	The Group	
	2021 RM	2020 RM
<u>Fair Value Through Other Comprehensive Income</u>		
- Quoted shares in Malaysia	15,750	6,525
- Quoted shares outside Malaysia	6,954	6,991
- Unquoted shares in Malaysia	185,379	3,980
	208,083	17,496
Amortised cost	350,000	350,000
	558,083	367,496
Accumulated impairment losses	(181,399)	-
	376,684	367,496
Accumulated impairment losses:-		
At 1 April	-	-
Addition during the financial year	(181,399)	-
At 31 March	(181,399)	-

- (a) The Group has designated the equity investments at fair value through other comprehensive income because the Group intends to hold for long-term strategic purposes.
- (b) There was no disposal of equity investment carried at fair value through other comprehensive income during the financial year.

### 11. INTANGIBLE ASSET

	The Group	
	2021 RM	2020 RM
Trademark, at cost:-		
At 1 April	459,978	434,529
Addition during the financial year	21,249	25,449
At 31 March	481,227	459,978
Amortisation of intangible asset	(402,122)	(386,606)
	79,104	73,372
Amortisation of intangible asset:-		
At 1 April	(386,606)	(373,454)
Amortisation during the financial year	(15,517)	(13,152)
At 31 March	(402,122)	(386,606)

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 12. LONG-TERM RECEIVABLES

	The Group	
	2021 RM	2020 RM
Minimum staff loan repayments:		
- within one year	62,765	69,165
- within two to five years	64,350	93,450
- more than five years	39,500	28,000
	166,615	190,615
Less: Prepaid operating expenses	(34,327)	(32,873)
	132,288	157,742

The fair value of staff loans is repayable as follows:-

	The Group	
	2021 RM	2020 RM
Current (Note 16):		
- within one year	62,765	69,165
Non-current:		
- within two to five years	50,931	73,567
- more than five years	18,592	15,010
	69,523	88,577
	132,288	157,742
Prepaid operating expenses:-		
At 1 April	(32,873)	(21,142)
Addition during the financial year	(5,429)	(23,796)
Accretion of long-term receivables	3,975	12,065
Recognised in profit or loss during the financial year	(1,454)	(11,731)
At 31 March	(34,327)	(32,873)

The staff loans are unsecured, interest-free and to be settled in cash. The staff loans are recognised initially at fair value. The difference between the fair value and the nominal loan amount represents payment for services to be rendered during the period of the loan and is recorded as part of prepaid operating expenses.

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 13. DEFERRED TAX ASSETS/(LIABILITIES)

	The Group	
	2021 RM	2020 RM
At 1 April	(5,370,788)	(5,458,377)
Recognised in profit or loss during the financial year (Note 34)	4,339	87,589
Recognised in comprehensive income during the financial year (Note 35)	(1,661,304)	-
At 31 March	(7,027,753)	(5,370,788)
Presented as follows:-		
Deferred tax assets	-	49,000
Deferred tax liabilities	(7,027,753)	(5,419,788)
	(7,027,753)	(5,370,788)

The deferred tax assets/(liabilities) recognised at the end of the reporting period before appropriate off-setting are as follows:-

	The Group	
	2021 RM	2020 RM
Deferred tax assets:-		
Impairment losses	-	49,000
Deferred tax liabilities:-		
Property, plant and equipment:		
- arising from revaluation surplus	(5,825,171)	(4,263,724)
- accelerated capital allowances over depreciation	(772,732)	(771,101)
Investment properties	(429,850)	(384,963)
	(7,027,753)	(5,419,788)
	(7,027,753)	(5,370,788)



## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 13. DEFERRED TAX ASSETS/(LIABILITIES) (cont'd)

At the end of reporting period, the amounts of deferred tax assets not recognised due to uncertainty of their realisation are as follows:-

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Unused tax losses:				
- expires year of assessment 2025	10,567,100	9,219,907	63,140	66,281
- expires year of assessment 2026	2,533,068	2,533,068	41,681	41,681
- expires year of assessment 2027	1,425,902	1,414,266	55,204	55,204
- expires year of assessment 2028	3,641,595	-	-	-
Unabsorbed capital allowances	3,398,294	3,190,669	167,502	167,502
Other deductible temporary differences	1,586,070	1,637,898	72,189	72,189
	23,152,029	17,995,808	399,716	402,857

No deferred tax assets are recognised in respect of these items as it is not probable that taxable profits of the subsidiaries will be available against which the deductible temporary differences can be utilised.

The unused tax losses are allowed to be utilised for 7 consecutive years of assessment while unabsorbed capital allowances are allowed to be carried forward indefinitely.

### 14. INVENTORIES

	The Group	
	2021 RM	2020 RM
At cost:-		
Food	3,031,213	3,164,164
Beverage	185,369	234,536
Raw materials	545,813	69,316
Packing materials	44,285	657,213
Work-in-progress	100,500	-
Finished goods	12,304	201,666
	3,919,484	4,326,895

None of the inventories is carried at net realisable value.

	The Group	
	2021 RM	2020 RM
Recognised in profit or loss:-		
Inventories recognised as cost of sales	8,407,779	17,995,944
Amount written down to net realisable value	1,656	-

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 15. TRADE RECEIVABLES

	The Group	
	2021 RM	2020 RM
Trade receivables	512,183	251,649
Allowance for impairment losses	(130,855)	-
	381,328	251,649
Allowance for impairment losses:-		
At 1 April	-	(733,342)
Addition during the financial year	(130,855)	-
Reversal during the financial year	-	733,342
	(130,855)	-

The Group's normal trade credit terms range from cash term to 60 (2020 - cash term to 60) days. Other credit terms are assessed and approved on a case-by-case basis.

In the previous financial year, included in the trade receivables is an amount of RM15,617 owing by the related parties. The amount owing is unsecured, interest-free and subject to the normal trade credit terms. The amount owing is to be settled in cash.

### 16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Other receivables:-				
Third parties	815,089	219,386	-	152
Goods and services tax recoverable	40,813	57,673	-	-
	855,902	277,059	-	152
Deposits	1,562,808	1,828,811	42,581	41,989
Prepayments	218,169	227,026	16,060	17,818
	2,636,879	2,332,896	58,641	59,959
Allowance for impairment losses	(1,060,836)	(607,201)	-	-
	1,576,043	1,725,695	58,641	59,959
Allowance for impairment loss:-				
At 1 April	(607,201)	(411,126)	-	-
Addition during the financial year	(136,335)	(485,384)	-	-
Transfer from amount owing by associates (Note 18)	(372,000)	-	-	-
Written off during the financial year	54,700	289,309	-	-
At 31 March	(1,060,836)	(607,201)	-	-

Included in the other receivables are staff loans of RM62,765 (2020 - RM69,165) as disclosed in Note 12 to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 17. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	The Company	
	2021 RM	2020 RM
Amount Owing by Subsidiaries		
Non-trade balances	7,647,435	7,608,168
Allowance for impairment losses	(172,761)	(172,761)
	7,474,674	7,435,407
Allowance for impairment losses:-		
At 31 March	172,761	172,761
Amount Owing to Subsidiaries		
Non-trade balances	3,273,620	4,425,618

The amounts owing are non-trade in nature, unsecured, interest-free and repayable on demand. The amounts owing are to be settled in cash.

### 18. AMOUNT OWING BY ASSOCIATES

	The Group	
	2021 RM	2020 RM
Non-trade balances	136,335	570,735
Allowance for impairment losses	-	(434,400)
Transferred to other receivables (Note 16)	(136,335)	-
	-	136,335
Allowance for impairment losses:-		
At 1 April	(434,400)	(2,581,300)
Reversal during the financial year (Note 32)	-	222,600
Written off during the financial year	62,400	1,924,300
Transferred to other receivables (Note 16)	372,000	-
At 31 March	-	(434,400)

The non-trade balances are unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

### 19. AMOUNT OWING BY RELATED PARTIES

The amount owing was non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing was settled in cash.

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 20. SHORT-TERM INVESTMENTS WITH FINANCIAL INSTITUTIONS

	The Group			
	2021		2020	
	Carrying amount	Market Value	Carrying Amount	Market Value
	RM	RM	RM	RM
Money market fund, at fair value	18,977	18,977	29,311	29,311

The short-term investments are designated as financial asset at fair value through profit or loss and are measured at fair value.

### 21. DEPOSITS WITH LICENSED BANKS

The effective interest rates of deposits at the end of the reporting period were as follows:-

	The Group		The Company	
	2021	2020	2021	2020
	%	%	%	%
Effective interest rates	1.25 to 3.20	2.15 to 3.30	1.50	2.45 to 2.50

The maturity periods of deposits at the end of the reporting period were as follows:-

	The Group		The Company	
	2021	2020	2021	2020
Maturity period (month)	1 to 12	1 to 12	1	1

Included in the deposits with licensed banks of the Group at the end of the reporting period was an amount of RM425,926 (2020 - RM419,515) which has been pledged to licensed banks as security for banking facilities granted to the Group.

Included in the deposits with licensed bank of the Group at the end of the reporting period was an amount of RM87,393 (2020 - RM192,315) which was held in trust for the Group by a director. The deposits will be transferred to the Group at a time to be directed by the Group.

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 22. SHARE CAPITAL

	The Group/The Company			
	2021	2020	2021	2020
	Number Of Shares		RM	RM
<b>Issued and Fully Paid-up</b>				
Ordinary Shares				
At 1 April	246,415,000	246,415,000	50,321,157	50,321,157
Issuance of shares for cash via:				
- Private Placement	48,503,000	-	17,461,080	-
Share split	589,836,000	-	-	-
At 31 March	884,754,000	246,415,000	67,782,237	50,321,157

- (a) During the financial year, the Company increase its issued and paid-up ordinary share capital from RM50,321,157 comprising 246,415,000 ordinary shares to RM67,782,237 comprising 884,754,000 ordinary shares through the following:-
- issuance of 48,503,000 new ordinary shares at RM0.36 each for a cash consideration of RM17,461,080 through a Private Placement; and
  - a subdivision of one (1) existing ordinary shares into three (3) ordinary shares on 24 February 2021. As a result, the issued ordinary shares of the Company as of the date was increased from 294,918,000 shares to 884,754,000 ("the Split Shares"). The split share exercise was approved by the shareholders on 11 December 2020. The Split Shares were listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad on 24 February 2021.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

- (b) The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

#### WARRANT 2021/2024

On 10 March 2021, the Company issued 436,526,991 free warrants ("Warrants A") pursuant to the bonus issue of warrant on the basis of one (1) warrant for every two (2) shares held by entitled shareholders after the completion of share split.

The Warrants are constituted by the Deed Poll dated 23 February 2021.

The salient features of the Warrants are as follows:-

- the exercise price is RM0.16 per ordinary share and each Warrant entitles the registered holder ("Warranholders") to subscribe for one (1) new ordinary share of the Company during the 3 years period expiring on 4 March 2024 ("Exercise Period");
- at the expiry of the Exercise Period, any Warrants, which have not been exercised shall automatically lapse and cease to be valid for any purposes;
- Warranholders must exercise the Warrants in accordance with the procedures set out in the Deed Poll and shares allotted and issued upon such exercise shall rank pari passu in all respects with the then existing ordinary shares of the Company, and shall be entitled to any dividends, rights, allotments and/or other distributions after the issue and allotment thereof; and

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 22. SHARE CAPITAL (cont'd)

#### WARRANT 2021/2024 (cont'd)

The salient features of the Warrants are as follows (cont'd):-

- (iv) the Warrantheolders are not entitled to any voting rights or to participate in any distribution and/or offer of further securities in the Company until and unless such Warrantheolders exercise their Warrants for new ordinary shares of the Company.

Movement in the Warrants since the listing and quotation thereof are as follows:

	Number of Warrants			At 31.3.2021
	At 10.3.2021	Exercised	Expired	
Warrants	436,526,991	-	-	436,526,991

### 23. TREASURY SHARES

	The Group/ The Company	
	2021 RM	2020 RM
At 1 April / 31 March	835,550	835,550

The amount relates to the acquisition cost of treasury shares.

The total shares purchased under the share buy-back program were financed by internally generated funds. The ordinary shares purchased were retained as treasury shares in accordance with Section 127(6) of the Companies Act 2016 and are presented as a deduction from equity.

Of the total 884,754,000 (2020 - 246,415,000) issued and fully paid-up ordinary shares at the end of the reporting period, 11,700,000 (2020 - 3,900,000) ordinary shares are held as treasury shares by the Company. None of the treasury shares were resold or cancelled during the financial year.

### 24. RESERVES

	Note	The Group		The Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Fair value reserve	24.1	(73,714)	(82,902)	-	-
Foreign exchange translation reserve	24.2	(185,817)	(495,952)	-	-
Revaluation reserve	24.3	21,710,760	17,396,017	-	-
Accumulated losses		(25,025,001)	(17,620,330)	(8,575,474)	(6,545,219)
		(3,573,772)	(803,167)	(8,575,474)	(6,545,219)

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 24. RESERVES (cont'd)

#### 24.1 FAIR VALUE RESERVES

	The Group	
	2021	2020
	RM	RM
At 1 April	(82,902)	(63,380)
Fair value loss on investment in quoted shares (Note 10)	9,188	(19,522)
At 31 March	(73,714)	(82,902)

The fair value reserve represents the cumulative fair value changes (net of tax, where applicable) of investments designated at fair value through other comprehensive income.

#### 24.2 FOREIGN EXCHANGE TRANSLATION RESERVE

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiary whose functional currency is different from the Group's presentation currency.

#### 24.3 REVALUATION RESERVE

	The Group	
	2021	2020
	RM	RM
At 1 April	17,396,017	17,633,923
Arising from revaluation of properties	4,594,123	-
Amortisation of revaluation reserve	(279,380)	(237,906)
At 31 March	21,170,760	17,396,017

The revaluation reserve represents the increase in the fair value of lands and buildings of the Group (net of deferred tax, where applicable) as well as revaluation surpluses (net of deferred taxation) of properties presented under property, plant and equipment and right-of-use assets or immediately prior to its reclassification as investment property as a result of change in use. Upon retirement or disposal of the properties, the revaluation reserve will be transferred directly to retained profits.

### 25. LONG-TERM BORROWINGS

	The Group	
	2021	2020
	RM	RM
Term loans (Note 27)	1,141,461	1,168,777

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 26. LEASE LIABILITIES

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
At 1 April	3,333,008	7,970,539	96,489	222,996
Interest expense recognised in profit or loss	279,814	536,983	7,527	17,595
Changes due to lease modification	710,410	-	-	-
Derecognition due to lease modification	-	(365,114)	-	-
Termination of lease	(18,660)	(289,270)	(1,976)	-
Repayment of principal	(2,948,529)	(3,983,147)	(94,513)	(126,507)
Repayment of interest expense	(279,814)	(536,983)	(7,527)	(17,595)
	1,076,229	3,333,008	-	96,489
Analysed by:-				
Current liabilities	706,628	2,835,284	-	95,498
Non-current liabilities	369,601	497,724	-	991
	1,076,229	3,338,008	-	96,489

Certain lease liabilities of the Group are secured by the Group's motor vehicles under the hire purchase arrangements, with lease terms ranging from 2 to 6 (2020 - 2 to 6) years and bear effective interest rates ranging from 2.46% to 3.64% (2020 - 2.46% to 3.64%).

### 27. TERM LOANS

	The Group	
	2021 RM	2020 RM
Current liabilities (Note 30)	77,124	58,515
Non-current liabilities (Note 25)	1,141,461	1,168,777
	1,218,585	1,227,292

Details of the repayment terms are as follows:-

Term Loan	Number of Monthly Installment	Monthly Installments RM	Date of Commencement of Repayment	The Group Amount Outstanding	
				2021 RM	2020 RM
1	240	3,930	18.7.2014	502,943	506,528
2	240	3,930	18.7.2014	503,776	507,292
3	180	1,984	1.11.2016	211,866	213,472
				1,218,585	1,227,292



## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 27. TERM LOANS (cont'd)

The term loans bore effective interest rates ranging from 3.44% to 3.47% (2020 - 4.19% to 4.22%) per annum at the end of the reporting period and are secured by:-

- (a) a first legal charge over certain properties of the Group as disclosed in Note 7 to Note 9 to the financial statements; and
- (b) corporate guarantees of the Company.

### 28. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 (2020 - 30 to 90) days.

### 29. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Other payables:-				
Third parties	572,261	1,008,056	84,969	23,065
Related parties	30,000	-	-	-
Goods and services tax payable	198,925	240,395	-	-
	801,186	1,248,451	84,969	23,065
Accruals	2,253,276	728,727	169,700	165,572
Deposits received	240,230	367,936	-	-
	3,294,692	2,345,114	254,669	188,637

The amount owing to related parties represents unsecured interest-free advances granted to the Group by companies in which certain directors of the Company have controlling interests. The amount is repayable on demand and is to be settled in cash.

### 30. SHORT-TERM BORROWINGS

	The Group	
	2021 RM	2020 RM
Term loans (Note 27)	77,124	58,515

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 31. REVENUE

	The Group	
	2021 RM	2020 RM
<u>Revenue from Contracts with Customers</u>		
Sale of food and beverage	13,398,704	39,372,300
Sale of moon cakes and other baked products	9,961,067	12,385,778
Sale of general products	3,230	35,531
	23,363,001	51,793,609
<u>Revenue from Other Sources</u>		
Interest income	11,303	21,000
	23,374,304	51,814,609

The information on the disaggregation of revenue is disclosed in Note 40 to the financial statements.

### 32. NET IMPAIRMENT LOSSES/(GAINS) ON FINANCIAL ASSETS

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Impairment losses:				
- trade receivables (Note 15)	130,855	-	-	-
- other receivables (Note 16)	136,335	-	-	-
Reversal of impairment losses:				
- amount owing by associates (Note 18)	-	(222,600)	-	-
	267,190	(222,600)	-	-

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 33. LOSS BEFORE TAXATION

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Loss before taxation is arrived at after charging/(crediting):-				
Amortisation of intangible asset	15,517	13,152	-	-
Audit fee:				
- for the financial year	218,250	230,434	33,700	36,000
- (over)/underprovision in the previous financial year	(7,900)	11,400	(2,300)	7,000
Bad debts written off:				
- trade and other receivables	17,768	398	-	-
Depreciation:				
- property, plant and equipment	1,371,189	2,637,159	-	35,013
- right-of-use assets	3,218,561	4,437,398	91,551	129,545
Directors' remuneration	748,499	2,379,073	103,200	108,000
Impairment loss:				
- investments in associates	-	252,000	-	-
- investments in subsidiaries	-	-	1,042,129	-
- investment properties	514,616	100,000	-	-
- other investments	181,399	-	-	-
- other receivables	-	485,384	-	-
- property, plant and equipment	21,072	3,874,379	-	119,908
Deposit written off	-	10,700	-	-

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 33. LOSS BEFORE TAXATION (cont'd)

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Loss before taxation is arrived at after charging/(crediting) (cont'd):-				
Interest expense on financial liabilities that are not at fair value through profit or loss:				
- bank overdraft	536	17,424	-	-
- term loans	45,094	56,808	-	-
Interest expense on lease liabilities	279,814	536,983	7,527	17,595
Inventory written off	1,656	-	-	-
Property, plant and equipment written off	48	125,038	-	-
Realised gain on foreign exchange	(2,970)	(610)	-	-
Rental of premises	796,158	894,912	-	-
Rental of plant and machineries	64,359	92,181	-	-
Reversal of impairment loss on:				
- property, plant and equipment	(301,390)	-	-	-
- investment in associate	(325,334)	-	-	-
Staff costs:				
- salaries, wages, bonuses and allowances	10,847,600	17,174,633	-	-
- defined contribution plan	834,788	1,530,278	-	-
- other benefits	455,008	777,024	-	-
Accretion of long-term receivables	(3,975)	(12,065)	-	-
Dividend income from equity investments at fair value through other comprehensive income at the end of the reporting period	-	(210)	-	-
Loss on disposal of:				
- an associate	325,334	-	-	-
- equity interest in an associate	-	75,719	-	-
- property, plant and equipment	38,748	-	-	-
Interest income on financial assets measured at amortised cost	(88,501)	(165,790)	(9,694)	(10,043)
Investment properties:				
- rental income	(170,635)	(187,661)	-	-
- direct expenses for revenue generating properties	21,398	14,848	-	-
Service fee income	(880,754)	(3,357,141)	-	-
Gain on termination of lease	(381)	(16,031)	(76)	-
Gain on modification of lease liability	-	(18,645)	-	-
Waiver of rental:				
- premises	(187,489)	-	(5,300)	-
- carpark	(42,000)	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 34. INCOME TAX EXPENSE

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Current tax:				
- for the financial year	279,940	864,422	2,327	-
- under/(over)provision in the previous financial year	59,584	(5,463)	-	-
	339,524	858,959	-	-
Deferred tax (Note 13):				
- origination and reversal of temporary differences	(87,688)	(74,589)	-	-
- under/(over)provision in the previous financial year	49,000	(13,000)	-	-
- effect of change in real property gains tax rate	34,349	-	-	-
	(4,339)	(87,589)	-	-
	335,185	771,370	2,327	-

A reconciliation of income tax expense applicable to the loss before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Loss before taxation	(7,348,866)	(4,726,980)	(2,027,928)	(379,799)
Tax at the statutory tax rate of 24% (2020 - 24%)	(1,763,728)	(1,134,475)	(486,703)	(91,152)
Tax effects of:-				
Non-deductible expenses	1,329,102	921,712	491,056	46,618
Non-taxable income	(610,615)	(2,998)	(1,272)	-
Deferred tax assets not recognised during the financial year	1,242,106	1,046,375	-	44,534
Utilisation of deferred tax assets not recognised previously	(4,613)	(40,781)	(754)	-
Change in tax rates of real property gains tax	34,349	-	-	-
Under/(Over)provision in the previous financial year:				
- current tax	59,584	(5,463)	-	-
- deferred tax	49,000	(13,000)	-	-
Income tax expense for the financial year	335,185	771,370	2,327	-

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 34. INCOME TAX EXPENSE (cont'd)

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2020 - 24%) of the estimated assessable profit for the financial year. The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

	The Group	
	2021	2020
	RM	RM
Income tax savings during the financial year arising from:-		
Utilisation of current financial year's tax losses	249	36,326
Utilisation of unabsorbed capital allowances previously not recognised as deferred tax assets	34,739	-
Utilisation of tax losses previously recognised as deferred tax assets	(28,278)	64,690
	6,710	101,016

### 35. OTHER COMPREHENSIVE INCOME/(EXPENSES)

	The Group	
	2021	2020
	RM	RM
<b>Items that Will Not be Reclassified Subsequently to Profit or Loss</b>		
Revaluation of property, plant and equipment (Note 7)	1,743,758	-
Revaluation of right-of-use assets (Note 9)	4,511,669	-
Less: Deferred taxation (Note 13)	(1,564,003)	-
	4,691,424	-
Revaluation of property, plant and equipment - remeasurement of deferred tax arising from change in tax rates of real property gains tax (Note 13)	(97,301)	-
Fair value of equity instruments:		
- changes during the financial year (Note 10)	9,188	(19,522)
<b>Items that Will be Reclassified Subsequently to Profit or Loss</b>		
Foreign currency translation:		
- changes during the financial year	310,135	(267,241)
	4,913,446	(286,763)

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 36. LOSS PER SHARE

The loss per share is calculated by dividing the Group's loss after taxation attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue excluding treasury shares during the financial year:-

	The Group	
	2021	2020
Loss after taxation attributable to owners of the Company (RM)	(7,684,051)	(5,498,350)
Number of shares in issue as at 1 April	242,515,000	242,515,000
Effect of shares issued pursuant to private placement	7,840,211	-
Effect of share split*	500,710,422	485,030,000
Weighted average number of ordinary shares for basic loss per share	751,065,633	727,545,000
Shares deemed to be issued for no consideration:		
- Warrant	3,393,953	-
Weighted average number of ordinary shares for diluted loss per share	754,459,586	727,545,000
Basic loss per share (sen)	(1.02)	(0.76)
Diluted loss per share (sen)	(1.02)	(0.76) #

\* - The calculation of basic and diluted earnings per share for the previous financial year has been adjusted retrospectively to reflect the changes in the number of shares as a result of the share split.

# - In the previous financial year, the Company has not issued any dilutive potential ordinary shares and hence, the diluted loss per share is equal to the basic loss per shares.

### 37. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of property, plant and equipment is as follows:-

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
<b>Property, plant and equipment</b>				
Cost of property, plant and equipment purchased (Note 7)	368,880	1,383,009	-	25,603

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 37. CASH FLOW INFORMATION (cont'd)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

The Group	Term Loans RM	Lease Liabilities RM	Total RM
<b>2021</b>			
At 1 April	1,227,292	3,333,008	4,560,300
<u>Changes in Financing Cash Flows</u>			
Repayment of principal	(8,707)	(2,948,529)	(2,957,236)
Repayment of interests	(45,094)	(279,814)	(324,908)
	(53,801)	(3,228,343)	(3,282,144)
<u>Non-cash Changes</u>			
Interest expense recognised in profit or loss	45,094	279,814	324,908
Changes due to lease modification	-	710,410	710,410
Termination of lease	-	(18,660)	(18,660)
	45,094	971,564	1,016,658
At 31 March	1,218,585	1,076,229	2,294,814
<b>2020</b>			
At 1 April	1,286,309	7,970,539	9,256,848
<u>Changes in Financing Cash Flows</u>			
Repayment of principal	(59,017)	(3,983,147)	(4,042,164)
Repayment of interests	(56,808)	(536,983)	(593,791)
	(115,825)	(4,520,130)	(4,635,955)
<u>Non-cash Changes</u>			
Interest expense recognised in profit or loss	56,808	536,983	593,791
Derecognition due to lease modification	-	(365,114)	(365,114)
Termination of lease	-	(289,270)	(289,270)
	56,808	(117,401)	(60,593)
At 31 March	1,227,292	3,333,008	4,560,300



## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 37. CASH FLOW INFORMATION (cont'd)

(b) The reconciliations of liabilities arising from financing activities are as follows (cont'd):-

The Company	Lease Liabilities RM	Amount Owing To Subsidiaries RM	Total RM
<b>2021</b>			
At 1 April	96,489	4,425,618	4,522,107
<u>Changes in Financing Cash Flows</u>			
Repayment of principal	(94,513)	-	(94,513)
Repayment of interests	(7,527)	-	(7,527)
Repayment to subsidiaries	-	(1,151,998)	(1,151,998)
	(102,040)	(1,151,998)	(1,254,038)
<u>Non-cash Changes</u>			
Interest expense recognised in profit or loss	7,527	-	7,527
Termination of lease	(1,976)	-	(1,976)
	5,551	-	5,551
At 31 March	-	3,273,620	3,273,620
<b>2020</b>			
At 1 April	222,996	4,437,441	4,660,437
<u>Changes in Financing Cash Flows</u>			
Repayment of principal	(126,507)	-	(126,507)
Repayment of interests	(17,595)	-	(17,595)
Repayment to subsidiaries	-	(11,823)	(11,823)
	(144,102)	(11,823)	(155,925)
<u>Non-cash Change</u>			
Interest expense recognised in profit or loss	17,595	-	17,595
At 31 March	96,489	4,425,618	4,522,107

(c) The total cash outflows for leases as a lessee are as follows:-

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Payment of short-term leases	860,517	987,093	-	-
Interest paid on lease liabilities	279,814	536,983	7,527	17,595
Payment of lease liabilities	2,948,529	3,983,147	94,513	126,507
	4,088,706	5,507,223	102,040	144,102

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 37. CASH FLOW INFORMATION (cont'd)

(d) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Short-term investments with financial institutions (Note 20)	18,977	29,311	-	-
Deposits with licensed banks (Note 21)	16,137,601	3,097,564	15,010,477	266,699
Cash and bank balances	3,712,239	4,023,453	754,198	149,648
	19,868,817	7,150,328	15,764,675	416,347
Less: Deposits pledged to licensed banks (Note 21)	(425,926)	(419,515)	-	-
	19,442,891	6,730,813	15,764,675	416,347

### 38. KEY MANAGEMENT PERSONNEL COMPENSATION

The aggregate amounts of emoluments received and receivable by the directors of the Group and the Company during the financial year are as follows:-

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
<u>Directors of the Company</u>				
Executive directors:				
- salaries and other emoluments	378,341	1,686,023	-	-
- define contribution plan	38,376	157,623	-	-
Non-executive directors:				
- fee	103,200	108,000	103,200	108,000
	519,917	1,951,646	103,200	108,000
<u>Directors of the subsidiaries</u>				
Executive directors:				
- salaries and other emoluments	203,307	386,070	-	-
- define contribution plan	25,275	41,357	-	-
	228,582	427,427	-	-
	748,499	2,379,073	103,200	108,000

The estimated monetary value of benefits-in-kind provided by the Group to the directors of the Company was RM16,825 (2020 - RM33,650).

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 39. RELATED PARTY DISCLOSURES

#### (a) Identities of Related Parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly 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.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, associates, key management personnel and entities within the same group of companies.

#### (b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company carried out the following significant transactions with the related parties during the financial year:-

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
(i) Subsidiaries:				
Expenses paid on behalf of	-	-	9,000	59,429
Expenses paid by	-	-	69,664	67,609
Advances (to)/from	-	-	(630,000)	62,000
Management fee received	-	-	249,600	264,500
(ii) Related parties:				
Repayment of lease liabilities	532,728	1,095,200	-	-
Rental expenses	98,562	180,000	-	-

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in the respective notes to the financial statements.

The related party transactions described above were entered into in the normal course of business carried out based on negotiated terms and conditions and are mutually agreed with respective parties.

### 40. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the key management personnel as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 3 main business segments as follows:-

- (i) Restaurant segment - involved in the business as restaurant operators.
- (ii) Manufacturing segment - involved in the manufacturing and wholesale of moon cake and other baked products.
- (iii) Trading and investment holding segment - involved in the trading of general and food products and providing corporate services and treasury functions.

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 40. OPERATING SEGMENTS (cont'd)

The key management personnel assesses the performance of the operating segments based on operating profit or loss which is measured differently from those disclosed in the consolidated financial statements.

Operating segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the operating segments are presented under unallocated items. Unallocated items comprise mainly corporate assets, liabilities and expenses. Income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are at arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfer between business segments. These segments are eliminated on consolidation.

#### 40.1 Business Segments

	Restaurants RM	Manufacturing RM	Trading and Investment Holding RM	Elimination RM	The Group RM
<b>2021</b>					
<b>Revenue</b>					
External revenue	13,398,704	9,959,612	15,988	-	23,374,304
Inter-segment revenue	195,040	6,515,372	25,809	(6,736,221)	-
Consolidated revenue	13,593,744	16,474,984	41,797	(6,736,221)	23,374,304
Represented by:-					
<u>Revenue recognised at a point of time</u>					
- Sales of food and beverage	13,593,744	-	-	(195,040)	13,398,704
- Sales of moon cakes and other baked products	-	16,474,984	30,494	(6,541,181)	9,964,297
<u>Revenue recognised over time</u>					
- Interest income	-	-	11,303	-	11,303
					23,374,304
<b>Results</b>					
Segment results	(6,246,837)	670,694	(1,324,885)	(33,791)	(6,934,819)
Finance costs	(304,873)	(2,978)	(7,451)	-	(315,302)
Share of profit in associate	-	-	(98,745)	-	(98,745)
(Loss)/Profit before taxation	(6,551,710)	667,716	(1,431,081)	(33,791)	(7,348,866)
Income tax expense					(335,185)
Loss after taxation					(7,684,051)

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 40. OPERATING SEGMENTS (cont'd)

#### 40.1 Business Segments (cont'd)

	Restaurants RM	Manufacturing RM	Trading and Investment Holding RM	Elimination RM	The Group RM
<b>2021 (cont'd)</b>					
<b>Assets</b>					
Segment assets	51,614,310	31,536,473	69,743,639	(75,893,900)	77,000,522
Unallocated assets	171,905	56,067	9,848	-	237,820
Consolidated total assets					<u>77,238,342</u>
<b>Liabilities</b>					
Segment liabilities	45,322,624	16,127,083	29,478,271	(68,758,363)	22,169,615
Unallocated liabilities	(2,770,874)	(5,533,314)	-	-	(8,304,188)
Consolidated total liabilities					<u>13,865,427</u>
<b>Other Segment Items</b>					
Amortisation of intangible asset	564	7,103	7,850	-	15,517
Capital expenditure:					
- Property, plant and equipment	103,083	265,797	-	-	368,880
Depreciation of:					
- Property, plant and equipment	952,097	419,092	-	-	1,371,189
- Right-of-use assets	2,834,407	283,603	91,551	-	3,218,561
Impairment of:					
- Trade receivables	13,124	117,731	-	-	130,855
- Other receivables	-	-	136,335	-	136,335
- Property, plant and equipment	21,072	-	-	-	21,072
Interest expenses	45,094	536	-	-	45,630
Interest expenses on lease liabilities	262,604	9,683	7,527	-	279,814

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 40. OPERATING SEGMENTS (cont'd)

#### 40.1 Business Segments (cont'd)

	Restaurants RM	Manufacturing RM	Trading and Investment Holding RM	Elimination RM	The Group RM
<b>2021</b> (cont'd)					
<b>Other Segment Items</b> (cont'd)					
Loss on change in fair value:					
- Investment properties	514,616	-	-	-	514,616
Property, plant and equipment written off	176,424	48	-	(176,424)	48
Interest income	48,539	27,597	12,365	-	88,501
Share of results in associates	-	-	98,745	-	98,745
Reversal Impairment of:					
- Investment in associates	-	-	325,334	-	325,334
- Property, plant and equipment	301,390	-	-	-	301,390
Loss on disposal of:					
- An associate	-	-	438,094	(112,760)	325,334
- Property, plant and equipment	38,748	-	-	-	38,748
	Restaurants RM	Manufacturing RM	Trading and Investment Holding RM	Elimination RM	The Group RM
<b>2020</b>					
<b>Revenue</b>					
External revenue	39,372,301	12,383,370	58,938	-	51,814,609
Inter-segment revenue	134,650	6,952,445	828,627	(7,915,722)	-
Consolidated revenue	39,506,951	19,335,815	887,565	(7,915,722)	51,814,609

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 40. OPERATING SEGMENTS (cont'd)

#### 40.1 Business Segments (cont'd)

	Restaurants RM	Manufacturing RM	Trading and Investment Holding RM	Elimination RM	The Group RM
<b>2020 (cont'd)</b>					
Represented by:-					
<u>Revenue recognised at a point of time</u>					
- Sales of food and beverage	39,506,951	-	-	(134,650)	39,372,301
- Sales of moon cakes and other baked products	-	19,335,815	866,565	(7,781,072)	12,421,308
<u>Revenue recognised over time</u>					
- Interest income	-	-	21,000	-	21,000
					<u>51,814,609</u>
<b>Results</b>					
Segment results	(5,598,084)	1,138,759	(157,168)	65,272	(4,551,221)
Finance costs	(535,975)	(25,954)	(17,595)	-	(579,524)
Share of profit in associate	-	-	403,765	-	403,765
(Loss)/Profit before taxation	(6,134,059)	1,112,805	229,002	65,272	(4,726,980)
Income tax expense					(771,370)
Loss after taxation					<u>(5,498,350)</u>
<b>Assets</b>					
Segment assets	58,535,206	27,853,434	56,179,797	(79,486,471)	63,081,966
Unallocated assets	68,846	112,710	9,530	-	191,086
Consolidated total assets					<u>63,273,052</u>
<b>Liabilities</b>					
Segment liabilities	44,917,750	13,903,193	29,293,506	(66,823,070)	21,291,379
Unallocated liabilities	(2,478,010)	(4,220,447)	(2,310)	-	(6,700,767)
Consolidated total liabilities					<u>14,590,612</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 40. OPERATING SEGMENTS (cont'd)

#### 40.1 Business Segments (cont'd)

	Restaurants RM	Manufacturing RM	Trading and Investment Holding RM	Elimination RM	The Group RM
<b>2020</b>					
<b>Other Segment Items</b>					
Amortisation of intangible asset	564	4,772	7,816	-	13,152
Capital expenditure:					
- Property, plant and equipment	1,261,997	95,409	25,603	-	1,383,009
Deposit written off	10,700	-	-	-	10,700
Depreciation of:					
- Property, plant and equipment	2,109,616	492,530	35,013	-	2,637,159
- Right-of-use assets	4,059,665	248,188	129,545	-	4,437,398
Impairment of:					
- Investment in associate	-	-	252,000	-	252,000
- Investment properties	100,000	-	-	-	100,000
- Other receivables	485,384	-	-	-	485,384
- Property, plant and equipment	3,754,471	-	119,908	-	3,874,379
Interest expenses	56,808	17,424	-	-	74,232
Interest expenses on lease liabilities	507,831	11,557	17,595	-	536,983
Property, plant and equipment written off	125,038	-	-	-	125,038
Interest income	(101,257)	(30,525)	(34,008)	-	(165,790)
Share of results in associates	-	-	(403,765)	-	(403,765)

#### 40.2 Geographical information

Revenue is based on the country in which the customers are located.

Non-current assets are determined according to the country where these assets are located. The amounts of non-current assets do not include financial instruments (but including investments in associates).

	Revenue		Non-current Assets	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>The Group</b>				
Malaysia	22,998,602	50,379,243	51,254,850	49,299,445
Hong Kong	375,702	1,435,366	-	219,386
	23,374,304	51,814,609	51,254,850	49,518,831



## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 40. OPERATING SEGMENTS *(cont'd)*

#### 40.3 Major Customers

There are no single customer that contributed 10% or more to the Group's revenue.

### 41. CAPITAL COMMITMENTS

	The Group	
	2021	2020
	RM	RM
Purchase of property, plant and equipment	639,000	-

### 42. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

#### 42.1 Financial Risk Management Policies

The Group's policies in respect of the major areas of treasury activity are as follows:-

##### (a) Market Risk

##### (i) Foreign Currency Risk

Any reasonably possible change in the foreign currency exchange rates at the end of the reporting period against the respective functional currencies of the entities within the Group does not have a material impact on the profit/(loss) after taxation and other comprehensive income of the Group and of the Company and hence, no sensitivity analysis is presented.

##### (ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The Group's fixed deposits with licensed banks are carried at amortised cost. Therefore, they are not subject to interest rate risk as in defined MFRS 7 since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 27 to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 42. FINANCIAL INSTRUMENTS (cont'd)

#### 42.1 Financial Risk Management Policies (cont'd)

##### (a) Market Risk (cont'd)

##### (ii) Interest Rate Risk (cont'd)

The following table details the sensitivity analysis to a reasonably possible change in the interest rate at the end of the reporting period, with all other variables held constant:-

	The Group	
	2021	2020
	RM	RM
<b>Effects on Loss After Taxation</b>		
Increase of 100 basis points	(9,261)	(9,327)
Decrease of 100 basis points	9,261	9,327

##### (iii) Equity Price Risk

The Group's principal exposure to equity price risk arises mainly from changes in quoted investment prices. The Group manages its exposure to equity price risk by maintaining a portfolio of equities with different risk profiles.

##### *Equity Price Risk Sensitivity Analysis*

The following table details the sensitivity analysis to a reasonably possible change in the prices of the quoted investments at the end of the reporting period, with all other variables held constant:-

	The Group	
	2021	2020
	RM	RM
<b>Effects on Other Comprehensive Expenses</b>		
Increase of 10%	2,270	1,352
Decrease of 10%	(2,270)	(1,352)

##### (b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments, cash and bank balances and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises principally from loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 42. FINANCIAL INSTRUMENTS (cont'd)

#### 42.1 Financial Risk Management Policies (cont'd)

##### (b) Credit Risk (cont'd)

###### (i) Credit Risk Concentration Profile

The Group does not have major concentration of credit risk related to any individual customer or counterparty.

###### (ii) Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of the financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

The exposure of credit risk for trade receivables by geographical region is as follows:-

	The Group	
	2021 RM	2020 RM
Malaysia	381,328	249,656
Hong Kong	-	1,993
	381,328	251,649

###### (iii) Assessment of Impairment Losses

At each reporting date, the Group assesses whether any of the financial assets at amortised cost is credit impaired.

The gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite the fact that they are still subject to enforcement activities.

##### *Trade Receivable*

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables (including related parties) have been grouped based on shared credit risk characteristics and the days past due. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group considers any receivables having financial difficulty or with significant balances outstanding for more than a year, are deemed credit impaired and assesses for their risk of loss individually.

The expected loss rates are based on the payment profiles of sales over a period of 5 months from the measurement date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 42. FINANCIAL INSTRUMENTS (cont'd)

#### 42.1 Financial Risk Management Policies (cont'd)

##### (b) Credit Risk (cont'd)

##### (iii) Assessment of Impairment Losses (cont'd)

##### Trade Receivable (cont'd)

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 trade receivables (including amount owing by related parties) are summarised below:-

	Gross Amount RM	Individual Impairment RM	Carrying Amount RM
<b>The Group</b>			
<b>2021</b>			
Not past due	116,613	-	116,613
Past due:			
- less than 3 months	62,526	-	62,526
- 3 to 6 months	149,389	-	149,389
- over 6 months	52,800	-	52,800
- credit impaired	130,855	(130,855)	-
	512,183	(130,855)	381,328
<b>2020</b>			
Not past due	14,703	-	14,703
Past due:			
- less than 3 months	96,843	-	96,843
- 3 to 6 months	8,138	-	8,138
- over 6 months	131,965	-	131,965
	251,649	-	251,649

The movements in the loss allowances in respect of trade receivables is disclosed in Note 15 to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 42. FINANCIAL INSTRUMENTS *(cont'd)*

#### 42.1 Financial Risk Management Policies *(cont'd)*

##### (b) Credit Risk *(cont'd)*

###### (iii) Assessment of Impairment Losses *(cont'd)*

###### *Other Receivables and Related Parties*

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables. Under this approach, the Group assesses whether there is a significant increase in credit risk on the receivables by comparing their risk of default as at the reporting date with the risk of default as at the date of initial recognition based on available reasonable and supportable forward-looking information. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment.

The Group considers a receivable is credit impaired when the receivable is in significant financial difficulty, for instances, the receivable is in breach of financial covenants or insolvent. Receivables that are credit impaired are assessed individually while other receivables are assessed on a collective basis.

Based on the assessment performed, the identified impairment loss was immaterial and hence, it is not provided for.

###### *Deposits with Licensed Banks and Bank Balances*

The Group considers these banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

###### *Amount Owning By Subsidiaries (Non-trade balances)*

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances. Generally, the Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when the subsidiary is unlikely to repay its loan or advance in full or the subsidiary is continuously loss making or the subsidiary is having a deficit in its total equity.

The Company determines the probability of default for these loans and advances individually using internal information available.

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
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### 42. FINANCIAL INSTRUMENTS (cont'd)

#### 42.1 Financial Risk Management Policies (cont'd)

##### (b) Credit Risk (cont'd)

##### (iii) Assessment of Impairment Losses (cont'd)

##### Amount Owing By Subsidiaries (Non-trade balances) (cont'd)

The information about the exposure to credit risk and the loss allowances calculated for amount owing by subsidiaries are summarised below:-

<b>The Company</b>	<b>Gross Amount</b>	<b>Lifetime Loss Allowance</b>	<b>Carrying Amount</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>2021</b>			
Low credit risk	7,474,674	-	7,474,674
Significant increase in credit risk	-	-	-
Credit impaired	172,761	(172,761)	-
	<u>7,647,435</u>	<u>(172,761)</u>	<u>7,474,674</u>
<b>2020</b>			
Low credit risk	7,435,407	-	7,435,407
Significant increase in credit risk	-	-	-
Credit impaired	172,761	(172,761)	-
	<u>7,608,168</u>	<u>(172,761)</u>	<u>7,435,407</u>

##### Financial Guarantee Contracts

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

##### (c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
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### 42. FINANCIAL INSTRUMENTS (cont'd)

#### 42.1 Financial Risk Management Policies (cont'd)

##### (c) Liquidity Risk (cont'd)

###### Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On Demand Or Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
<b>2021</b>						
<u>Non-derivative Financial Liabilities</u>						
Trade payables	-	1,190,318	1,190,318	1,190,318	-	-
Other payables and accruals	-	3,093,775	3,093,775	3,093,775	-	-
Lease liabilities	2.46 - 7.89	1,076,229	1,177,668	869,874	307,794	-
Term loans	3.44 - 3.47	1,218,585	1,578,318	118,423	473,691	986,204
		6,578,907	7,040,079	5,272,390	781,485	986,204
<b>2020</b>						
<u>Non-derivative Financial Liabilities</u>						
Trade payables	-	2,211,723	2,211,723	2,211,723	-	-
Other payables and accruals	-	2,104,719	2,104,719	2,104,719	-	-
Lease liabilities	2.63 - 7.89	3,333,008	3,589,843	3,027,201	558,200	4,442
Term loans	4.19 - 4.22	1,227,292	1,618,985	115,423	461,691	1,041,871
		8,876,742	9,525,270	7,459,066	1,019,891	1,046,313

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 42. FINANCIAL INSTRUMENTS (cont'd)

#### 42.1 Financial Risk Management Policies (cont'd)

##### (c) Liquidity Risk (cont'd)

##### Maturity Analysis (cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (cont'd):-

The Company	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On Demand Or Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
<b>2021</b>						
<u>Non-derivative Financial Liabilities</u>						
Other payables and accruals	-	254,669	254,669	254,669	-	-
Amount owing to subsidiaries	-	3,273,620	3,273,620	3,273,620	-	-
Financial guarantee contracts in relation to corporate guarantees extended to subsidiaries	-	-	1,218,585	1,218,585	-	-
		3,528,289	4,746,874	4,746,874	-	-
<b>2020</b>						
<u>Non-derivative Financial Liabilities</u>						
Other payables and accruals	-	188,637	188,637	188,637	-	-
Amount owing to subsidiaries	-	4,425,618	4,425,618	4,425,618	-	-
Lease liabilities	7.89	96,489	104,167	103,098	1,069	-
Financial guarantee contracts in relation to corporate guarantees extended to subsidiaries	-	-	1,646,807	1,646,807	-	-
		4,710,744	6,365,229	6,364,160	1,069	-



## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 42. FINANCIAL INSTRUMENTS (cont'd)

#### 42.2 Capital Risk Management

The Group manages its capital based on debt-to-equity ratio. The debt-to-equity ratio of the Group at the end of the reporting period is not presented as its cash and cash equivalents exceeded the total external borrowings.

#### 42.3 Classification Of Financial Instruments

	The Group	
	2021 RM	2020 RM
<b>Financial Assets</b>		
<u>Mandatorily at Fair Value Through Profit or Loss</u>		
Short-term investments with financial institutions (Note 20)	18,977	29,311
<u>Designated at Fair Value Through Other Comprehensive Income Upon Initial Recognition</u>		
Quoted investments (Note 10)	22,704	13,516
Unquoted investments (Note 10)	3,980	3,980
	26,684	17,496
<u>Amortised Cost</u>		
Other investments (Note 10)	350,000	350,000
Trade receivables (Note 15)	381,328	251,649
Other receivables and staff loan (Note 12 and 16)	239,637	243,819
Amount owing by associates (Note 18)	-	136,335
Amount owing by related parties (Note 19)	-	32,724
Deposits with licensed banks (Note 21)	16,137,601	3,097,564
Cash and bank balances	3,712,239	4,023,453
	20,820,805	8,135,544
<b>Financial Liability</b>		
<u>Amortised Cost</u>		
Lease liabilities (Note 26)	1,076,229	3,333,008
Term loans (Note 27)	1,218,585	1,227,292
Trade payables (Note 28)	1,190,318	2,211,723
Other payables and accruals (Note 29)	3,093,775	2,104,719
	6,578,907	8,876,742

## NOTES TO THE FINANCIAL STATEMENTS

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cont'd

### 42. FINANCIAL INSTRUMENTS (cont'd)

#### 42.3 Classification Of Financial Instruments (cont'd)

	The Company	
	2021	2020
	RM	RM
<b>Financial Asset</b>		
<u>Amortised Cost</u>		
Other receivables (Note 16)	-	152
Amount owing by subsidiaries (Note 17)	7,474,674	7,435,407
Deposits with licensed banks (Note 21)	15,010,477	266,699
Cash and bank balances	754,198	149,648
	<b>23,239,349</b>	<b>7,851,906</b>
<b>Financial Liability</b>		
<u>Amortised Cost</u>		
Lease liabilities (Note 26)	-	96,489
Other payables and accruals (Note 29)	254,669	188,637
Amount owing to subsidiaries (Note 17)	3,273,620	4,425,618
	<b>3,528,289</b>	<b>4,710,744</b>

#### 42.4 gains or losses arising from financial instruments

	The Group	
	2021	2020
	RM	RM
<b>Financial Assets</b>		
<u>Equity Investments at Fair Value Through Other Comprehensive Income</u>		
Net (gain)/loss recognised in other comprehensive income	(9,188)	19,312
<u>Amortised Cost</u>		
Net gains recognised in profit or loss	(77,678)	(400,057)
<b>Financial Liability</b>		
<u>Amortised Cost</u>		
Net losses recognised in profit or loss	325,444	576,539

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 42. FINANCIAL INSTRUMENTS (cont'd)

#### 42.4 gains or losses arising from financial instruments (cont'd)

	The Company	
	2021	2020
	RM	RM
<b>Financial Asset</b>		
<u>Amortised Cost</u>		
Net gains recognised in profit or loss	(9,694)	(10,043)
<b>Financial Liability</b>		
<u>Amortised Cost</u>		
Net losses recognised in profit or loss	7,527	17,595

#### 42.5 Fair Value Information

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

	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	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM	RM		
<b>The Group</b>								
<b>2021</b>								
<u>Financial Assets</u>								
Other investments:								
- quoted	22,704	-	-	-	-	-	22,704	22,704
- unquoted	-	3,980	-	-	-	-	3,980	3,980
Short-term investments with financial institutions	18,977	-	-	-	-	-	18,977	18,977
<u>Financial Liability</u>								
Term loans	-	-	-	-	1,218,585	-	1,218,585	1,218,585

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 42. FINANCIAL INSTRUMENTS (cont'd)

#### 42.5 Fair Value Information (cont'd)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period (cont'd):-

The Group	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	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM	RM		
<b>2020</b>								
<u>Financial Assets</u>								
Other investments:								
- quoted	13,516	-	-	-	-	-	13,516	13,516
- unquoted	-	3,980	-	-	-	-	3,980	3,980
Short-term investments with financial institutions								
	29,311	-	-	-	-	-	29,311	29,311
<u>Financial Liability</u>								
Term loans	-	-	-	-	1,227,292	-	1,227,292	1,227,292

#### (a) Fair Value of Financial Instruments Carried at Fair Value

The fair values of above have been determined using the following basis:-

- (i) The fair value of quoted investment is estimated based on their quoted closing bid prices at the end of the reporting period.
- (ii) The fair value of unquoted equity investments is determined to approximate the net assets of the investee as it is immaterial in the context of the financial statements.
- (iii) The fair value of money market fund is determined by reference to statements provided by the respective financial institutions, with which the investments were entered into.

There were no transfer between level 1 and level 2 during the financial year.

#### (b) Fair Value of Financial Instruments not Carried at Fair Value

The fair values, which are for disclosure purposes, have been determined using the following basis:-

- (i) The fair value of the Group's term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 43. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak as global pandemic. Following the declaration, the Government of Malaysia has on 18 March 2020 imposed the Movement Control Order (“MCO”) and subsequently entered into various phases of the MCO to curb the spread of the COVID-19 pandemic in Malaysia.

The management recognises the challenges posed by the pandemic and the potential impact to the Group. As at the date of this report, the management of the group has assessed the overall impact of the situation on the business operations. Based on the assessment, there is no doubt a financial impact for current financial period and subsequent financial year, particularly on the food and beverage industries. The Group will continuously assess the situation, work closely with the local authorities to support the efforts in containing the spread of COVID-19, and take appropriate and timely measures to minimise the impact of the outbreak on the Group’s operations.

At the same time, the Group has taken and will continue to take necessary steps to safeguard and preserve its financial condition, emphasising on liquidity management to meet its continuing financial commitments and liquidity needs.

- (b) On 6 August 2020, Datuk Chai Woon Chet (“Offeror”) entered into a Shares Sales Agreement (“Offer”) with Yu Soo Chye @ Yee Soo Chye, Yu Tack Tein, Simple Angel Capital Sdn. Bhd., Lee Lim & Sons Sdn. Bhd. and Khong Yik Kam (collectively referred to as the “Vendors”) to acquire an aggregate of 151,258,992 shares of the Company for a total cash consideration of RM45,377,698 or RM0.30 per share.

On 7 August 2020, Yu Soo Chye @ Yee Soo Chye, Yu Tack Tein, Lee Lim & Sons Sdn. Bhd., Lee Seng Pun and Lee Seng Fan ceased to be substantial shareholders of the Company. Following the acquisition, the shareholding of the Offeror will increase from nil to 151,258,992 shares, representing approximately 62.37% equity interest in the Company (excluding treasury shares) and thus becoming a substantial shareholder of the Company.

- (c) On 27 August 2020, Datuk Chai Woon Chet made an offer in relation to the unconditional mandatory take-over offer to acquire all remaining ordinary shares of the Company not already held by him and any person in concert with him for a cash offer price of RM0.30 per offer share. The closing date of the offer is 17 September 2020.

From the mandatory take-over offer, Datuk Chai Woon Chet successfully acquired 500 ordinary shares and his shareholding changed from 151,258,992 shares to 151,259,492 shares, representing approximately 62.37% equity interest in the Company (excluding treasury shares).

- (d) On 12 November 2020, the Company proposed to undertake a private placement of up to 48,503,000 new ordinary shares, representing twenty percent (20%) of the total number of issued shares of the Company (“Placement Shares”).

Bursa Malaysia Securities Berhad had, vide its letter dated 20 November 2020, approved the listing of and quotation for up to 48,503,000 Placement Shares to be issued. On 16 February 2021, the Company announced that the issue price of the Placement Shares has been fixed at RM0.3600 per Placement Share.

The 48,503,000 Placement Shares were listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad on 19 February 2021.

- (e) On 11 December 2020, the Company proposed to undertake the following:-
- (i) Proposed Share Split involving subdivision of every one (1) existing ordinary shares in the Company into three (3) ordinary shares (“Share Split”).
  - (ii) Proposed Bonus Issue of up to 442,377,000 free warrants (“Warrants A”) on the basis of 1 Warrant A for every two (2) ordinary shares (“Bonus Issue of Warrants”).

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021  
cont'd

### 43. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR *(cont'd)*

(e) *(cont'd)*

Bursa Malaysia Securities Berhad had, vide its letter dated 12 January 2021, approved the Proposed Share Split and the listing of any quotation for up to 442,377,000 Warrants A to be issued pursuant to the Proposed Bonus Issue.

On 24 February 2021, the Company had completed the Share Split. As a result, the issued ordinary shares of the Company as of the date was increased from 294,918,000 shares to 884,754,000 ("the Split Shares"). The Split Shares were listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad and rank pari passu in all respect with one another.

On 10 March 2021, the Company had completed the Bonus Issue of Warrants. As a result, 436,526,991 Warrants A were listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad.

### 44. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

- (a) Subsequent to the reporting date, the numbers of new COVID-19 cases increased substantially in Malaysia which the Group operates. As the outbreak is evolving, the full effect of the COVID-19 pandemic is subject to uncertainty and could not be ascertained reliably at this juncture.
- (b) On 28 July 2021, the Company proposed to undertake the following:-
- (i) Proposed Private Placement of up to 396,384,000 new ordinary shares, representing thirty percent (30%) of the total number of issued shares of the Company ("Placement Shares").
  - (ii) Proposed renounceable rights issue of up to 1,717,664,991 new Shares ("Rights Shares") together with up to 572,554,997 free detachable warrants in the Company ("Warrants B") on the basis of 3 Rights Shares together with 1 free Warrants B for every 3 existing Shares held by the entitled shareholders on an entitlement date to be determined.

As at the date of the report, the Company has yet to complete the proposed private placement and the proposed rights issue.

## TEN LARGEST PROPERTIES HELD BY THE GROUP

As at 30 June 2021

No.	Registered owner	Location	Description/ Existing Use	Type of Land	Tenure	Remaining Lease Period (Expiry Date)	Age of Property	Land Area (sq ft)	Built-up area (sq ft)	Net Book Value As at 31/03/2021 (RM,000)	Year of last revaluation
1.	Haewaytian Restaurant Sdn. Bhd	No. 28, Jalan Dato, 30000 Ipoh, Perak	Restaurant	Commercial/ Building	Freehold	-	13	43,287	28,555	10,907	17/08/2020
2.	Haewaytian Cake House Sdn. Bhd.	Lot 13, Jalan Utarid U5/16, Seksyen U5, Kawasan Perindustrian "Mah Sing Integrated", 40150 Shah Alam, Selangor	2-storey detached warehouse cum factory with 1-storey office attached/ warehouse, factory cum office	Industrial Land/ Building	Leasehold 99 years	75 years (11.12.2096)	18	84,067	63,246	25,733	13/08/2020
3.	Restoran Oversea (P-J) Sdn. Bhd.	H-0-02 & H-1-02 (Lot H-02), Pusat Perdagangan Kuchai, No. 2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur	2-storey shop office/ for rental purpose	Commercial/ Building	Freehold	-	13	1,430	2,487	1,300	31/03/2021
4.	Restoran Tsim Tung Sdn Bhd	No. 18, Pandan Indah 4/6, Pandan Indah, 55100 Kuala Lumpur	Shoptlot/for rental purpose	Commercial/ Building	Leasehold 99 years	72 Years (06.06.2093)	25	1,302	1,107	1,000	31/03/2021
5.	Restoran Tsim Tung Sdn Bhd	No. 20, Pandan Indah 4/6, Pandan Indah, 55100 Kuala Lumpur	Shoptlot/for rental purpose	Commercial/ Building	Leasehold 99 years	72 Years (06.06.2093)	25	1,302	1,107	1,000	31/03/2021
6.	Restoran Oversea (Subang Parade) Sdn. Bhd.	No. 29, Jalan SS 15/2B, 47500 Subang Jaya, Selangor	2-storey staff's hostel	Residential/ Building	Freehold	-	42	2,560	1,524	1,000	31/03/2021
7.	Haewaytian Restaurant Sdn. Bhd.	No. 57, Jalan Seenivasagam, 30450 Ipoh, Perak	Restaurant, storage facilities and staff hostel	Commercial/ Building	Leasehold 99 years	57 years (20.12.2078)	42	1,894	5,187	1,100	31/03/2021
8.	Oversea Training Academy Sdn Bhd	No. 477, Jalan 5/46, Section 5, 46000 Petaling Jaya, Selangor	2-storey townhouse/ for rental purposes	Residential/ Building	Freehold	-	51	1,700	2,060	750	31/03/2021
9.	Restoran Oversea (P-J) Sdn. Bhd.	No. 31, Jalan U5/28, Bandar Pinggiran Subang, Seksyen U5, 40150 Shah Alam, Selangor	1 ½ storey terrace/ factory, store room	Industrial Land/ Building	Leasehold 99 years	75 years (11.12.2096)	21	3003	3,181	900	31/03/2021
10.	Restoran Oversea (Subang Parade) Sdn. Bhd.	No. 4, Jalan SS15/3A, Subang Jaya, 47500 Petaling, Selangor	2-storey terrace/ rental purpose	Residential/ Building	Freehold	-	42	1,760	1,818	800	31/03/2021

Note: Other disclosure on land building owned by the Group are immaterial to disclose individually.

# ANALYSIS OF SHAREHOLDINGS

As at 30 July 2021

Total number of shares Issued	:	873,054,000 ordinary shares
Class of Shares	:	Ordinary Shares
Voting rights	:	One vote per Ordinary share
No. of shareholders	:	1,253

## ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Holders	%*	No. of Shares	%*
Less than 100	56	4.47	1,815	0.00
100 to 1,000	142	11.33	49,540	0.01
1,001 to 10,000	297	23.70	1,776,654	0.20
10,001 to 100,000	567	45.25	24,051,248	2.76
100,001 to less than 5% of issued shares	188	15.01	201,692,067	23.10
5% and above of issued shares	3	0.24	645,482,676	73.93
	1,253	100.00	873,054,000	100.00

Note:

\* Exclude the 11,700,000 shares that have been purchased and retained as treasury shares as at 30 July 2021.

## LIST OF SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of the Company (holding 5% or more of the capital) based on the Register of Substantial Shareholders of the Company are as follows:-

Name of Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	%*	No. of Shares	%*
Datuk Chai Woon Chet	453,778,476	51.976	-	-

## DIRECTORS' SHAREHOLDINGS

The Directors' Shareholdings of the Company based on the Register of Directors' Shareholdings of the Company are as follows:-

Name of Directors	Direct Interest		Indirect Interest	
	No. of Shares	%*	No. of Shares	%*
Datuk Chai Woon Chet	453,778,476	51.976	-	-
Yu Soo Chye @ Yee Soo Chye	29,101,800	3.333	-	-
Lee Seng Fan	8,178,488	0.937	-	-
Khong Yik Kam	300,000	0.034	-	-
Tay Ben Seng, Benson	-	-	-	-
Andy Liew Hock Sim	-	-	-	-
Hoong Yik Miin	-	-	-	-
Tang Yee Ling	-	-	-	-
Dato' Ku Chin Wah	-	-	-	-



## ANALYSIS OF SHAREHOLDINGS

As at 30 July 2021  
cont'd

### LIST OF THIRTY (30) LARGEST SHAREHOLDERS AS AT 30 JULY 2021

	Name	No. of Shares	Percentage (%)
1	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. <i>EXEMPT AN FOR LAZARUS CORPORATE FINANCE PTY LTD</i>	453,776,976	51.98
2	M & A NOMINEE (TEMPATAN) SDN BHD <i>EXEMPT AN FOR SANSTON FINANCIAL GROUP LIMITED (ACCOUNT CLIENT)</i>	145,509,000	16.67
3	CARTABAN NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR STANDARD CHARTERED BANK SINGAPORE (EFGBHK-ASING)</i>	46,196,700	5.29
4	CITIGROUP NOMINEES (ASING) SDN BHD <i>UBS AG FOR MAYBANK KIM ENG SECURITIES PTE LTD</i>	29,531,700	3.38
5	YU SOO CHYE @ YEE SOO CHYE	29,101,800	3.33
6	WANG TSUN SIANG	10,600,000	1.21
7	KWAN SIA HOCK	10,046,979	1.15
8	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR CHENG MUN LEONG (CHE0525C)</i>	9,000,000	1.03
9	LEE SENG FAN	8,178,488	0.94
10	KONG KOK KEONG	7,344,700	0.84
11	LIM KAY KEONG	7,153,600	0.82
12	PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TAN KONG HAN (SS2/PIV)</i>	5,000,000	0.57
13	TAN SENG CHEE	5,000,000	0.57
14	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TAY HOCK SOON (MY1055)</i>	3,833,400	0.44
15	NG WOUI YING	3,400,000	0.39
16	MICHAEL HENG CHUN HONG	3,185,400	0.36
17	SEIK THYE KONG	2,690,900	0.31
18	KENANGA NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR ANG MING TAT</i>	2,500,000	0.29
19	CHEAH CHEN VOON	2,272,500	0.26
20	TEO CHIN WEI	2,175,000	0.25
21	HAN WANG SOON	2,000,000	0.23
22	KENANGA NOMINEES (TEMPATAN) SDN BHD <i>RAKUTEN TRADE SDN BHD FOR LOO LIP KEONG</i>	1,800,100	0.21
23	TAN KONG HAN	1,740,400	0.20
24	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR CHEONG HO LENG (MY0083)</i>	1,500,000	0.17
25	DATO' NG AIK KEE	1,500,000	0.17
26	TAN SOH MOI	1,384,400	0.16
27	TEOH YET GUAN	1,380,000	0.16
28	KENANGA NOMINEES (TEMPATAN) SDN BHD <i>RAKUTEN TRADE SDN BHD FOR NG CHAI YIN</i>	1,135,000	0.13
29	YOONG SIN KUEN	1,031,200	0.12
30	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR NG KOK WENG (MY2166)</i>	1,000,000	0.11
	<b>TOTAL</b>	<b>800,968,243</b>	<b>91.74</b>

## ANALYSIS OF WARRANTHOLDINGS

As at 30 July 2021

Type of Securities	:	3 years Warrants A (2021/2024)
Total Warrants issued and not exercised	:	436,526,991
Voting rights	:	The holders of the Warrants A are not entitled to any voting rights or any right to participate in any form of distribution and/or offer of further securities in the Company until and unless such holder of the Warrants A exercise their Warrants A for new Shares.

### ANALYSIS BY SIZE OF WARRANTHOLDINGS

Size of Warrant Holdings	No. of Holders	%*	No. of Warrants A	%*
Less than 100	88	10.00	2,843	0.00
100 to 1,000	138	15.68	37,078	0.01
1,001 to 10,000	232	26.36	1,095,099	0.25
10,001 to 100,000	282	32.05	10,601,550	2.43
100,001 to less than 5% of issued Warrants	137	15.57	102,049,083	23.38
5% and above of issued Warrants	3	0.34	322,741,338	73.93
	880	100.00	436,526,991	100.00

### DIRECTOR'S INTEREST IN WARRANTS A IN THE COMPANY AND ITS RELATED COMPANIES

Name of Directors	Direct Interest		Indirect Interest	
	No. of Warrants A	%*	No. of Warrants A	%*
Datuk Chai Woon Chet	226,889,238	51.976	-	-
Yu Soo Chye @ Yee Soo Chye	-	-	-	-
Lee Seng Fan	2,427,744	0.556	-	-
Khong Yik Kam	-	-	-	-
Tay Ben Seng, Benson	-	-	-	-
Andy Liew Hock Sim	-	-	-	-
Hoong Yik Miin	-	-	-	-
Tang Yee Ling	-	-	-	-
Dato' Ku Chin Wah	-	-	-	-

## ANALYSIS OF WARRANTHOLDINGS

As at 30 July 2021  
cont'd

### LIST OF THIRTY (30) LARGEST WARRANTS A ACCOUNT HOLDERS AS AT 30 JULY 2021

	Name	No. of Warrants A	Percentage (%)
1	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. <i>EXEMPT AN FOR LAZARUS CORPORATE FINANCE PTY LTD</i>	226,888,488	51.98
2	M & A NOMINEE (TEMPATAN) SDN BHD <i>EXEMPT AN FOR SANSTON FINANCIAL GROUP LIMITED (ACCOUNT CLIENT)</i>	72,754,500	16.67
3	CARTABAN NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR STANDARD CHARTERED BANK SINGAPORE (EFGBHK-ASING)</i>	23,098,350	5.29
4	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG FOR MAYBANK KIM ENG SECURITIES PTE LTD	14,765,850	3.38
5	SEIK THYE KONG	12,532,200	2.87
6	KWAN SIA HOCK	5,023,489	1.15
7	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR CHENG MUN LEONG (CHE0525C)</i>	4,500,000	1.03
8	WANG TSUN SIANG	4,129,950	0.95
9	PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TAN KONG HAN (SS2/PIV)</i>	3,000,000	0.69
10	KONG KOK KEONG	2,750,000	0.63
11	ANG WAN JOO	2,500,000	0.57
12	LEE SENG FAN	2,427,744	0.56
13	KENANGA NOMINEES (TEMPATAN) SDN BHD <i>RAKUTEN TRADE SDN BHD FOR LOO LIP KEONG</i>	2,186,100	0.50
14	LIM KAY KEONG	1,970,000	0.45
15	TAN SENG CHEE	1,900,000	0.44
16	KENANGA NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR KOH BOON POH (008)</i>	1,864,000	0.43
17	YOONG SIN KUEN	1,528,950	0.35
18	NG WOUI YING	1,156,900	0.27
19	YAP YAK LEAN @ YAP YOK LEAN	1,150,000	0.26
20	CHEAH WAI VOON	1,000,000	0.23
21	CHONG SIEW WEI	895,000	0.21
22	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR KANG HO KIENG</i>	834,000	0.19
23	LAU FUI SENG	800,000	0.18
24	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR CHEW THIAN KAY</i>	800,000	0.18
25	YONG WAN CHUEN	790,000	0.18
26	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TAN KENG BOON (TAN1212C)</i>	785,400	0.18
27	WONG YIT THAI	780,000	0.18
28	WONG LAM KING	758,750	0.17
29	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR CHEONG HO LENG (MY0083)</i>	750,000	0.17
30	LAU FUI SENG	704,500	0.16
	<b>TOTAL</b>	<b>395,024,171</b>	<b>90.50</b>

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Twenty-Sixth (“26th”) Annual General Meeting of the Company will be held on a fully virtual basis and entirely via remote participation and voting via online meeting platform at <https://rebrand.ly/OverseaAGM> provided by Mlabs Research Sdn. Bhd. in Malaysia on Tuesday, 28 September 2021 at 1:00 p.m.or at any adjournment thereof for the following purposes:-

### AGENDA

#### As Ordinary Business

- |    |  |  |
|----|--|--|
| 1. | To lay before the Meeting the Audited Financial Statements for the financial year ended 31 March 2021 together with the Reports of the Directors and the Auditors thereon.   | <b>Please refer to Explanatory Note A1</b>   |
| 2. | To approve the Directors’ fees of RM99,900/- for the financial year ended 31 March 2021. (31 March 2020 : RM97,200/-).   | <b>Resolution 1</b>  |
| 3. | To approve the Directors’ fees of RM144,000/- for the financial year ending 31 March 2022.   | <b>Resolution 2</b>  |
| 4. | To re-elect the following Director retiring in accordance to Clause 21.6 of the Company’s Constitution:-<br><br>(a) Mr. Khong Yik Kam  | <b>Resolution 3</b>  |
| 5. | To re-elect the following Directors retiring in accordance to Clause 21.10 of the Company’s Constitution:-<br><br>(a) Datuk Chai Woon Chet<br>(b) Dato’ Ku Chin Wah<br>(c) Mr. Andy Liew Hock Sim<br>(d) Mr. Hoong Yik Miin<br>(e) Ms. Tang Yee Ling<br>(f) Mr. Tay Ben Seng, Benson | <b>Resolution 4</b><br><b>Resolution 5</b><br><b>Resolution 6</b><br><b>Resolution 7</b><br><b>Resolution 8</b><br><b>Resolution 9</b> |
| 6. | To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.  | <b>Resolution 10</b>   |

#### As Special Business

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

7. **ORDINARY RESOLUTION**  
**- PAYMENT OF BENEFITS PAYABLE TO THE DIRECTORS UNDER SECTION 230(1)**  
**(b) OF THE COMPANIES ACT 2016**

“THAT the benefits payable to the Directors of the Company up to an amount of RM42,000/- for the period from 26th Annual General Meeting to the next Annual General Meeting in the year 2022 pursuant to Section 230(1)(b) of the Companies Act 2016, be and is hereby approved.”

**Resolution 11**

# NOTICE OF ANNUAL GENERAL MEETING

cont'd

## 8. ORDINARY RESOLUTION - AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016

“THAT pursuant to the Companies Act 2016, and subject to the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this Resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being and the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad.

AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

**Resolution 12**

9. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 or the Constitution of the Company.

By Order of the Board

**HO MUN YEE** (SSM PC NO. 201908003292) (MAICSA 0877877)  
**TAM FONG YING** (SSM PC NO. 201908003302) (MAICSA 7007857)  
Company Secretaries

Kuala Lumpur  
27 August 2021

### Notes:

#### (A) Information for Members/Proxies

1. *Members/proxies/corporate representatives WILL NOT BE ALLOWED to attend this AGM in person at the venue on the day of this AGM. Therefore, members are strongly advised to participate and vote remotely at this AGM through live streaming and online remote voting using the Remote Participation and Voting (“RPV”) Platform provided by Mlabs Research Sdn Bhd. Please read these Notes carefully and follow the procedures in the Administrative Guide for the AGM (as separately enclosed together with this Annual Report) in order to participate remotely.*
2. *For the purpose of determining a member who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 18.7 of the Company’s Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 20 September 2021. Only a depositor whose name appears on the Record of Depositors as at 20 September 2021 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.*
3. *A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy. There is no restriction as to the qualification of the proxy and a proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak in the meeting.*

## NOTICE OF ANNUAL GENERAL MEETING

cont'd

4. *To be valid, the Form of Proxy, duly completed, must be deposited at the poll administrator of the Company at ShareWorks Sdn Bhd. not less than 48 hours before the time appointed for holding the meeting of members or adjourned meeting of members, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid:-*
  - (a) *By electronic means via email: The Form of Proxy must be received via email at ir@shareworks.com.my*
  - (b) *By electronic means via facsimile: The Form of Proxy must be received via facsimile at 03-6201 3121*
  - (c) *In hardcopy form: The Form of Proxy must be deposited at the office of the Company's Poll Administrator, ShareWorks Sdn Bhd at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan*
5. *A member shall not appoint more than 2 proxies to attend at the same meeting and the appointment shall be invalid unless the member specified the proportions of his/their holdings to be represented by each proxy.*
6. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
7. *If the appointor is a corporation, the Form of Proxy must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.*
8. *Any Notice of Termination of Authority to act as Proxy must be received by the Poll Administrator no later than 27 September 2021 at 1:00 p.m., failing which, the termination of the authority of a person to act as proxy will not affect the following in accordance with Section 338 of the Companies Act 2016:-*
  - (a) *the constitution of the quorum at such meeting;*
  - (b) *the validity of anything he did as chairman of such meeting;*
  - (c) *the validity of a poll demanded by him at such meeting; or*
  - (d) *the validity of the vote exercised by him at such meeting.*
9. *The AGM will be conducted on a fully virtual basis and entirely via remote participation and voting via online meeting platform at <https://rebrand.ly/OverseaAGM> provided by Mlabs Research Sdn. Bhd. in Malaysia. The members are advised to refer to the Administrative Guide on the registration and voting process for the said meeting.*

### **Explanatory Notes to Ordinary Business:-**

#### **(A) Audited Financial Statements for the financial year ended 31 March 2021**

1. *This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.*

#### **(B) Resolution 1 – Directors' Fees for the financial year ended 31 March 2021**

1. *This Agenda item is to approve the Proposed Directors' fees for the financial year ended 31 March 2021 of RM99,900/- (2020: RM97,200/-).*

*The **Resolution 1**, if approved, will authorise the payment of Directors' Fees pursuant to Clause 21.4 of the Constitution of the Company.*

#### **(C) Resolution 2 – Directors' Fees for the financial year ending 31 March 2022**

1. *This Agenda item is to approve the Proposed Directors' fees for the financial year ending 31 March 2022 of RM144,000/-*

*The **Resolution 2**, if approved, will authorise the payment of Directors' Fees pursuant to Clause 21.4 of the Constitution of the Company.*

# NOTICE OF ANNUAL GENERAL MEETING

cont'd

## **(D) Resolutions 3 to 9 – Re-election of Directors**

1. In determining the eligibility of the Directors to stand for re-election at the forthcoming 26th Annual General Meeting, the Nominating Committee (“**NC**”) have considered the requirements under Paragraph 2.20A of the ACE Market Listing Requirements (“**ACE LR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and recommended Mr. Khong Yik Kam for re-election as Director pursuant to Clause 21.6 of the Constitution of the Company and Datuk Chai Woon Chet, Dato’ Ku Chin Wah, Mr. Andy Liew Hock Sim, Mr. Hoong Yik Miin, Ms. Tang Yee Ling and Mr. Tay Ben Seng, Benson for re-election as Directors pursuant to Clause 21.10 of the Constitution of the Company (“**Retiring Directors**”).

All the Retiring Directors have consented to their re-election, and abstained from deliberation and voting in relation to their individual re-election, where applicable, at the NC Meeting and Board of Directors’ Meeting, respectively.

## **(E) Resolution 10 – Re-appointment of Auditors**

1. The Audit Committee (“**AC**”) have assessed the suitability, objectivity and independence of the External Auditors and recommended the re-appointment of Messrs. Crowe Malaysia PLT as External Auditors of the Company for the financial year ending 31 March 2022. The Board has in turn reviewed the recommendation of the AC and recommended the same be tabled to the shareholders for approval at the forthcoming 26th Annual General Meeting of the Company.

### **Explanatory Notes to Special Business:**

## **(F) Resolution 11 – Payment of Benefits Payable to the Directors**

1. The benefits payable to the Directors pursuant to Section 230(1)(b) of the Companies Act 2016 have been reviewed by the Remuneration Committee (“**RC**”) and the Board of Directors of the Company, which recognises that the benefits payable is in the best interest of the Company for the applicable period from 26th Annual General Meeting to the next Annual General Meeting in the year 2022. The benefits comprised of benefit-in-kind i.e. provision of motor vehicles and meeting allowances.

## **(G) Resolution 12 – Authority to Issue Shares pursuant to the Companies Act 2016**

1. The Company wishes to renew the mandate on the authority to issue shares pursuant to the Companies Act 2016 at the 26th Annual General Meeting of the Company (hereinafter referred to as the “**General Mandate**”).

The Company had been granted a general mandate by its shareholders at the Twenty-Fifth Annual General Meeting of the Company held on 28 September 2020 (hereinafter referred to as the “**Previous Mandate**”).

As at the date of this notice, the Previous Mandate granted by the shareholders had been utilised for the issuance of 48,503,000 new ordinary shares on 18 February 2021 via private placement to identified investors. Total proceeds raised therefrom amounted to RM17,461,080.

The purpose to seek the General Mandate is to enable the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting as it would be both time and cost-consuming to organise a general meeting solely for such issuance and allotment of shares. This authority unless revoked or varied by the Company in a general meeting, will expire at the next Annual General Meeting. The proceeds raised from the General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.



海外天集团有限公司  
**OVERSEA ENTERPRISE BERHAD**  
 (Registration No. 199401031473 (317155-U))  
 (Incorporated in Malaysia)

## FORM OF PROXY

NUMBER OF SHARES HELD	CDS ACCOUNT NO.

\*I/We, \_\_\_\_\_ Company No./NRIC No. \_\_\_\_\_  
 (FULL NAME AS PER NRIC/CERTIFICATE OF INCORPORATION IN CAPITAL LETTERS)

of \_\_\_\_\_  
 (FULL ADDRESS)

being a \*Member/Members of **OVERSEA ENTERPRISE BERHAD**, do hereby appoint \_\_\_\_\_

\_\_\_\_\_ NRIC No. \_\_\_\_\_  
 (FULL NAME AS PER NRIC IN CAPITAL LETTERS)

of \_\_\_\_\_  
 (FULL ADDRESS)

or failing \*him/her, \_\_\_\_\_ NRIC No. \_\_\_\_\_  
 (FULL NAME AS PER NRIC IN CAPITAL LETTERS)

of \_\_\_\_\_  
 (FULL ADDRESS)

or failing \*him/her, the CHAIRMAN OF THE MEETING, as \*my/our proxy to attend and vote for \*me/us and on \*my/our behalf at the Twenty-Sixth (“26th”) Annual General Meeting of the Company will be held on a fully virtual basis and entirely via remote participation and voting via online meeting platform at <https://rebrand.ly/OverseaAGM> provided by Mlabs Research Sdn. Bhd. in Malaysia on Tuesday, 28 September 2021 at 1:00 p.m. or at any adjournment thereof.

Please indicate with an “X” in the spaces provided below how you wish your votes to be casted. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

	RESOLUTIONS	FOR	AGAINST
1.	Payment of Directors’ Fee for the financial year ended 31 March 2021 (Resolution 1)		
2.	Payment of Directors’ Fee for the financial year ending 31 March 2022 (Resolution 2)		
3.	To re-elect Mr. Khong Yik Kam as Director (Clause 21.6) (Resolution 3)		
4.	To re-elect Datuk Chai Woon Chet as Director (Clause 21.10) (Resolution 4)		
5.	To re-elect Dato’ Ku Chin Wah as Director (Clause 21.10) (Resolution 5)		
6.	To re-elect Mr. Andy Liew Hock Sim as Director (Clause 21.10) (Resolution 6)		
7.	To re-elect Mr. Hoong Yik Miin as Director (Clause 21.10) (Resolution 7)		
8.	To re-elect Ms. Tang Yee Ling as Director (Clause 21.10) (Resolution 8)		
9.	To re-elect Mr. Tay Ben Seng, Benson as Director (Clause 21.10) (Resolution 9)		
10.	To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company (Resolution 10)		
	<b>As Special Business</b>		
11.	Ordinary Resolution ● To approve the benefits payable to the Directors under Section 230(1)(b) of the Companies Act 2016 (Resolution 11)		
12.	Ordinary Resolution ● Authority to Issue Shares pursuant to the Companies Act 2016 (Resolution 12)		

\* Strike out whichever not applicable

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2021

\_\_\_\_\_  
 Signature of Member/Common Seal



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STAMP

**POLL ADMINISTRATOR OF OVERSEA ENTERPRISE BERHAD  
SHAREWORKS SDN BHD**

(Registration No. 199101019611 (229948-U))

No. 2-1, Jalan Sri Hartamas 8,  
Sri Hartamas,  
50480 Kuala Lumpur  
Wilayah Persekutuan

1st Fold Here

5. A member shall not appoint more than 2 proxies to attend at the same meeting and the appointment shall be invalid unless the member specified the proportions of his/their holdings to be represented by each proxy.
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海外天集团有限公司

**OVERSEA ENTERPRISE BERHAD**

[Registration No. 199401031473 (317155-U)]

D-3-1 & D-3A-1, Seri Gembira Avenue, Jalan Senang Ria, Taman Gembira, 58200 Kuala Lumpur.

Tel: 03-7972 9683 Fax: 03-7972 9662 Email: [info@oversea.com.my](mailto:info@oversea.com.my)



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