

海外天

Annual Report 2014

OVERSEA ENTERPRISE BERHAD
(Company No. 317155-U)

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ANNUAL REPORT 2014



海外天集团有限公司
OVERSEA ENTERPRISE BERHAD
(Company No. 317155-U)

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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 Chinese restaurants with a total of six (6) Chinese restaurants, four (4) outlets in Klang Valley and two (2) outlets in Ipoh offering home cooked Cantonese themed cuisines. In addition to the chain of Chinese restaurants, the Group has ventured into the operation of Dim Sum and Café. The Dim Sum outlet located at Sri Petaling was opened in 2005, with the intention to target Dim Sum connoisseur. The first Café offering Hong Kong styled food was opened in 2004 in Pandan Indah, Kuala Lumpur under the brand name of "Tsim Tung". In February 2012, a new café concept offering Ipoh homeland authentic cuisines was opened at Wan Chai, Hong Kong. Thereafter in June 2012, a new Malaysian authentic café under the brand name of "Otak-Otak Place" commenced operations in Tropicana City Mall, Petaling Jaya. Finally towards the end of 2012, another new café under the brand name of "Oversea Cafe" was opened at Setiawalk, Puchong.

Throughout the years, we 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".

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 58,330 square feet as per listing of properties. As part of the Group's strategy to expand its portfolio of in-house manufactured products, we also ventured into the production of egg rolls in 1999. Our manufacturing concern has exported to various countries including the United States, Australia, New Zealand, Indonesia and the Netherlands.

Corporate Diary

2013

4
Apr

Announcement in relation to change of registered office of the Company.

22
May

Announcement of the unaudited consolidated results for the financial period ended 31 March 2013.

15
Jul

Announcement in relation to change of Company Secretary of the Company.

24
Jul

Announcement in relation to the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature.

29
Jul

Release of audited consolidated results for the financial year ended 31 March 2013.

2
Aug

Notice of the Eighteenth Annual General Meeting to the shareholders.

5
Aug

Release of Circular to Shareholders in relation to the (i) Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature; and (ii) Proposed shareholders' mandate for a new recurrent related party transactions of a revenue or trading nature.

5
Aug

Release of Annual Report 2013.

6
Aug

Announcement in relation to the acquisition of properties by Restoran Tsim Tung Sdn. Bhd., a wholly-owned subsidiary of the Company.

23
Aug

Announcement of the unaudited consolidated results for the financial period ended 30 June 2013.

Announcement in relation to the subscription of 301 ordinary shares of A\$1.00 each representing 30.1% equity interest in Burger Foundry Australia Pty Ltd.

2
Oct

Announcement in relation to the disposal of properties by Haewaytian Cake House Sdn. Bhd. a wholly-owned subsidiary of the Company.

4
Oct

Announcement of the unaudited consolidated results for the financial period ended 30 September 2013.

20
Nov

Announcement in relation to the declaration of an interim dividend.

5
Dec

2014

Announcement of the unaudited consolidated results for the financial year ended 31 December 2013.

17
Feb

Announcement in relation to the appointment of Mr. Yu Tack Tein as Executive Director of the Company.

21
Feb

Announcement in relation to the appointment of Ms. Yu Suat Yin as Alternate Director to Mdm Lee Pek Yoke.

21
Feb

Announcement in relation to the increase of paid-up share capital of four (4) wholly-owned subsidiaries of the Company.

27
Mar

Announcement in relation to the declaration of a second interim dividend.

4
Apr

Announcement in relation the completion of the acquisition of properties by Restoran Tsim Tung Sdn. Bhd., a wholly-owned subsidiary of the Company.

27
Jun

Group Corporate Structure



**OVERSEA
ENTERPRISE BERHAD**
and its principal subsidiaries, associate
and joint venture company

Operation of A Chain of Chinese Restaurants	<p>100% Restoran Oversea (Imbi) Sdn. Bhd.</p> <p>100% Restoran Oversea (P.J.) Sdn. Bhd.</p> <p>100% Restoran Oversea (Subang Parade) Sdn. Bhd.</p> <p>100% Restoran Oversea (Bandar Baru Sri Petaling) Sdn. Bhd.</p> <p>100% Restoran Oversea (Jaya 1) Sdn. Bhd.</p> <p>100% Haewaytian Restaurant Sdn. Bhd.</p>
Operation of Café	<p>100% Restoran Tsim Tung Sdn. Bhd.</p> <p>100% Restoran Oversea Hong Kong Café Sdn. Bhd. *</p> <p>100% Ipoh Group Limited (<i>Registered in Hong Kong</i>) *</p> <p>65% Rich Tastes (Centrepoint) Sdn. Bhd. *</p> <p>51% Tunas Citarasa Sdn. Bhd. **</p> <p>30.1% Burger Foundry Australia Pty Ltd (<i>Registered in Australia</i>) ***</p>
Operation of Dim Sum Outlet	<p>100% Restoran Oversea Dian Xin (Sri Petaling) Sdn. Bhd.</p>
Manufacturing of Moon Cakes and Other Baked Products	<p>100% Haewaytian Cake House Sdn. Bhd.</p> <p>100% Restoran Oversea Confectioneries Sdn. Bhd.</p>
Trading	<p>100% Haewaytian Food Industries Sdn. Bhd.</p> <p>100% Haewaytian Trading Sdn. Bhd.</p> <p>100% Tenshou International Sdn. Bhd.</p>
Owner of Trademarks	<p>100% Restoran Oversea Holdings Sdn. Bhd.</p>
Investment Holding	<p>100% Restoran Oversea JV (International) Sdn. Bhd.</p>

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

** Jointly controlled entity of Restoran Oversea JV (International) Sdn. Bhd.

*** Associate of Restoran Oversea JV (International) Sdn. Bhd.

Corporate Information

BOARD OF DIRECTORS

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

Lee Seng Fan
Executive Director

Koong Lin Loong
Independent Non-Executive Director

Lee Pek Yoke
Executive Director

Yu Tack Tein
Executive Director

Chiam Soon Hock
Independent Non-Executive Director

Khong Yik Kam
Executive Director

Yu Suat Yin
Alternate director to Lee Pek Yoke

Yau Ming Teck
Independent Non-Executive Director

SECRETARY

Ng Bee Lian (MAICSA 7041392)

AUDIT COMMITTEE

Koong Lin Loong
Chairman
Yau Ming Teck
Chiam Soon Hock

REMUNERATION COMMITTEE

Chiam Soon Hock
Chairman
Yu Soo Chye @ Yee Soo Chye
Yau Ming Teck

NOMINATING COMMITTEE

Yau Ming Teck
Chairman
Koong Lin Loong
Chiam Soon Hock

INVESTMENT COMMITTEE

Yu Soo Chye @ Yee Soo Chye
Chairman
Yu Tack Tein
Yu Suat Yin
Yap Teck Beng
(Group General Manager)

REGISTERED OFFICE AND HEAD OFFICE

B-01-06, B-02-06 & B-03-06
Endah Promenade
No. 5, Jalan 3/149E
Bandar Baru Sri Petaling
57000 Kuala Lumpur
Tel No : 03-9054 9683
Fax No : 03-9054 1783

PRINCIPAL BANKERS

Public Bank Berhad (6463-H)
Hong Leong Bank Berhad (97141-X)
United Overseas Bank (Malaysia)
Berhad (271809-K)

AUDITORS

Crowe Horwath (AF 1018)
Kuala Lumpur Office
Level 16, Tower C, Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel No : 03-2788 9999
Fax No : 03-2788 9998

SHARE REGISTRAR

Symphony Share Registrars Sdn. Bhd.
(378993-D)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel No : 03-7841 8000
Fax No : 03-7841 8151

STOCK EXCHANGE LISTING

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

INVESTOR RELATION

Persons to contact:-
Yap Teck Beng (Group General Manager)
Email : tbyap@oversea.com.my

Catherine Wong (In-house Secretary)
Email : cathwong@oversea.com.my

Financial Highlights

The following table sets out a summary of the proforma consolidated results of Oversea Enterprise Berhad and its subsidiaries (Group) for the financial year ended 31 December 2009 prepared based on the assumption that the Group has operated as a single economic entity throughout the financial years and the summary of the Statement of Comprehensive Income for the financial years/period ended 31 December 2010, 31 March 2012, 31 March 2013 and 31 March 2014.

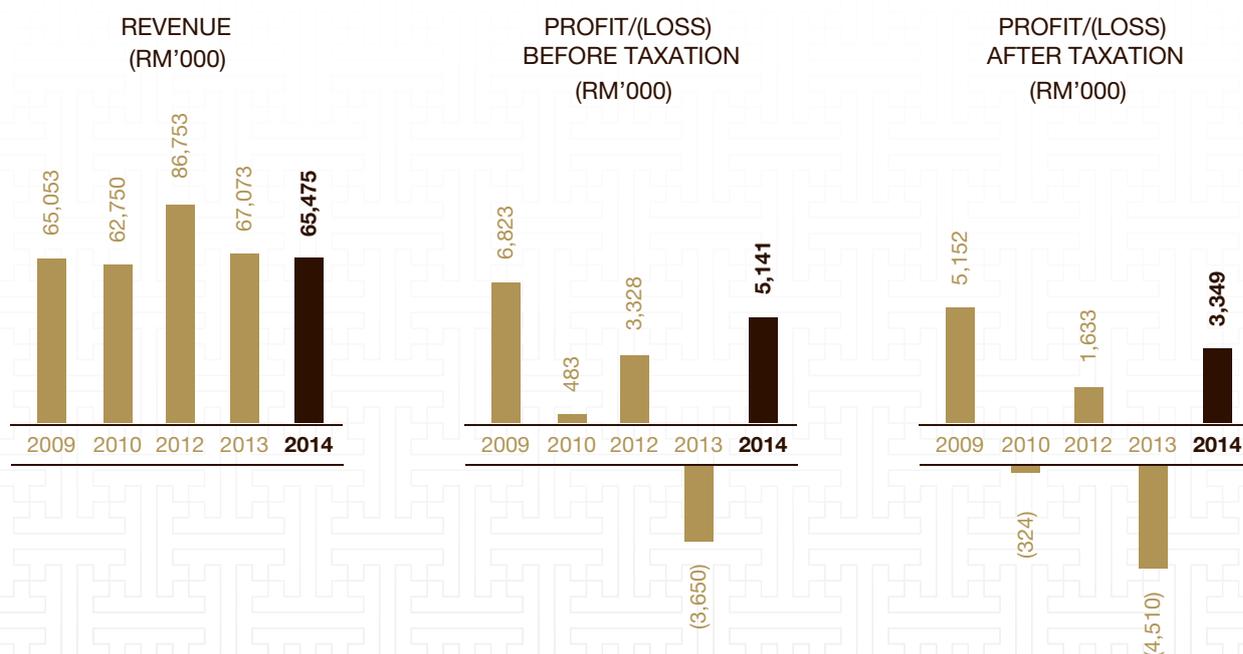
Year/Period Ended	Revenue	Profit/(Loss) Before Taxation	Profit/(Loss) After Taxation
	RM'000	RM'000	RM'000
31 December 2009 *	65,053	6,823 [@]	5,152 [@]
31 December 2010	62,750	483 [@]	(324) [@]
31 March 2012 [^]	86,753	3,328	1,633
31 March 2013	67,073	(3,650)	(4,510)
31 March 2014	65,475	5,141	3,349

Notes:

[@] Inclusive of expenses incurred pursuant to our Listing exercise amounting to approximately RM742,000 and RM614,000 for the financial year ended 31 December 2009 and 31 December 2010 respectively which was recognized in accordance with FRSIC Consensus 13.

* The proforma consolidated results are prepared for illustrative purposes only and are prepared based on the audited financial statements of Oversea Enterprise Berhad and its subsidiaries for the financial years under review. The proforma consolidated results for the financial years under review have been prepared based on accounting policies consistent with those adopted in the preparation of the audited financial statement of Oversea Enterprise Berhad and its subsidiaries.

[^] The financial year end of Oversea Enterprise Berhad and its subsidiaries was changed from 31 December to 31 March. As a result, consolidated audited financial statement of Oversea Enterprise Berhad and its subsidiaries for the financial period ended 31 March 2012 cover a fifteen (15) months period as compared to the twelve (12) months period ended 31 December 2010 and 31 December 2013.



Chairman's Statement



It is my privilege to present to you the Annual Report and audited financial statements of Oversea Enterprise Berhad (Oversea or the Group) for the financial year ended 31 March 2014 (FY2014) on behalf of the Board of Directors.

OPERATIONS REVIEW

FY2014 entailed the Group devoting much efforts to reinforcing its position in the restaurant segment, particularly in the Malaysian market.

For one thing, we embarked on a modernization programme at our “Restoran Oversea” outlets in order to establish a consistent feedback and monitoring system as part of optimizing operations. This involved improving inventory management practices, as well as implementing a new Point-of-Sale (POS) system to integrate front and back-end functions.

This was accompanied by the ongoing measures to enhance cost-efficiency within the Group.

At the same time, we reaped positive results from our contemporary café – our strategy to target casual urban diners within high-traffic areas.

I am pleased to report that our “Oversea Café” in Setiawalk, Puchong has garnered encouraging response from the public, which spurs us to further expand our reach. Furthermore, our “Tsim Tung” café in Pandan Indah, Kuala Lumpur and “Oversea Dian Xin” outlet in Sri Petaling, Selangor continued to serve its loyal clientele.

These developments set the backdrop for the Group’s financial performance in FY2014.

FINANCIAL PERFORMANCE

The Group’s ongoing efforts in strengthening our operations, coupled with the consolidation exercise in the previous financial year ended 31 March 2013 (FY2013) yielded positive results in the year under review.

I am pleased to inform you that the Group posted commendable group net profit of RM3.5 million in FY2014, making a strong rebound from the net loss of RM4.5 million in FY2013.

This was on the back of RM65.5 million in Group revenue in FY2014, a marginal reduction compared to RM67.1 million a year ago. While the lower revenue was in line with discontinued operations of Restoran Oversea (Jaya 1) Sdn. Bhd. and disposal of Grand Ocean Restaurant Pte Ltd in FY2013, this was offset by increased top line contributions from the manufacturing segment.

Overall, it is noteworthy that the Group’s improved profitability was mainly attributable to effective cost-control measures as well as lower overheads, including reduced administrative, selling and marketing expenses.

Earnings on a per share basis stood at 1.41 sen in FY2014, compared with loss per share of 1.8 sen previously.

The Group’s balance sheet remained resilient, with cash and cash equivalents totalling RM22.2 million as at 31 March 2014, rising from RM17.3 million a year ago. Total borrowings amounted to RM0.8 million as at end of FY2014, declining from RM1.3 million previously. This resulted in the Group remaining in net cash position.

Chairman's Statement

Cont'd

DIVIDEND

The Board of Directors declared and paid two (2) interim dividends in respect of FY2014. The first single tier dividend of 0.3 sen per share was paid on 20 January 2014, while the second single tier dividend of 0.3 sen was paid on 19 May 2014.

Altogether, the Group distributed total dividends of 0.6 sen per share in respect of FY2014, amounting to dividend payout of RM1.5 million and representing 42.5% of group net profit.

FUTURE OUTLOOK

The Malaysian economy is anticipated to surpass the 5% growth mark in 2014, propelled by strong domestic economic activities and foreign trade.

While the food and beverage (F&B) sector is largely expected to grow alongside the overall economy, industry players are mindful of the potential challenges ahead, ranging from higher costs of raw materials, labour and overheads, to consumers' uncertainty of the economic outlook in light of the impending implementation of the Goods and Services Tax in April 2015.

Nonetheless, the Group is focused on maintaining our growth path in the coming financial year, by leveraging on our proven expertise in the F&B business over the past four decades.

Firstly, we intend to expand our network of contemporary concept cafés, starting with the Group's existing brands such as "Oversea Café" and "Tsim Tung". At present, we are seeking locations for new outlets in highly-patronized areas within established urban centres nationwide.

Secondly, we endeavour to establish a new chain of 'halal' concept cafés to target a new customer segment for the Group, while also catering to the market's increasing preference for casual dining. To this end, we are at final stages of opening one such outlet in Klang Valley in the second quarter of the financial year ending 31 March 2015.

Finally, we are exploring opportunities for joint venture and/or merger and acquisition within the F&B sector to broaden and enhance the Group's revenue base for the long term. We have begun to do this in small scale, for instance, by investing in an "Otak-Otak Place" outlet in Tropicana City Mall, Selangor in 2013, and taking a minority stake in "Burger Foundry" burger joint in Adelaide, Australia.

In undertaking these strategies, we intend to not only hone our expertise and establish a stronger position in the F&B sector, but also imbue greater sustainability in our business model. We believe that this approach will enable us to continue doing what we know best for many years to come.

ACKNOWLEDGEMENTS

I would like to express a note of immense gratitude to our customers, shareholders, business partners, sponsor and regulatory authorities for the support rendered to the Group thus far.

I would also like to acknowledge the invaluable contributions of my fellow Directors, key management and staff towards enabling Oversea achieve a truly commendable year.

At this juncture, I would like to welcome to the Board Mr. Yu Tack Tein, who was redesignated as Executive Director on 21 February 2014, as well as Ms. Yu Suat Yin, who was appointed as Alternate Director to Madam Lee Pek Yoke on the same date. We look forward to your contributions to the ongoing success of the Group going forward.

Thank you.

YU SOO CHYE @ YEE SOO CHYE
Chairman/Group Managing Director

Sustainability and Corporate Social Responsibility (CSR)

The Board of Directors of Oversea Enterprise Berhad (Board) recognizes that the Company as a public listed entity must act responsibly, and sustainability is key to value creation for the Group, employees, customers, shareholders and the communities as a whole.

Sustainability is an integral part of our business and the Group's CSR practices focus on four (4) areas – Environment, Workplace, Community and Marketplace which aims to deliver sustainable value to the society at large.

THE ENVIRONMENT

Environment sustainability is of utmost importance due to the increasing depletion of the earth's natural resources and global climate change issues. At the production plant, we continue to ensure strict compliance with the environmental laws governing the production operations especially in areas relating to treatment of waste water, operational safety, environmental standards and emission standards.

As a restaurant operator and manufacturer of food products, we always ensure that new employees are given the necessary vaccination and enrolment in a certified food handling course. The Group also adopts environmentally friendly practices such as recycles and reuse and reduce of paper, encourage the use of electronic mail and conserve energy of workplace.

THE WORKPLACE

The Board believes that our employees as stakeholders are an essential asset of the Group. Accordingly, we strive to provide them with a conducive and safe environment by providing safety and job related training. Various external and practical in-house training programmes were provided and conducted to ensure that they are well equipped with the appropriate skills and knowledge to grow and prosper together with the Company. The Company constantly update and promote awareness on safety precautions and health issues.

The Group, in fulfilling its corporate responsibility as a caring employer, places emphasis on building long lasting relationships with the employees. We ensure open two-way communication channels are available to all employees so as to facilitate better understanding of the Company's objectives and direction. The Company conducted talk sessions to provide an avenue for employees to engage with the management and network among each other. These sessions allow the Company's management to share the business direction and policies with employees at the operational level. Such sessions also provide opportunities for employees to provide their feedback and provide inputs for business and operational improvements.

Retaining of key employees is crucial to ensure business success. The Group continues to ensure the reward packages remain competitive to attract, retain and motivate the right talents. Succession plans are put in place for critical positions to ensure sustainability in terms of continuous effective and efficient operations within the Group and a healthy leadership pipeline.



Sustainability and Corporate Social Responsibility (CSR)

Cont'd

THE COMMUNITY

The Group recognizes the co-relation between business growth and social well-being and welfare. Therefore, in fulfilling its corporate responsibility to the community in which it conducts its business, the Group encourages its employees to participate in CSR initiatives as well as community projects, which the Company has embarked on to instil a greater sense of social awareness. During the Mid-Autumn festive season in September 2013, a group of employees visited to an old folks home located at Sungai Way to share with them our moon cakes including the provision of a luncheon for them and invited a group of children from an orphanage home located at Taman Kinrara, Jalan Klang Lama to our restaurant in Sri Petaling to celebrate together with us the auspicious day of Winter Solstice in December 2013. We could sense their appreciation towards our efforts and genuine concerns. In addition, the Company also made donations in cash and goods to other unfortunate peoples, schools and associations.

The Company also encourages its employees to participate in voluntary works for charitable cause.



Sustainability and Corporate Social Responsibility (CSR)

Cont'd

THE MARKETPLACE

To achieve sustainable development of the marketplace, the Group endeavors to carry out activities to promote responsible practices among our investors, suppliers and customers where high ethical standards in the respective areas are consistently applied.

(i) Investors

The Group strives to enhance corporate value by maintaining a stable and long term growth strategy for the benefit of its shareholders. The Group continues its efforts to engage with its shareholders through the following initiatives:-

- (a) to maximize shareholders' wealth through continuous efforts to achieve operational excellence and sustainable growth;
- (b) disclose and disseminate all material information in a timely, open, fair and transparent manner;
- (c) ensuring a robust system of corporate governance implementing policies that promote ethical behavior and conducting business responsibility through high standards and business ethics;
- (d) engages with its shareholders and investors through various channels of communication such as general meetings of shareholders and regular press releases; and
- (e) accessibility in the public domain and regular investors updates on our website.

(ii) Suppliers

The Group respects its suppliers and works closely with them through long-term relationships to realise mutual growth based on mutual trust. In this respect, the Group engages its suppliers through the following manners:-

- (a) engages in ethical procurement practices by adopting standard and equitable procedures;
- (b) ensures the products supplied are in accordance to the Group's required requirements; and
- (c) conducts in-depth suppliers' audits to ensure the required standards are met in the supply chain.

(iii) Customers

In line with the Group's mission to be "Customer Focus", the Group provides quality products and services that meet the customers' demands to earn the trust of its customers. The Group strives to create value for its customers through competitive pricing without compromising the interest of other stakeholders. In achieving this, the Group initiates the followings:-

- (a) enhances customers' satisfaction and confidence by providing quality products on a timely basis;
- (b) adopts the "do it right the first time" motto to achieve operational excellence in order to reduce overall costs for the benefits of both customers and shareholders of the Company; and
- (c) implemented a customers' complaint system to address and ensure all customer feedbacks and complaints are acknowledged and resolved promptly.

CONCLUSION

The Group will continue to build sustainable practices in every aspect of the Group's business and remain steadfast in achieving excellence in its corporate responsibility activities. Our actions today will define our success in future. By focusing our efforts on the sustainability issues of the four (4) sustainability dimensions, we shall further enhance our corporate image, reputation and the brand equity value.

The Board also believes that CSR is a good business proposition of which the Group would have better reputation, sales and customer loyalty. Thus these positive attributes would enhance long-term shareholders' value.

Board of Directors' Profile

Yu Soo Chye @ Yee Soo Chye

Chairman / Group Managing Director

69 years old, Malaysian

Mr. Yu has approximately fifty-four (54) years of experience in the Chinese restaurant industry. As Group 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. Since then, he has established a chain of six (6) Chinese restaurants in Malaysia, which operates under the brand name of "Restoran Oversea" (海外天). In 1986, he initiated the manufacturing of moon cakes by setting up a small manufacturing facility located in Jalan Imbi, Kuala Lumpur. In 2004, he was also involved in the establishment of our first café in Kuala Lumpur under the brand name "Tsim Tung". Subsequently in 2005, he established our first "dim sum" outlet in Sri Petaling, Kuala Lumpur. In 2007, he obtained his Diploma of Membership from Les Amis d'Escoffer Society, Inc. for the meritorious service recognition for outstanding contributions to promote fine dining. He is currently the Chairman of Perak Ku Su Shin Chuan Hung, Deputy Chairman of various associations including World Association of Chinese Cuisine, Wilayah Cooks' Friendly Association, The Malaysia Selangor and Federal Territory Ku Su Shin Choong Hung Restaurant Association and The Selangor and Federal Territory Restaurant Keepers' Association. He is also 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.

Mr. Yu was appointed to the Board on 6 November 2009 and he is a member of the Remuneration Committee.

He is the spouse of Mdm. Lee Pek Yoke, parent of Mr. Yu Tack Tein and Ms Yu Suat Yin, and the brother-in-law of Mr. Khong Yik Kam and Mr. Lee Seng Fan. He has no conflict of interest with the Company and no conviction for any offences over the past ten (10) years.

Mr. Yu attended four (4) Board Meetings held during the financial year ended 31 March 2014.

Lee Pek Yoke

Executive Director

60 years old, Malaysian

Mdm. Lee was the co-founder of the partnership that started with the first "Restoran Oversea" (海外天) in Jalan Imbi, Kuala Lumpur in 1970s. Since then, she has assisted in the establishment of the chain of Chinese restaurants and has accumulated thirty seven (37) years of experience in the Chinese restaurant industry. In 1986, together with our Group Managing Director, she was involved in the setting up of the manufacturing of moon cakes. She is currently responsible in overseeing the overall planning and management of our Group, including implementation of promotional programmes, menu management and customer services.

Mdm. Lee was appointed to the Board on 6 November 2009.

She is the spouse of Mr. Yu Soo Chye @ Yee Soo Chye, parent to Mr. Yu Tack Tein and Ms. Yu Suat Yin, sister of Mr. Lee Seng Fan and sister-in-law of Mr. Khong Yik Kam. She has no conflict of interest with the Company and no conviction for any offences over the past ten (10) years.

Board of Directors' Profile

Cont'd

Khong Yik Kam

Executive Director

65 years old, Malaysian

Mr. Khong started his career in 1968 when he joined United Engineering Group as a supervisor. He joined Oversea Group in 1985 and approximately twenty nine (29) years of experience in the Chinese restaurant industry in Malaysia. He is mainly responsible for the operational functions of our Group including overseeing the maintenance of the equipments and tools, management of licenses and banking facilities.

Mr. Khong was appointed to the Board on 6 November 2009.

He is the brother-in-law of Mr. Yu Soo Chye @ Yee Soo Chye, Mdm. Lee Pek Yoke and Mr. Mr. Lee Seng Fan, and uncle of Mr. Yu Tack Tein and Ms. Yu Suat Yin. He has no conflict of interest with the Company and no conviction for any offences over the past ten (10) years.

Mr. Khong attended all five (5) Board Meetings held during the financial year ended 31 March 2014.

Lee Seng Fan

Executive Director

48 years old, Malaysian

Mr. Lee started his career in 1986 when he joined Oversea Group as a chef and is currently the Chief Chef of our Group. He has twenty-eight (28) 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.

Mr. Lee was appointed to the Board on 6 November 2009.

He is the brother-in-law of Mr. Yu Soo Chye @ Yee Soo Chye and Mr. Khong Yik Kam, brother to Mdm. Lee Pek Yoke, and uncle of Mr. Yu Tack Tein and Ms. Yu Suat Yin. He has no conflict of interest with the Company and no conviction for any offences over the past ten (10) years.

Mr. Lee attended three (3) Board Meetings held during the financial year ended 31 March 2014.

Yu Tack Tein

Executive Director

40 years old, Malaysian

Mr. Yu graduated in 1997 with a Bachelor of Engineering Degree from Loughborough University, United Kingdom. His career started in 1998 when he joined Seacera Tiles Bhd as Production Executive. Subsequently in 2001, he joined Oversea Group as the Business Development Manager. He has approximately thirteen (13) years of experience in the Chinese restaurant industry in Malaysia. He is mainly responsible for developing the Group's business and marketing plans and execution of strategies. He is also involved in new business development of the Group.

Mr. Yu was appointed as Alternate Director to Mdm Lee Pek Yoke on 4 May 2012 and subsequently be appointed as an Executive Director to the Board on 21 February 2014.

He is the son of Mr. Yu Soo Chye @ Yee Soo Chye and Mdm Lee Pek Yoke, brother of Ms. Yu Suat Yin, and nephew to Mr. Khong Yik Kam and Mr Lee Seng Fan. He has no conflict of interest with the Company and no conviction for any offences over the past ten (10) years.

Mr. Yu attended all five (5) Board Meetings held during the financial year ended 31 March 2014.

Board of Directors' Profile

Cont'd

Yu Suat Yin

Alternate Director to Mdm Lee Pek Yoke, Executive Director

39 years old, Malaysian

Ms. Yu graduated in 1994 with a Bachelor of Accounting and Financial Management Degree from University of Buckingham, United Kingdom. Her career started in 1994 when she joined Malaysia Management Consultant as a management trainee. Between 1996 and 1999, she was with Peter Chong & Co as Auditor. In 1999, she left and joined Oversea Group as General Manager Assistant and she was responsible for the overall operation of food services outlets and she is also involved in the planning and implementation of promotional programmes and activities.

Ms. Yu is currently the General Manager of the Restaurant Division and she is assisting Mdm Lee Pek Yoke for the overall planning and management of the operations of the restaurants within the Group. Ms. Yu has accumulated fifteen (15) years of experience in managing the Chinese restaurant operation and recent years she also spent time assisting in the management of the kitchen. She is also involved in new business development of the Group.

Ms. Yu was appointed as Alternate Director to Mdm Lee Pek Yoke, Executive Director on 21 February 2014.

She is the daughter of Mr. Yu Soo Chye @ Yee Soo Chye and Mdm Lee Pek Yoke, sister of Mr. Yu Tack Tein and niece of both Mr. Khong Yik Kam and Mr. Lee Seng Fan. She has no conflict of interest with the Company and no conviction for any offences over the past ten (10) years.

There is no Board Meeting held from the date of she appointed as Alternate Director up to the financial year ended 31 March 2014.

Koong Lin Loong

Independent Non-Executive Director

50 years old, Malaysian

Mr. Koong is qualified as a Chartered Management Accountant in the United Kingdom; a member of the Malaysian Institute of Accountants; Certified Practising Accountants Australia and Chartered Tax Institute of Malaysia.

He is also the associate Member of Malaysian Association of Company Secretaries, the Institute of Internal Auditors Malaysia and Kampuchea Institute of Certified Public Accountants and Auditors.

He is the National Council Member of the Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM) and Chairman of its Small and Medium Enterprises (SMEs); Audit Committee Member of SME Corp, Ministry of International Trade and Industry of Malaysia, and member of Franchise Advisory Board, Ministry of Domestic Trade, Cooperative and Consumerism.

Mr. Koong is the Managing Partner of REANDA LLKG INTERNATIONAL, Chartered Accountants and Executive Director of K-Konsult Taxation Sdn. Bhd. and its group of company. He is currently an Independent Non-Executive Director of Ideal Jacobs (Malaysia) Corporation Bhd.

Mr. Koong was appointed to the Board on 6 November 2009. He is the Chairman of the Audit Committee and member of the Nominating Committee.

Mr. Koong has no family relationship with any Director and/or major shareholder, nor any conflict of interest with the company. He has no conviction for any offences over the past ten (10) years.

He has attended three (3) Board Meetings during the financial year ended 31 March 2014.

Board of Directors' Profile

Cont'd

Chiam Soon Hock

Independent Non-Executive Director

66 years old, Malaysian

Mr. Chiam graduated with a Bachelor of Engineering (Civil) honours degree from the University of Malaya in 1973 and obtained his Master of Science (Planning) degree from the University of Science Malaysia in 1975. In 1988, he was awarded a Fulbright scholarship by the US Government and obtained a Post-Graduate Diploma (Public Administration) from the Pennsylvania State University, US. He is a professional town planner registered with the Board of Town Planners of Malaysia. He is a Fellow of the Malaysian Institute of Planners. He served City Hall Kuala Lumpur for twenty nine (29) years and retired in 2004 as a Director of Planning and Building Control Department. Currently he is an Independent Non-Executive Director of P. A. Resources Berhad.

Mr. Chiam was appointed to the Board on 6 November 2009. He is the Chairman of the Remuneration Committee, member of the Audit Committee and Nominating Committee.

He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no conviction for any offences over the past ten (10) years.

Mr. Chiam attended all five (5) Board Meetings held during the financial year ended 31 March 2014.

Yau Ming Teck

Independent Non-Executive Director

43 years old, Malaysian

Mr. Yau graduated with an Economics Degree from Monash University, Melbourne in 1993. Currently, he is a qualified Certified Practising Accountant (CPA) of the Australia Society of CPA and a Chartered Accountant of Malaysia Institute of Accountants.

He is a skilled financial expert with skills predominantly in the area of corporate finance, financial management and strategic planning honed over almost nineteen (19) years. He started his career in Coopers & Lybrand in the Insolvency & Corporate Division and remained there for three (3) years. Whilst with Coopers, he handled a wide portfolio of clients with diverse background and industries.

In 1997, he joined a company listed on the Main Board of Bursa Malaysia Securities Berhad as a Corporate Finance Manager and last served as a Financial Controller of another company listed on the Main Board of Bursa Malaysia Securities Berhad in 2003. During his tenure in the public listed companies, his main functions were taking charge of various corporate exercises and their implementations.

In 2004, he embarked on his private business practice in corporate and financial advisory in the area of corporate finance, mergers and acquisitions and restructuring with the main focus of the business in the PRC, Singapore and Australia.

Mr. Yau was appointed to the Board on 6 November 2009. He is the Chairman of the Nominating Committee, member of the Audit Committee and Remuneration Committee.

He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no conviction for any offences over the past ten (10) years.

Mr. Yau attended all five (5) Board Meetings held during the financial year ended 31 March 2014.

Statement of Corporate Governance

The Board of Directors of Oversea Enterprise Berhad (Board) remains committed to the best practices and principles of good corporate governance as set out in the Malaysian Code on Corporate Governance (Code) as well as the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market (Listing Requirements) to ensure the highest standards of corporate governance throughout the Group as a fundamental basis in the discharge of their fiduciary duties and responsibilities to protect and enhance long term shareholder values whilst taking into account the interests of other stakeholders.

In line with the Listing Requirements, the Board is pleased to disclose below the Group's applications of the principles and corporate governance practices as set out in the Code throughout the financial year.

THE BOARD OF DIRECTORS

The Board is responsible for the overall governance of the Group and discharges its responsibilities through compliance with relevant rules, laws, regulations, directives and guidelines in addition to adopting the best practices in the Code.

The Board's main responsibility is to lead and manage the Group in an effective manner including developing strategic directions and objectives in line with its vision and missions, implement plans and supervise the conduct of the Group's business as a whole. The Board's role is to provide leadership of the Group within a framework of prudent and effective controls whilst ensuring risks are consistently assessed and controlled.

The Board conducts ongoing review and evaluation of the Group's strategic plans to ensure the Group's focus is in line with the constantly evolving market conditions as well as identifying new businesses and opportunities. The Board also ensures that an adequate system of internal controls is in place and adopts appropriate measures to mitigate any foreseeable and/or unexpected risks.

The Board members are attentive to applying high ethical standards in their decision-making, taking into account the interests of all stakeholders.

The Board shall review the terms of office and performance of the members of the Audit Committee (AC) at least once every three (3) years to determine whether the members have carried out their duties in accordance with their terms of reference.

BOARD CHARTER

The primary objective of the Company's Board Charter is to set out the roles and responsibilities of the Board. The Board is guided by the Board Charter which provides reference for directors in relation to the Board's role, powers, duties and functions.

Apart from reflecting the current best practices and the applicable rules and regulations, the Board Charter also outlines the processes and procedures for the Board and their committees to be effective and efficient. The Board will regularly review the Board Charter to ensure it remains consistent with the Board's objectives and responsibilities and all the relevant standards of corporate governance.

Board Balance

The Board consists of eight (8) members; comprising three (3) Independent Non-Executive Directors, five (5) Executive Directors and an Alternate Director. The Company is in compliance with the Listing Requirements which requires one-third ($\frac{1}{3}$) of the total number of Directors being Independent Directors.

A brief profile of each Director is presented in this Annual Report on pages 12 to 15.

The Board comprises members with a wide range of business, financial and technical service background. The size of the Board is optimum given the scope, size and complexity of the Group's operations. The composition of Board is well balanced with an effective mix of three (3) Independent Non-Executive Directors and five (5) Executive Directors.

Statement of Corporate Governance

Cont'd

BOARD CHARTER *Cont'd*

Board Balance *Cont'd*

The role of the Chairman and the Group Managing Director are currently not separated. The Group Managing Director has primary responsibilities in managing the Group's day-to-day operations and together with the other Executive Directors, to ensure that the strategies are fully discussed and examined and take into consideration the long term interests of the various stakeholders including shareholders, employees, customers, suppliers and the various communities in which the Group conducts its business.

The Independent Non-Executive Directors do not engage in the day-to-day management of the Company and do not participate in any business dealings and are not involved in any other matters with the Company. This ensures that the Independent Non-Executive Directors remain free of conflict of interest and facilitate them to carry out their roles and responsibilities as Independent Directors effectively. The Independent Directors are at liberty to seek independent professional advice on matters relating to the discharge of their duties. The cost of securing such professional services will be borne by the Company.

The Directors of Company are persons of high caliber and integrity and their knowledge and expertise in their respective fields bring perspectives from other businesses, thereby enhancing the effectiveness of the Board and Board committees.

The Board is of the view that given the size of the Group and its business complexity, the current number of eight (8) Directors remains optimum and conducive for effective deliberations at Board meetings and for efficient conduct of Board meetings.

Board Gender Diversity Policies and Targets and the Measures

The Corporate Governance Blueprint 2011 stated that the Board should ensure women participation on board to reach thirty percent (30%) by year 2016 and the progress towards this goal will be monitored and assessed in year 2014.

The Board will review the suitability and credibility of women candidates for the Board to have more women participation by year 2016. During the financial year, the Board has appointed Ms. Yu Suat Yin as Alternate Director to Mdm. Lee Pek Yoke.

The Nominating Committee (NC) would take steps to ensure suitable women candidates are sought as part of its recruitment exercise in accordance with the Board Charter. The NC will oversee the overall composition of the Board Committees, including succession planning to maintain the appropriate size and skills, the balance between Executive Directors, Non-Executive Directors and Independent Directors as well as the mixture of skills and other core competencies required on the Board. When reviewing its performance, the Board will give consideration to its gender diversity objectives.

Code of Conduct and Ethics for Directors

The Directors will continue to adhere to the Company Directors' Code of Ethics established by the Companies Commission of Malaysia which is based on the following principles:-

- i. Compliance with legal and regulatory requirements and Company policies;
- ii. Observance of the Board Charter;
- iii. Duty to act in the best interest of the Company;
- iv. Honesty and integrity;
- v. No conflict of interests;
- vi. No-profit file; and
- vii. Relationships with stakeholders.

Statement of Corporate Governance

Cont'd

BOARD CHARTER *Cont'd*

Duties and Responsibilities of the Board

The core responsibilities of the Board include reviewing and approving the Group's business strategies and plans, significant policies and monitoring the management's performance in implementing them.

In carrying out their duties and responsibilities, the Board exercises great care to ensure that high ethical standards are upheld, and that the interests of stakeholders are not compromised. The Board members are consistently mindful that the interests of the Group's stakeholders are always being protected.

The Board's principle functions include the following responsibilities:-

- i. approves the Group's business plans and the medium-term and long-term strategies plans;
- ii. oversees the Group's business operations and financial performance against the approved business plans;
- iii. ensures that the operating infrastructure, systems of control, systems of risk management as well as financial and operational controls are in place and properly implemented; and
- iv. undertake various functions and responsibilities as specified in guidelines and directives issued by the regulatory authorities from time to time.

The three (3) Independent Non-Executive Directors by virtue of their role and responsibilities, in effect represent the minority shareholders' interest of the Group. The Independent Non-Executive Directors engage proactively with the management and with both the External and Internal Auditors. The Independent Non-Executive Directors play a significant role in bringing objectivity and scrutiny to the Board's deliberations and decision-making. They also served to inspire and challenge the management in an objective and constructive manner.

In enhancing the function of the Independent Non-Executive Directors, the Board has also defined their roles and responsibilities to include the followings:-

- i. provides independent and objective views, assessment and suggestions in Board's deliberations;
- ii. ensures effective check and balance in the Board's proceedings;
- iii. mitigate any possible conflict of interest between the policy-making process and the day-to-day management of the Group; and
- iv. constructively challenge and contribute to the development of the business strategies and direction of the Group.

The Independent Directors are at liberty to obtain advice from independent professionals if deemed necessary for the proper discharge of their duties at the expenses of the Company.

Board Meetings and Supply of Information to the Board

Board meetings for the following financial year are scheduled in advance before the end of the current financial year so as to facilitate the Directors to plan ahead and organize the next year's Board meetings into their respective schedules.

The Chairman of the AC would inform the Directors at Board meetings, of any salient matters noted by the AC and which require the Board's notice or direction.

The Board meetings are chaired by our Group Managing Director, Mr. Yu Soo Chye @ Yee Soo Chye, who has the responsibility to ensure that each of the agenda items adequately reviewed and thoroughly deliberated within a reasonable timeframe.

In advance of each Board meeting, the members of the Board are provided with the agenda and board papers including status report, performance and management report so that the Directors have ample time to review matters to be deliberated at the Board meeting and to facilitate informed decision making by the Directors.

The board papers provide, amongst others, periodical financial and corporation information, significant operational, financial and corporate issues, performance of the various products manufactured by the Group and management proposals that requires Board's approval.

Statement of Corporate Governance

Cont'd

BOARD CHARTER *Cont'd*

Board Meetings and Supply of Information to the Board *Cont'd*

At the Board meetings, the Board reviews the Group's business operations by analyzing the profit and loss account and balance sheet of the Group as compared to the same corresponding period. The Board also notes the decisions and salient issues deliberated by the AC which are tabled to the Board.

The Chairman of the AC would inform the Directors at Board meetings, of any significant issues noted by the AC which requires the Board's attention and approval for implementation.

The Directors are regularly updated by the Company Secretary on the new statutory as well as regulatory requirements relating to Directors' duties and responsibilities or the discharge of their duties as Director of the Group. The Company Secretary attends all Board meetings and ensures that accurate and adequate records of the proceedings of the Board meetings and decisions made are properly kept.

All Board members have full and timely access to information on the Group's businesses and affairs for the discharge of their duties and responsibilities. Where necessary, senior management staffs as well as advisors and professionals appointed to act for the Group on corporate proposal may be invited to attend the Board meeting to furnish with the Board their comments and advice on the relevant proposal tabled.

The Board met five (5) times during the financial year ended 31 March 2014. Additional meetings are held as and when required. The dates of the Board Meetings are as follows:

- i. 20 May 2013
- ii. 23 August 2013
- iii. 18 November 2013
- iv. 5 December 2013 (Emergency Board Meeting)
- v. 17 February 2014

Details of attendance of each Director at the Board meetings held during the financial year are set out as follows:

Name of Directors	Number of Board Meetings Held	Number of Board Meetings Attended
Yu Soo Chye @ Yee Soo Chye	5	4
Lee Pek Yoke	5	0*
*(Attended by Alternate Director, Mr. Yu Tack Tein – Resigned on 21 February 2014) And re-appointed as Executive Director on 21 February 2014)		5
(Attended by Alternate Director, Ms. Yu Suat Yin – Appointed on 21 February 2014)	0	0
Lee Seng Fan	5	3
Khong Yik Kam	5	5
Koong Lin Loong	5	3
Chiam Soon Hock	5	5
Yau Ming Teck	5	5

Appointment to the Board

The proposed appointment of a new member to the Board will be deliberated on by the full Board based upon a report, prepared by the NC on the necessity for and qualification and experience of the proposed Director.

The appointment of any additional director is made as and when it is deemed necessary by the Board with due consideration given to the mix of expertise, skills, experience and competencies required for an effective Board.

Statement of Corporate Governance

Cont'd

BOARD CHARTER *Cont'd*

Re-Appointment and Re-Election of Directors

In accordance with the Company's Articles of Association (Articles), it provides that at every Annual General Meeting (AGM), at least one-third (1/3) of the Directors for the time being shall retire from office and be eligible for re-election provided always that all Directors including the Group Managing Director appointed for a fixed period pursuant to the Articles shall retire from office once at least in each three (3) years but shall be eligible for re-election.

Pursuant to Section 129(2) of the Companies Act, 1965, Directors who are over the age of seventy (70) years shall retire at every AGM and may offer themselves for re-appointment to hold office until the next AGM.

The re-appointment and re-election of Directors at the AGM is subject to the prior assessment by the NC.

For this forthcoming AGM, the Directors who will be subject to retirement by rotation pursuant to Article 85 of the Articles of the Company are as follows and they shall be recommended for re-election by the Board pursuant to the said Articles:-

- i. Yu Soo Chye @ Yee Soo Chye; and
- ii. Yau Ming Teck

The newly appointed Executive Director, Mr. Yu Tack Tein who was appointed during the financial year will be subject to retirement by casual vacancy pursuant to Article 92 of the Articles of the Company at this forthcoming AGM.

In determining whether to recommend a Director for re-election, the aforesaid Directors' attendance at meetings, participation and contribution to the activities of the Board will be duly considered by the NC.

The NC is satisfied that the abovementioned Directors have met the requirements set out above and have recommended to the Board their re-election at the forthcoming AGM. All the abovementioned Directors have consented to serve as Directors, if elected, by the shareholders at this forthcoming AGM.

THE BOARD COMMITTEES

The Board delegates certain authorities to Board Committees that operate under clearly defined written terms of reference and operating procedures duly approved by the Board.

The functions and terms of reference of Board Committees as well as authority delegated by the Board to these Committees, have been approved by the Board and are reviewed from time to time to ensure that they are relevant and up-to-date.

The various Committees report the outcome of their meetings to the Board which are then incorporated in the Board's minutes. The Board Committees are as follows:-

- i. Audit Committee
- ii. Nominating Committee
- iii. Remuneration Committee
- iv. Investment Committee

Statement of Corporate Governance

Cont'd

THE BOARD COMMITTEES *Cont'd*

Audit Committee

The Audit Committee (AC) currently comprises of three (3) Independent Non-Executive Directors. The Committee meets not less than four (4) times a year and is governed by clearly defined terms of reference. During the financial year ended 31 March 2014, the Committee met four (4) times. Details of the composition of the AC and attendance of Members at the Meetings held are as follows:-

Members of the Audit Committee and Meeting Attendance

Membership Status	Name	Attendance
Chairman <i>Independent Non-Executive Director</i>	Koong Lin Loong	3/4
Member <i>Independent Non-Executive Director</i>	Chiam Soon Hock	4/4
Member <i>Independent Non-Executive Director</i>	Yau Ming Teck	4/4

Meetings are to be held as and when necessary. The quorum for each meeting is two (2). The minutes of the AC meetings are tabled at the Board for noting and for action by the Board, where appropriate. Recommendations of the Committee are submitted to the Board for approval.

The activities carried out by the AC during the year are set out under the AC Report on pages 30 to 31 in this Annual Report.

Nominating Committee

The Nominating Committee (NC) consists of three (3) Independent Non-Executive Directors and the members of the NC are:-

- i. Yau Ming Teck (Chairman)
- ii. Koong Lin Loong
- iii. Chiam Soon Hock

Their salient terms of reference are as follows:-

- i. To propose nominees for appointment to the Board;
- ii. To oversee the overall composition of the Board and Board Committees in terms of the appropriate skills and size, the balance between Executive Directors, Non-Executive and Independent Directors and the mixture of skills and other core competencies required through annual review;
- iii. To assist the Board annually in carrying out annual assessment on the effectiveness of the Board and Board Committees as a whole, the contribution, competencies, commitment and performance by each director and the Board's various Committees;
- iv. To review management's proposals for the appointment, dismissal, transfer, promotion of senior executives;
- v. To facilitate achievement of board gender diversity policies, targets and measures to achieve it; and
- vi. To carry out the annual assessment of the independence of the Independent Directors.

Meetings are to be held as and when necessary. The quorum for each meeting is two (2). Recommendations of the Committee are submitted to the Board for approval.

In the financial year ended 31 March 2014, the Committee met once which was attended by all the members.

Statement of Corporate Governance

Cont'd

THE BOARD COMMITTEES *Cont'd*

Remuneration Committee

The Remuneration Committee (RC) consists of three (3) Directors, with majority being Independent Non-Executive Directors. The members of the RC are:-

- i. Chiam Soon Hock (Chairman)
- ii. Yu Soo Chye @ Yee Soo Chye
- iii. Yau Ming Teck

The RC has a formal and transparent procedure to review each Director's remuneration package which take into consideration on corporate and individual performance; experience and level of responsibilities of the Directors concerned. The RC is responsible for recommending the remuneration framework for Directors, the remuneration packages of Executive Directors to the Board as well a to review and deliberate on the quantum of Directors' fee.

None of the Executive Directors participate in any way in determining their individual remuneration.

The Board as a whole determines the level of remuneration of Non-Executive Directors with individual Directors abstaining from decisions in respect of their individual remuneration. Directors' fees, if any, are approved at the AGM by the shareholders.

The policy practiced on Directors' remuneration by the RC is to provide the remuneration packages necessary to attract, retain and motivate Directors of the quality required to manage the business of the Company and to align the interest of the Directors with those of the shareholders.

Information prepared by independent consultants and survey data on the remuneration practices of comparable companies are taken into consideration in determining the remuneration packages, where necessary.

Meetings are held as and when necessary and at least once a year. The quorum for each meeting shall be two (2). Minutes of each meeting shall be kept by the Secretary as evidence that the Committee has discharged its functions.

The RC held one (1) meeting which was attended by all members during the financial year to review and recommend to the Board on the remuneration of the Directors.

DIRECTORS' REMUNERATION

The remuneration packages of the Executive Directors are aligned with the business strategy and performance of the Company and are tailored to attract, retain and motivate directors of the quality required to manage the business of the Company.

In deciding on the appropriate level of fees for each Non-Executive Directors, the Board take into consideration the experience, the level of responsibilities undertaken, time commitment required in attending both the scheduled and special board meetings, deliberation time required for Board papers as well as the number of board committees. The directors will abstain from the deliberation of their own individual remuneration.

The remuneration package for Directors comprise of the following elements:-

Fees

The fees payable to each of the Independent Non-Executive Directors are determined by the board.

Basic Salaries and Bonuses

The basic salaries for the Executive Directors are recommended by the RC to the Board for the approval of the Board.

Statement of Corporate Governance

Cont'd

DIRECTORS' REMUNERATION *Cont'd*

The details of the remuneration paid/payable to the Directors for the financial year ended 31 March 2014 are as follows:-

Aggregate remuneration of Directors categorized into appropriate components:-

	Executive Directors RM	Non-Executive Directors RM
Directors' fees	-	108,000
Salaries and allowance	2,133,616	-
Other Emoluments	-	-
Total Directors' Remuneration	2,133,616	108,000

The number of Directors whose total remuneration (including allowance) all within the following bands for the financial year ended 31 March 2014 are as follows:-

	Executive Directors	Non-Executive Directors
Below RM50,000	-	3
RM50,001 to RM200,000	2	-
RM200,001 – RM300,000	2	-
RM300,001 – RM500,000	1	-
RM500,001 – RM700,000	-	-
RM700,001 – RM1,000,000	1	-

Investment Committee

The Investment Committee (IC) consists of two (2) Executive Directors and two (2) management staff.

The members of the IC are as follows:-

- i. Yu Soo Chye @ Yee Soo Chye
- ii. Yu Tack Tein
- iii. Yap Teck Beng
- iv. Yu Suat Yin (Also the Alternate Director to Executive Director)

The role of the IC is to assist the Board in assessing and approving all significant investment matters which include capital budget, investment transactions and proposals on new investment capital.

The IC shall meet as and when required and shall report to the Board on its proceedings on all matters within its duties and responsibilities.

Statement of Corporate Governance

Cont'd

DIRECTORS' TRAINING AND EDUCATION

The Directors have continued to participate in relevant training programmes to keep abreast with the latest developments in the security industry, in particularly in areas of corporate governance and regulatory changes so that they would be able to discharge their duties as directors effectively.

For the year ended 31 March 2014 and up to the date of report, the conferences, seminars and training programmes attended by the Directors were as follows:-

Name of Directors	Courses / seminars attended
Mr. Yu Soo Chye @ Yee Soo Chye	i. Advocacy session on corporate disclosure for directors
Mdm. Lee Pek Yoke	i. Advocacy session on corporate disclosure for directors
Mr. Khong Yik Kam	i. Advocacy session on corporate disclosure for directors
Mr. Lee Seng Fan	i. Advocacy session on corporate disclosure for directors
Mr. Koong Lin Loong	i. Update of latest development in MFRSs and an overview of the MPERS- What's new in Financial Reporting in Malaysia? ii. Kursus Cukai Barang dan Perhidmatan (GST) iii. Performing group audits and what's new in International Standard on Auditing iv. 2014 Budget Seminar- Key Budget Changes and their Implications v. 2014 Budget Seminar vi. National Tax Conference 2013 vii. Persidangan Juru audit Koperasi 2013 viii. Workshop on insights to Malaysia's First Transfer Pricing Litigation : MM Sdn Bhd V Ketua pengarah Hasil Dalam Negeri ix. Briefing on "Limited Liability Partnership"
Mr. Chiam Soon Hock	i. Risk management & internal control workshops for Audit Committee members.
Mr. Yau Ming Teck	i. Risk management & internal control workshops for Audit Committee members. ii. Advocacy session on corporate disclosure for directors.
Mr. Yu Tack Tein	i. Advocacy session on corporate disclosure for directors.
Ms. Yu Suat Yin, Alternate Director to Mdm. Lee Pek Yoke	i. Mandatory Accreditation Programme for directors of public listed companies. ii. Advocacy session on corporate disclosure for directors. iii. Briefing session on good and service tax.

ACCOUNTABILITY AND AUDIT

Financial Reporting

In presenting the annual audited financial statements and quarterly announcements of results to shareholders, the Directors take responsibility to provide a balanced, clear and comprehensive assessment of the financial performance and prospects of the Company and of the Group in all the disclosures made to the stakeholders and the regulatory authorities. Following discussions with the External Auditors, the Directors consider that the Group uses appropriate accounting policies that are consistently applied and supported by reasonable as well as prudent judgments and estimates; and that financial statements are prepared in accordance with applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965. The Directors recognize the responsibility for ensuring that accounting records are properly kept.

Early announcements of the quarterly results and issuance of annual report to Bursa Malaysia Securities Berhad reflect the Board's commitment to provide timely, transparent and up-to-date assessments on the Group's performance and prospects.

The Board is assisted by the AC to oversee the financial reporting process and the quality of the financial reporting of the Group. The AC reviews and monitors the integrity of the Company and of the Group's annual and interim financial statements and reviews the appropriateness of the Company and of the Group's accounting policies and changes to these policies as well as ensures these financial statements comply with accounting and regulatory requirements.

Statement of Corporate Governance

Cont'd

ACCOUNTABILITY AND AUDIT *Cont'd*

Financial Reporting *Cont'd*

The Board also have overall responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Group and for the implementation and continued operation of adequate accounting and internal control systems for the prevention of fraud and other irregularities.

The Statement of Responsibility by Directors in respect of the preparation of the annual audited financial statements is set out on page 36 of the Annual Report.

RESPONSIBILITY STATEMENT BY THE BOARD OF DIRECTORS

The Directors are required by the Companies Act, 1965 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 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 suitable accounting policies and applying them consistently;
- ii. made judgments and estimates that are prudent and reasonable;
- iii. ensured applicable accounting standards have been followed; and
- iv. prepared the financial statements on the going concern basis.

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 of the Company and which enable them to ensure that the financial statements comply with the Companies Act, 1965.

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.

Internal Controls

The Statement on Risk Management & Internal Control furnished in the Annual Report provides an overview of the state of internal controls within the Group.

Relationship with External Auditors

The role of the AC in relation to the External Auditors is included in the AC's terms of reference as detailed in the AC Report.

Internal Audit

The Group has outsourced an Internal Auditors which assists the AC in the discharge of its duties and responsibilities. Its role is to provide independent and objective reports on the organisation's management, records, accounting policies and control to the Board.

The internal audit function reports directly to the AC and its findings and recommendations are communicated to the Board.

Statement of Corporate Governance

Cont'd

RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS

The Group recognizes the importance of maintaining accountability and transparency to its shareholders through proper communication with its shareholders. The Company reaches out to its shareholders through its distribution of the Annual Reports.

All shareholders are encouraged to attend the Company's AGM and to participate in the proceedings. Shareholders' suggestions received during AGM are reviewed and considered for implementation, whenever possible. Every opportunity is given to the shareholders to ask questions and seek clarification on the performance of the Group.

The Group also provides corporate information as well as highlighting key financial information in order to facilitate shareholders' easy access to the information.

The Group has also established a website (www.oversea.com.my) to which shareholders can access information related to the Group. Investors and members of the public who wish to assess corporate and financial information that is made public such as the quarterly announcement of the financial results of the Group, announcements and disclosures made pursuant to the disclosure requirement of the Listing Requirements and other corporate information and events related to the Group can channel their queries to the following personnel:

Yap Teck Beng (Group General Manager)
Email : tbyap@oversea.com.my

Catherine Wong (In-house Secretary)
Email : cathwong@oversea.com.my

While the Company endeavours to provide as much information as possible to its shareholders and stakeholders, the Company is mindful of the legal and regulatory framework governing the release of material and price sensitive information. Any information that may be regarded as undisclosed material information about the Group will not be disclosed to the public.

COMPLIANCE WITH BEST PRACTICES

Save as disclosed below, the Group is generally in compliance with the Best Practices in Corporate Governance set out in the Code.

The Board is mindful of the dual roles held by the Chairman / Group Managing Director but is of the view that there are sufficient independent minded Directors with wide board room experience to provide the necessary check and balance. Besides, the Board has various Board Committees to discuss and decide on policy matters and related issues on a regular basis. The Chairman / Group Managing Director as a rule, is abstained from all deliberations and voting on matters, which he is directly or deemed interested in.

On the non-disclosure of detailed remuneration of each Director, the Board is of the view that the transparency of the Directors' remuneration has been sufficiently dealt with by "band disclosure" presented in this Statement.

This Statement on Corporate Governance is made in accordance with the resolution of the Board dated 4 August 2014.

Audit Committee Report

The Board of Directors is pleased to present the report of the Audit Committee for the financial year ended 31 March 2014.

MEMBERS

CHAIRMAN

Koong Lin Loong

Independent Non-Executive Director

Member of the Malaysian Institute of Accountants

MEMBERS

Yau Ming Teck

Independent Non-Executive Director

Chiam Soon Hock

Independent Non-Executive Director

MEMBERSHIP AND ATTENDANCE

Composition of Audit Committee	No. of Audit Committee Meetings held	No. of Audit Committee Meetings attended
Koong Lin Loong, <i>Chairman, Independent Non-Executive Director</i>	4	3
Yau Ming Teck, <i>Independent Non-Executive Director</i>	4	4
Chiam Soon Hock, <i>Independent Non-Executive Director</i>	4	4

The Audit Committee (AC) convened four (4) meetings during the financial year and save for Mr. Koong Lin Loong who attended three (3) meetings, the rest of the AC members have attended all the four (4) meetings. Upon invitation by the AC, the Directors, Internal Auditors, External Auditors and other members of the senior management attended all the meetings from time to time. The AC also met up with the External Auditors without the presence of the employees during the financial year ended 31 March 2014.

COMPOSITION

The AC was established on 6 November 2009 and its composition complies with the Listing Requirements.

The Board of Directors (Board) shall elect an AC from amongst themselves which fulfils the following requirements:-

- (i) the AC shall consist of at least three (3) Directors;
- (ii) all AC members must be Non-Executive Directors, with a majority of them being Independent Directors; and
- (iii) at least one (1) of the members of the AC:-
 - (a) must be a member of the Malaysian Institute of Accountants (MIA);

Audit Committee Report

Cont'd

COMPOSITION *Cont'd*

- (b) if he/ she is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years of working experience and
 - (i) he/she must have passed the examinations specified in Part I of the First Schedule of Accountants Act, 1967; or
 - (ii) he/she must be a member of one (1) of the associations of accountants specified in Part II of the First Schedule of the Accountants Act, 1967; or
 - (iii) he/she has a degree/master/doctorate in accounting and finance and at least three (3) years' post qualification experience in accounting or finance or
 - (iv) is a member of a professional accountancy organisation which has been admitted as full members of the International Federation of Accountants and at least three (3) years post qualification in accounting or finance; or
 - (v) at least seven (7) years' experience being a Chief Executive Officer of a corporation or having the function of primarily response for the management of the financial affairs of a corporation;
- (c) fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.

The members of the AC shall elect the Chairman from among their members who shall be an Independent Non-Executive Director. No Alternate Director shall be appointed as a member of the AC.

If the number of members is reduced below three (3), due to whatsoever reasons, the Directors of the Company shall within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

The Board shall review the terms of office and performance of the members of the AC at least once every three (3) years to determine whether the members have carried out their duties in accordance with their terms of reference.

OBJECTIVES

The primary objectives of the AC are:-

- (i) to assist the Board in discharging its duties to identify principal risks, ensuring the implementation of appropriate systems of internal controls to manage such risks, and that such systems are working effectively to safeguard shareholders' investment and the long term viability of the Group; and
- (ii) to undertake such additional duties as may be appropriate and necessary to assist the Board.

MEETINGS

- (i) The AC shall convene a minimum of four (4) meetings a year, although additional meetings maybe called at any time at the AC Chairman's discretion or if requested by any AC member, the management, the External or Internal Auditors.
- (ii) The Head of Finance and Head of Internal Audit, if any, shall be invited to attend the meetings, as the AC deems necessary. Other Board and representatives of the External Auditors may attend meetings upon the invitation of the AC.
- (iii) The AC members shall meet with External Auditors without the presence of the Executive Board members at least twice a year.

Audit Committee Report

Cont'd

MEETINGS *Cont'd*

- (iv) The Chairman of the AC shall engage on a continuous basis with senior management such as the Chairman, Chief Executive Officer, Finance Director, the Head of Internal Control and the External Auditors in order to be kept informed of matters affecting the Company.
- (v) The quorum for each meeting shall be at least two (2) independent members.
- (vi) The Company Secretary shall be the Secretary to the AC.
- (vii) Minutes of each meeting will be circulated to each member of the AC and the AC Chairman shall report on each meeting to the Board.

TERMS OF REFERENCE

AUTHORITY

- a) The AC is authorized by the Board with the authority to investigate any matter within its terms of reference and shall have unlimited access to both the Internal and External Auditors, as well as the employees of the Group. All employees are directed to co-operate with any request made by the Committee.
- b) The Committee shall have unlimited access to any records, information and documents relevant to its activities, to the Internal and External Auditors, and to the senior management of the Group.
- c) The Committee shall, at the Company's expenses, have the authority to obtain independent legal or other professional advice as it considers necessary.
- d) The Committee shall be able to convene meetings with the External/Internal Auditors, excluding the attendance of the other Directors and employees of the Company, whenever deemed necessary.
- e) The Committee shall have the power to establish Sub-Audit Committee(s) to carry out certain investigation on behalf of the Committee in such manner, as the Committee deem fit and necessary.
- f) The Company shall have the resources which are required to perform its duties.

DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the AC shall include:

- a) to recommend the appointment of the External Auditors, their audit fee and any question of their resignation or dismissal to the Directors of the Company;
- b) to discuss and review with the External Auditors, the audit plan, the nature and scope of the audit and the areas of audits of the Group and to ensure co-ordination where more than one (1) audit firm is involved;
- c) to review the annual audited financial statements of the Group and quarterly results of the Group and before submission to the Board, focusing particularly on:
 - i. public announcements of results and dividend payment;
 - ii. any changes in accounting policies and practices;
 - iii. major judgmental areas;
 - iv. significant adjustments resulting from the audit;
 - v. the going-concern assumptions;
 - vi. compliance with accounting standards; and
 - vii. compliance with stock exchange and legal requirements.

Audit Committee Report

Cont'd

DUTIES AND RESPONSIBILITIES *Cont'd*

- d) to discuss problems and reservations arising from the interim and final audits and any other matters the External/Internal Auditors may wish to discuss (in the absence of the management and employees of the Company);
- e) to review 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;
- f) to review and report the adequacy of the scope, functions, competency and resources of the internal audit function and to ensure that it has the necessary authority to carry out its works;
- g) to review and evaluate the adequacy and effectiveness of the Group's accounting policies, procedures and internal controls;
- h) to review the appraisal or assessment of the performance of the staff of the internal audit function; to approve any appointment or termination of senior staff of the internal audit function;
- i) to verify the allocation of Employees' Share Option Scheme (ESOS) in compliance with the criteria as stipulated in the by-laws of ESOS of the Company, if any;
- j) to keep under review the effectiveness of internal control system and in particular, review External Auditors' management letter and management's response;
- k) to review any related party transaction and conflict of interests situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity; and
- l) to carry out such other functions and consider other topics, as may be agreed upon by the Board.

REPORTING PROCEDURES

The AC is authorized to regulate its own procedure in particular the calling of meetings, the notice to be given of such meetings, the voting and proceeding thereat, the keeping of minutes and the custody, production and inspection of such meetings.

The Company Secretary shall circulate the minutes of meetings of the AC to all members of the Board.

SUMMARY OF ACTIVITIES

In line with the terms of reference of the AC, the following activities were carried out by the Committee during the financial year ended 31 March 2014 under review in accordance with its functions and duties:-

Internal Audit

- i. reviewed the internal audit plan, resources and scope of audit;
- ii. reviewed the major findings of internal audit reports and their recommendations relating thereto; and
- iii. reviewed the Group's systems and practices for the identification and management of risk.

Financial Results

- i. reviewed the annual audited financial statements of the Group, quarterly results of the Group and thereafter, recommend to the Board for approval; and
- ii. reviewed the new accounting standards applicable in the preparation of the consolidated financial statements and the additional regulatory disclosure requirements.

Audit Committee Report

Cont'd

SUMMARY OF ACTIVITIES *Cont'd*

External Audit

- i. reviewed the suitability of the External Auditors and recommended to the Board for re-appointment and the audit fee thereof;
- ii. discussed and reviewed the External Auditors' audit plan, the nature and scope of the audit plan, audit report and the areas of audits of the Group;
- iii. reviewed the External Auditors' evaluation of the system of internal controls;
- iv. reviewed the External Auditors' findings arising from audits in particularly any comments and responses in management letters as well as assistance given by the employees of the Group in order to be satisfied that appropriate actions is being taken; and
- v. reviewed the External Auditors' audit report.

Related Party Transactions

- i. reviewed the recurrent related party transactions of a revenue or trading nature that had arisen within the Group and the Group's procedures for monitoring and reviewing of related party transactions to satisfy itself that the procedures were sufficient to ensure that the related party transactions were carried out on normal commercial terms which were not prejudicial to the interests of the shareholders and that the terms of the related party transactions were not more favourable to the related parties than those generally available to the public and also not detrimental to the interests of the minority shareholders.

INTERNAL AUDIT FUNCTION

The Company recognised that an internal audit function is essential in ensuring the effectiveness of the Group's systems of internal control and is an integral part of the risk management process. The Company's internal audit function is outsourced to an independent consultant to assist the AC and the cost incurred for the internal audit function in respect of the financial year ended 31 March 2014 was about RM42,000. The function which is independent of the activities and operations conducts 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 audit function reports directly to the AC and assists the Board in monitoring the internal controls and mitigate the risks.

The scope of the internal audit plan covers the risk management, control and governing processes, and audit of the Group's operations. The activities of the internal audit for the financial year ended 31 March 2014 under review include the followings:-

- i. ascertained the extent of compliance with established policies, procedures and statutory requirements;
- ii. undertook special reviews requested by the AC and/or the management;
- iii. assessed the means of safeguarding assets and verified their existence; and
- iv. approved the internal audit plan each year. Present internal audit findings and makes appropriate recommendations on any areas of concern within the Company and the Group for the Committee's deliberation and to enhance efficiencies to the appropriate level of management capable of achieving satisfactory results and ensured corrective actions were taken.

For the financial year ended 31 March 2014, a total of four (4) audit reports were issued and presented to the AC with the recommended corrective actions acted upon.

The AC and the Board are satisfied with the performance of the Internal Auditors 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.

Remuneration Committee and Terms of Reference

The Remuneration Committee comprises of the following Directors:-

CHIAM SOON HOCK

Chairman

Independent Non-Executive Director

YU SOO CHYE @ YEE SOO CHYE

Member

Group Managing Director

YAU MING TECK

Member

Independent Non-Executive Director

The Terms of Reference of the Remuneration Committee (RC) are as follows:

1. Objectives

In accordance with the Malaysian Code on Corporate Governance, the RC is set up to provide recommendations to the Board of Directors (Board) on the remuneration of the Executive Directors in all its forms so that the remuneration are structured to link rewards to corporate and individual performance.

Executive Directors should play no part in decisions on their own remuneration while the remuneration of the Non-Executive Directors should be a matter solely for the Board as a whole to determine. The individuals concerned should abstain from discussion and voting on their own remuneration.

2. Size and Composition

The RC shall consist wholly or mainly of Non-Executive Directors. The members of the RC shall elect a Chairman from amongst its members who shall be a Non-Executive Director. The members of the RC shall consist not less than three (3) members. If the number of members for any reasons fall below three (3), the Board shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

3. Meetings and Procedures

The RC shall meet at least once a year. The quorum of the meeting shall be two (2) Non-Executive Directors. The Committee will decide its own procedures and other administrative arrangements. The Chairman of the Committee will report to the Board after each RC meeting.

4. Secretary

The Company Secretary shall act as Secretary to the RC and shall be responsible for keeping minutes of meetings of the RC and circulating them to the RC members.

5. Duties and Responsibilities

- i. to determine and agree with the Board the framework or broad policy for the remuneration, in all forms, of the Executive Directors and/or any other persons as the Committee is designated to consider by the Board and getting professional advice as and when necessary;
- ii. to determine and recommend to the Board any performance related pay schemes for the Executive Directors and/or any other persons as the Committee is designated to consider by the Board;
- iii. to determine the policy for and scope of service agreements for the Executive and Non-Executive Directors, termination payment and compensation commitments;

Remuneration Committee and Terms of Reference

Cont'd

5. Duties and Responsibilities *Cont'd*

- iv. to recommend to the Board the appointment of the services of such advisers or consultants as it deems necessary to fulfill its responsibilities;
- v. to produce any required reports as may be required from time to time; and
- vi. to carry out other responsibilities, functions or assignments as may be defined by the Board from time to time.

6. Circular Resolution

A resolution in writing signed by all the Committee members shall be as effective for all purposes as a resolution passed at a meeting of the RC duly convened, held and constituted. In case any Committee member is absent from Malaysia, a resolution signed by the other Committee members, (not being less than two (2)), shall be valid and effectual.

During the financial year ended 31 March 2014, one (1) meeting was held, which was attended by all members of the RC.

Nominating Committee and Terms of Reference

The Nominating Committee (NC) was set up on 6 November 2009 and their salient terms of reference are as follows:

- i. To propose nominees for appointment to the Board of Directors (Board);
- ii. To oversee the overall composition of the Board and Board Committees in terms of the appropriate skills and size, the balance between Executive Directors, Non-Executive and Independent Directors and the mixture of skills and other core competencies required through annual review;
- iii. To assist the Board annually in carrying out annual assessment on the effectiveness of the Board and Board Committees as a whole, the contribution, competencies and performance by each director and the Board's various Committees;
- iv. To review management's proposals for the appointment, dismissal, transfer, promotion of senior executives;
- v. To facilitate achievement of board gender diversity policies, target and measures to achieve it;
- vi. To carry out the annual assessment of the independence of the Independent Directors; and
- vii. To review training programme for the Board and to facilitate Board induction and training programme.

The NC shall consist wholly of Independent Non-Executive Directors. The members of the NC shall consist not less than three (3) members. If the number of members for any reasons fall below three (3), the Committee shall, within three (3) months of that event, review and recommend for the Board's approval appropriate Director to fill the vacancy.

The NC shall meet at least once a year. The meetings are to be held as and when necessary. The quorum of the meeting shall be two (2) members. The Committee will decide its own procedures and other administrative arrangements. The Chairman of the Committee will report to the Board after each NC meeting.

Recommendations of the Committee are submitted to the Board for approval. The Company Secretary shall be the Secretary to the NC and shall be responsible for keeping minutes of meetings of the NC and circulating them to the NC members.

A resolution in writing signed by all the Committee members shall be as effective for all purposes as a resolution passed at a meeting of the NC duly convened, held and constituted. In case any Committee member is absent from Malaysia, a resolution signed by the other Committee members, (not being less than two (2)), shall be valid and effectual.

To carry out the assessment of those Directors who are eligible to stand for re-election / re-appointment, the NC will base on formal reviews of the performance of the Directors, their contribution to the Board through their skills, experience, strength and qualities, their level of independence and abilities to exercise independent judgement, demonstrate objectivity, clarity of thought during deliberations at meetings and ability to spend sufficient time and commitment to the Company.

That for the annual assessment carried out on the effectiveness of the Board and Board Committees as a whole, the NC was satisfied with the existing Board composition and was of the view that all the Directors and Board Committees of the Company had discharged their responsibilities in a commendable manner and had performed competently and effectively. The Board's effectiveness is assessed in the areas of composition, administration and process, accountability and responsibility, conduct and communication.

For the board diversity, the evaluation of the candidates' suitability by the Board is solely based on their competence, character, time commitment, integrity and experience in meeting the needs of the Company.

Nominating Committee and Terms of Reference

Cont'd

For the financial year ended 31 March 2014, the Committee met once and the composition of the NC and frequency of meetings of the Committee are as follows:-

Members of Nominating Committee and Meeting Attendance

Membership Status	Name	Attendance
Chairman	Yau Ming Teck	1/1
Member	Koong Lin Loong	1/1
Member	Chiam Soon Hock	1/1

The NC had undertaken the following activities in the financial year ended 31 March 2014:-

- i. reviewed the Self Assessment Form of the Directors retiring pursuant to Articles 85 and 92 of the Company's Articles of Association and submitted their recommendation for re-election at the Annual General Meeting;
- ii. reviewed the yearly Self Assessment Forms of other Board members; and
- iii. recommended the appointment of Mr. Yu Tack Tein as Executive Director of the Company and the appointment of Ms. Yu Suat Yin as Alternate Director to Mdm. Lee Pek Yoke.

Statement on Risk Management & Internal Control

Pursuant to Paragraph 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (Listing Requirements), the Board of Directors is pleased to provide the following statement on the state of 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” (Risk Management & Internal Control Guidance).

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 following statement, which outlines the nature and scope of risk management and internal control of the Group during the year.

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.

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 the management throughout the period. The Board has received assurance from the Group Managing Director and the Group Finance Manager that the Group’s risk management and internal control system is operating adequately and effectively in all material aspects, based on the risk management and internal control system of the Group.

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

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:-

- (a) An organization structure with clearly defined lines of responsibility, authority and accountability;
- (b) Documented internal policies, guidelines, procedures and manuals, which are updated from time to time;
- (c) Regular Board and management meetings where information is provided to the Board and management covering financial performance and operation;
- (d) Quarterly review of financial results by the Board and Audit Committee;
- (e) Regular training and development programs attended by employees with the objective of enhancing their knowledge and competency;
- (f) Existence of risk management team to enhance its risk management practice; and
- (g) Ongoing reviews on the system of internal controls by an independent internal audit function. Results of such reviews are reported to the Audit Committee, which in turn reports to the Board.

In addition, the Executive Directors have day to day involvement with the business and are responsible for monitoring risks affecting the business and control activities. These are supplemented by comprehensive and independent reviews undertaken by the internal audit function on the controls in operation in each individual business. The Internal Auditors independently report to the Audit Committee on the outcome and findings from their reviews.

Statement on Risk Management & Internal Control

Cont'd

KEY ELEMENTS OF INTERNAL CONTROL *Cont'd*

Risk Management Process

The Board regards risk management as an integral part of business operations. For the period under review, the Risk Management Committee (RMC) is assisted by the senior management team from various divisions to effectively embed risk management and control into the corporate culture, processes and structures within the Group. 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 materializing; and
- (d) The Group's ability to reduce the incidence of risks that may materialise and their impact on the business.

INTERNAL AUDIT FUNCTION

The Board outsourced its internal audit function to a professional firm of consultants to support its internal audit function to provide much of the assurance required regarding the effectiveness as well as the adequacy and integrity of the Group's system of internal controls. Internal audit function adopts a risk-based approach in developing its audit plan which addresses all the core auditable areas of the Group. The internal audit plan was presented to and approved by the Audit Committee. Periodic internal audit review is carried out and the audit findings are presented to the Audit Committee via internal audit reports whilst Management formulates action plans to address issues noted from internal audit to improve the system of internal controls. The internal control systems will continue to be reviewed, added on or updated in line with changes in the operating environment.

Based on the Internal Auditors' report for the financial year ended 31 March 2014, there is a reasonable assurance that the Group's system of internal controls is generally adequate. Nevertheless, the internal control systems will continue to be reviewed, added on or updated in line with changes in the operating environment.

The costs incurred for the internal audit function for the financial year ended 31 March 2014 were RM42,000.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Risk Management and Internal Control Statement. Their review was performed in accordance with Recommended Practice Guide (RPG) 5 (revised): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants. Based on their review, 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 paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

CONCLUSION

The Board having considered all audit findings is of the opinion that the Group's system of internal controls and risk management is adequate and accords with the guidance provided by the "Risk Management & Internal Control Guidance". The management will endeavour to take the necessary measures to strengthen the control environment within the Group.

This statement was made in accordance with a Board of Directors' resolution dated 4 August 2014.

Other Information

1. NON AUDIT FEES

The amount of non audit-fees paid / payable to External auditors and its affiliates for the financial year ended 31 March 2014 amounted to RM4,000.

2. REVALUATION POLICY ON LANDED PROPERTIES

The revaluation policy on landed properties is as disclosed in the financial statement.

3. SHARE BUY BACKS

There was no share buy-back during the financial year ended 31 March 2014.

4. SANCTIONS AND/OR PENALTIES IMPOSED

There was no public sanctions and/or penalties imposed on the Company and its other subsidiaries, Directors or management by any other relevant authorities.

5. AMERICAN DEPOSITORY RECEIPT (ADR) OR GLOBAL DEPOSITORY RECEIPT (GDR)

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

6. MATERIAL CONTRACTS

During the financial year ended 31 March 2014, there were no material contracts entered into by the Company or its subsidiary companies involving Directors and major shareholders of the Company that have not been reflected in the financial statement for the year ended 31 March 2014.

7. VARIATION IN RESULTS

There was no material variance between the results for the financial period and the unaudited results previously announced.

8. PROFIT ESTIMATE, FORECAST OR PROJECTION

There was no profit estimation, forecast and projection made or released by the Company during the financial year ended 31 March 2014.

Other Information

Cont'd

9. UTILIZATION OF PROCEEDS

As at the date of this report, the remaining proceeds for capital expenditure and business expansion plans as well as working capital has been fully utilized as at 31 March 2014, details of which are as follows:-

Purposes	Proposed Utilisation RM'000	Actual Utilisation RM'000	Timeframe	Balance Unutilized RM'000
Capital Expenditure and Business expansion plan	6,050	6,050	within 2 years after listing*	-
Working capital	3,310	3,310	within 2 years after listing*	-
Repayment of borrowings	2,000	2,000	-	-
Estimated listing expenses	1,727	1,727	upon listing	-
Total	13,087	13,087		-

10. PROFIT GUARANTEE

There was no profit guarantee given by the Company during the financial year ended 31 March 2014.

11. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

There was no exercise of options, warrants or convertible securities during the financial year ended 31 March 2014.

12. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

At the forthcoming Nineteenth Annual General Meeting to be held on 8 September 2014, the Company intends to seek shareholders' general mandate in respect of recurrent related party transactions of a revenue or trading nature. The details of the general mandate to be sought will be furnished in the Circular to Shareholders dated 13 August 2014 attached to this Annual Report.

Financial Statements

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Directors' Report

The Directors of Oversea Enterprise Berhad have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2014.

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
Profit after taxation for the financial year	3,349,460	1,708,088
Attributable to:-		
Owners of the Company	3,460,174	1,708,088
Non-controlling interest	(110,714)	-
	3,349,460	1,708,088

DIVIDENDS

Since the end of the previous financial year, the Company paid a single tier interim dividend of 0.3 sen per ordinary share amounting to RM735,000 in respect of the current financial year on 20 January 2014.

On 4 April 2014, the Company declared a second single tier interim dividend of 0.3 sen per ordinary share amounting to RM735,000 in respect of the current financial year, payable on 19 May 2014, to shareholders whose names appeared in the record of depositors on 22 April 2014. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2015.

The directors do not recommend the payment of any final dividend for the current financial year.

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year,

- (a) there were no changes in the authorised and issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

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 ascertain that any current assets other than debts, 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

The contingent liabilities are disclosed in Note 34 to the financial statements. 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 its 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.

Directors' Report

cont'd

DIRECTORS

The directors who served since the date of the last report are as follows:-

Yu Soo Chye @ Yee Soo Chye
 Lee Pek Yoke
 Khong Yik Kam
 Lee Seng Fan
 Yau Ming Teck
 Chiam Soon Hock
 Koong Lin Loong
 Yu Tack Tein (Alternate director to Lee Pek Yoke and resigned on 21 February 2014)
 (Appointed as company director on 21 February 2014)
 Yu Suat Yin (Appointed as alternate director to Lee Pek Yoke on 21 February 2014)

DIRECTORS' INTERESTS

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

	Number Of Ordinary Shares Of RM0.20 Each			At 31.3.2014
	At 1.4.2013/ Date of appointment	Bought	Sold	
<i>Direct Interests in the Company</i>				
Yu Soo Chye @ Yee Soo Chye	82,644,270	100,000	-	82,744,270
Lee Pek Yoke	20,355,593	90,000	-	20,445,593
Khong Yik Kam	9,456,338	-	-	9,456,338
Lee Seng Fan	5,868,496	-	-	5,868,496
Chiam Soon Hock	100,000	-	-	100,000
Koong Lin Loong	100,000	-	-	100,000
Yu Tack Tein	600,333	-	-	600,333
Yu Suat Yin	163,333	-	-	163,333
<i>Indirect Interests in the Company</i>				
Lee Seng Fan #	61,212,696	-	-	61,212,696
Khong Yik Kam ##	1,050,000	-	-	1,050,000

Notes:-

- # - Deemed interested by virtue of his substantial shareholdings in Lee Lim & Sons Sdn. Bhd. which in turn is a substantial shareholder of the Company and the shareholdings of his family members pursuant to Section 6A of the Companies Act 1965 as well as his spouse's shareholding in the Company pursuant to Section 134(12)(c) of the Companies Act 1965.
- ## - Deemed interested by virtue of his substantial shareholding and directorship in Rung Juang Realty Sdn. Bhd. pursuant to Section 6A of the Companies Act 1965 as well as his spouse and children's shareholdings in the Company pursuant to Section 134(12)(c) of the Companies Act 1965.

By virtue of their shareholdings in the Company, Yu Soo Chye @ Yee Soo Chye and Lee Seng Fan are 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 6A of the Companies Act 1965.

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

Directors' Report

cont'd

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 emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) 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 36 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.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 38 to the financial statements.

AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

Signed in accordance with a resolution of the directors dated 18 July 2014

YU SOO CHYE @ YEE SOO CHYE

KHONG YIK KAM

Statement by Directors

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 48 to 106 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 31 March 2014 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 40, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the directors dated 18 July 2014

YU SOO CHYE @ YEE SOO CHYE

KHONG YIK KAM

Statutory Declaration

I, Yu Soo Chye @ Yee Soo Chye, I/C No. 450307-08-5175, 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 48 to 106 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
Yu Soo Chye @ Yee Soo Chye, I/C No. 450307-08-5175
at Kuala Lumpur in the Federal Territory
on this 18 July 2014

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) Company No: 317155 - U

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Oversea Enterprise Berhad, which comprise the statements of financial position as at 31 March 2014 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 a summary of significant accounting policies and other explanatory information, as set out on pages 48 to 106.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 March 2014 and of their financial performance and 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 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' report of a subsidiary of which we have not acted as auditors, which is indicated in Note 5 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Independent Auditors' Report

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

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 40 on page 107 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

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

CROWE HORWATH
Firm No: AF 1018
Chartered Accountants

CHIN KIT SEONG
Approval No: 3030/01/15 (J)
Chartered Accountant

18 July 2014
Kuala Lumpur

Statements of Financial Position

At 31 March 2014

	NOTE	The Group		The Company	
		2014 RM	2013 RM	2014 RM	2013 RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	45,829,805	36,840,010
Investment in an associate	6	854,443	-	-	-
Investment in joint venture	7	473,894	593,026	-	-
Property, plant and equipment	8	25,997,114	26,888,466	360,074	-
Investment properties	9	1,771,500	1,921,500	-	-
Other investments	10	256,180	734,046	-	-
Intangible asset	11	122,129	167,799	-	-
Long-term receivables	12	165,464	116,429	-	-
Deferred tax assets	13	193,608	208,632	-	-
		29,834,332	30,629,898	46,189,879	36,840,010
CURRENT ASSETS					
Inventories	14	3,486,174	3,947,256	-	-
Trade receivables	15	525,890	1,128,084	-	-
Other receivables, deposits and prepayments	16	2,851,182	2,836,617	133,457	347,087
Amount owing by subsidiaries	17	-	-	9,417,469	11,232,405
Tax refundable		89,533	1,800,142	11,099	10,000
Deposits with licensed banks	18	17,579,426	12,134,833	559,969	1,012,247
Cash and bank balances		4,590,546	5,146,379	90,693	62,962
		29,122,751	26,993,311	10,212,687	12,664,701
TOTAL ASSETS		58,957,083	57,623,209	56,402,566	49,504,711

The annexed notes form an integral part of these financial statements.

Statements of Financial Position

At 31 March 2014

Cont'd

	NOTE	The Group		The Company	
		2014 RM	2013 RM	2014 RM	2013 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	19	49,000,000	49,000,000	49,000,000	49,000,000
Reserves	20	1,864,148	(643,113)	1,345,293	372,205
Equity attributable to owners of the Company		50,864,148	48,356,887	50,345,293	49,372,205
Non-controlling interest		(110,271)	443	-	-
TOTAL EQUITY		50,753,877	48,357,330	50,345,293	49,372,205
NON-CURRENT LIABILITIES					
Long-term borrowings	21	399,940	822,788	-	-
Deferred tax liability	13	1,196,637	1,177,028	-	-
		1,596,577	1,999,816	-	-
CURRENT LIABILITIES					
Trade payables	24	3,511,618	4,044,933	-	-
Other payables and accruals		2,345,710	2,740,679	167,478	132,506
Amount owing to subsidiaries	17	-	-	5,889,795	-
Short-term borrowings	25	424,472	480,451	-	-
Provision for taxation		324,829	-	-	-
		6,606,629	7,266,063	6,057,273	132,506
TOTAL LIABILITIES		8,203,206	9,265,879	6,057,273	132,506
TOTAL EQUITY AND LIABILITIES		58,957,083	57,623,209	56,402,566	49,504,711

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 2014

	NOTE	The Group		The Company	
		2014 RM	2013 RM	2014 RM	2013 RM
REVENUE	26	65,475,341	67,073,153	3,300,000	3,501,344
COST OF SALES		(26,613,736)	(27,893,251)	-	-
GROSS PROFIT		38,861,605	39,179,902	3,300,000	3,501,344
OTHER INCOME		5,197,153	5,110,015	576,762	43,241
SELLING AND DISTRIBUTION EXPENSES		44,058,758	44,289,917	3,876,762	3,544,585
ADMINISTRATIVE EXPENSES		(27,204,494)	(35,167,560)	(247,491)	(47,757)
FINANCE COSTS		(11,443,487)	(12,563,414)	(1,907,424)	(1,344,960)
SHARE OF RESULT IN AN ASSOCIATE, NET OF TAX		(106,341)	(134,519)	-	-
SHARE OF RESULT IN JOINT VENTURE, NET OF TAX	6	(44,377)	-	-	-
PROFIT/(LOSS) BEFORE TAXATION	7	(119,132)	(74,556)	-	-
INCOME TAX EXPENSE	27	5,140,927	(3,650,132)	1,721,847	2,151,868
PROFIT/(LOSS) AFTER TAXATION	28	(1,791,467)	(860,265)	(13,759)	-
OTHER COMPREHENSIVE (EXPENSES)/ INCOME:		3,349,460	(4,510,397)	1,708,088	2,151,868
Items that will be reclassified subsequently to profit or loss:					
- fair value changes of available-for-sale financial assets		30,055	238,578	-	-
- transfer to profit or loss upon disposal of available-for-sale financial assets		(248,569)	(78,262)	-	-
- foreign currency translation		601	(4,902)	-	-
		(217,913)	155,414	-	-
TOTAL COMPREHENSIVE INCOME/ (EXPENSES) FOR THE FINANCIAL YEAR		3,131,547	(4,354,983)	1,708,088	2,151,868
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		3,460,174	(4,412,796)	1,708,088	2,151,868
Non-controlling interest		(110,714)	(97,601)	-	-
		3,349,460	(4,510,397)	1,708,088	2,151,868
TOTAL COMPREHENSIVE INCOME/ (EXPENSES) ATTRIBUTABLE TO:-					
Owners of the Company		3,242,261	(4,257,382)	1,708,088	2,151,868
Non-controlling interest		(110,714)	(97,601)	-	-
		3,131,547	(4,354,983)	1,708,088	2,151,868
EARNINGS/(LOSS) PER SHARE(SEN):	29				
- Basic		1.41	(1.80)	-	-
- Diluted		N/A	N/A	-	-

Note:-
N/A - Not Applicable.

The annexed notes form an integral part of these financial statements.

Statements of Changes in Equity

For the Financial Year Ended 31 March 2014

The Group	NOTE	← Non-Distributable →			Distributable		Attributable to Owners of the Company	Non-Controlling Interest	Total Equity
		Share Capital	Share Premium	Fair Value Reserve	Foreign Exchange Translation Reserve	Retained Profits/ (Accumulated Losses)			
		RM	RM	RM	RM	RM	RM	RM	
Balance at 1.4.2012		49,000,000	1,038,157	91,540	(600)	3,219,572	53,348,669	-	53,348,669
Loss after taxation		-	-	-	-	(4,412,796)	(4,412,796)	(97,601)	(4,510,397)
Other comprehensive income/(expenses):									
- gain on fair value changes of available-for-sale financial assets		-	-	238,578	-	-	238,578	-	238,578
- transfer to profit or loss upon disposal of available-for-sale financial assets		-	-	(78,262)	-	-	(78,262)	-	(78,262)
- foreign currency translation		-	-	-	(4,902)	-	(4,902)	-	(4,902)
Total comprehensive expenses for the financial year		-	-	160,316	(4,902)	(4,412,796)	(4,257,382)	(97,601)	(4,354,983)
Balance		49,000,000	1,038,157	251,856	(5,502)	(1,193,224)	49,091,287	(97,601)	48,993,686
Transactions with owners of the Company:									
- Dividend paid	30	-	-	-	-	(735,000)	(735,000)	-	(735,000)
- Arising from acquisition of a subsidiary		-	-	-	-	-	-	98,044	98,044
- Arising from disposal of a subsidiary		-	-	-	600	-	600	-	600
Total transactions with owners		-	-	-	600	(735,000)	(734,400)	98,044	(636,356)
Balance at 31.3.2013		49,000,000	1,038,157	251,856	(4,902)	(1,928,224)	48,356,887	443	48,357,330

The annexed notes form an integral part of these financial statements.

Statements of Changes in Equity

For the Financial Year Ended 31 March 2014

Cont'd

The Group	NOTE	← Non-Distributable →			Distributable		Attributable to Owners of the Company	Non-Controlling Interest	Total Equity
		Share Capital	Share Premium	Fair Value Reserve	Foreign Exchange Translation Reserve	Retained Profits/ (Accumulated Losses)			
		RM	RM	RM	RM	RM	RM	RM	RM
Balance at 1.4.2013		49,000,000	1,038,157	251,856	(4,902)	(1,928,224)	48,356,887	443	48,357,330
Profit after taxation		-	-	-	-	3,460,174	3,460,174	(110,714)	3,349,460
Other comprehensive income/(expenses):									
- gain on fair value changes of available-for-sale financial assets		-	-	30,055	-	-	30,055	-	30,055
- transfer to profit or loss upon disposal of available-for-sale financial assets		-	-	(248,569)	-	-	(248,569)	-	(248,569)
- foreign currency translation		-	-	-	601	-	601	-	601
Total comprehensive income for the financial year		-	-	(218,514)	601	3,460,174	3,242,261	(110,714)	3,131,547
Transaction with owners of the Company:									
- Dividend paid	30	-	-	-	-	(735,000)	(735,000)	-	(735,000)
Balance at 31.3.2014		49,000,000	1,038,157	33,342	(4,301)	796,950	50,864,148	(110,271)	50,753,877

The Company	NOTE	Distributable			Total
		Share Capital	Non-Distributable Share Premium	Retained Profit/ (Accumulated Losses)	
		RM	RM	RM	RM
Balance at 1.4.2012		49,000,000	1,038,157	(2,082,820)	47,955,337
Profit after taxation/Total comprehensive income for the financial year		-	-	2,151,868	2,151,868
Transaction with owners of the Company:					
- Dividend paid	30	-	-	(735,000)	(735,000)
Balance at 31.3.2013/1.4.2013		49,000,000	1,038,157	(665,952)	49,372,205
Profit after taxation/Total comprehensive income for the financial year		-	-	1,708,088	1,708,088
Transaction with owners of the Company:					
- Dividend paid	30	-	-	(735,000)	(735,000)
Balance at 31.3.2014		49,000,000	1,038,157	307,136	50,345,293

The annexed notes form an integral part of these financial statements.

Statements of Cash Flows

For the Financial Year Ended 31 March 2014

	The Group		The Company	
	2014 RM	2013 RM	2014 RM	2013 RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
Profit/(Loss) before taxation	5,140,927	(3,650,132)	1,721,847	2,151,868
Adjustments for:-				
Amortisation of intangible asset	45,670	45,818	-	-
Bad debts written off:				
- trade and other receivables	9,376	18,386	-	-
- deposits	-	10,000	-	10,000
Depreciation of property, plant and equipment	2,759,427	3,247,541	44,206	-
Fair value loss on investment properties	-	147,904	-	-
Impairment loss on:				
- investments in subsidiaries	-	-	400,000	880,000
- trade receivables	41,013	-	-	-
- amount owing by subsidiaries	-	-	965,000	-
Interest expense	93,920	136,031	-	-
Loss on disposal of investments in subsidiaries	-	1,820,690	-	-
Property, plant and equipment written off	84,536	895,447	-	-
Share of loss in joint venture, net of income tax expense	119,132	74,556	-	-
Share of loss in an associate, net of income tax expense	44,377	-	-	-
Dividend income	-	-	(3,300,000)	(3,501,344)
Accretion of long-term receivables	(5,734)	(14,898)	-	-
Gain on bargain purchase arising from acquisition of a subsidiary	-	(33,881)	-	-
Gain on disposal of:				
- property, plant and equipment	(11,999)	(5,854)	-	-
- other investments	(248,484)	(87,764)	-	-
Interest income	(382,187)	(346,521)	(15,848)	(43,241)
Writeback of impairment loss on trade receivables	-	(14,850)	-	-
Operating profit/(loss) before working capital changes	7,689,974	2,242,473	(184,795)	(502,717)
Decrease in inventories	461,082	1,501,929	-	-
Decrease/(Increase) in trade and other receivables	493,939	(438,725)	213,630	(144,837)
(Decrease)/Increase in trade and other payables	(928,284)	(583,617)	34,972	(22,494)
CASH FROM/(FOR) OPERATIONS	7,716,711	2,722,060	63,807	(670,048)
Tax refunded/(paid)	278,491	(1,074,359)	(14,858)	42,858
Interest paid	(18,762)	(21,171)	-	-
NET CASH FROM/(FOR) OPERATING ACTIVITIES CARRIED FORWARD	7,976,440	1,626,530	48,949	(627,190)

The annexed notes form an integral part of these financial statements.

Statements of Cash Flows

For the Financial Year Ended 31 March 2014

Cont'd

	NOTE	The Group		The Company	
		2014 RM	2013 RM	2014 RM	2013 RM
NET CASH FROM/(FOR) OPERATING ACTIVITIES BROUGHT FORWARD		7,976,440	1,626,530	48,949	(627,190)
CASH FLOWS FOR INVESTING ACTIVITIES					
Repayment from/(Advances to) subsidiaries		-	-	849,936	(4,547,665)
Dividend received		-	-	3,300,000	3,501,344
Interest received		382,187	346,521	15,848	43,241
Additional investments in subsidiaries		-	-	(9,389,795)	-
Investment in joint venture		-	(675,750)	-	-
Investment in an associate		(898,820)	-	-	-
Withdrawal of deposits pledged with licensed banks		136,503	167,220	-	-
Net cash outflow from the acquisition of a subsidiary		-	(148,200)	-	-
Net cash inflow from the disposal of a subsidiary		-	496,120	-	-
Payment for intangible asset		-	(11,287)	-	-
Proceeds from disposal of:					
- investment properties		150,000	-	-	-
- property, plant and equipment		79,901	11,230	-	-
- other investments		581,836	589,809	-	-
Purchase of property, plant and equipment		(2,020,513)	(3,322,134)	(404,280)	-
Purchase of other investments		(74,000)	(538,209)	-	-
NET CASH FOR INVESTING ACTIVITIES		(1,662,906)	(3,084,680)	(5,628,291)	(1,003,080)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Advances from subsidiaries		-	-	5,889,795	-
Repayment to directors		-	(163,819)	-	-
Dividend paid		(735,000)	(735,000)	(735,000)	(735,000)
Interest paid		(75,158)	(114,860)	-	-
Repayment of hire purchase obligations		(53,365)	(99,857)	-	-
Repayment of term loans		(425,462)	(575,874)	-	-
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(1,288,985)	(1,689,410)	5,154,795	(735,000)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		5,024,549	(3,147,560)	(424,547)	(2,365,270)
EFFECT OF FOREIGN EXCHANGE TRANSLATION		714	(5,219)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		16,921,440	20,074,219	1,075,209	3,440,479
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	31	21,946,703	16,921,440	650,662	1,075,209

The annexed notes form an integral part of these financial statements.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office, which is also the principal place of business, is at B-01-06, B-02-06 & B-03-06, Endah Promenade, No. 5, Jalan 3/149E, Bandar Baru Sri Petaling, 57000 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 18 July 2014.

2. 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.

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 1965 in Malaysia.

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

MFRSs and IC Interpretations (Including The Consequential Amendments)
 MFRS 10 Consolidated Financial Statements
 MFRS 11 Joint Arrangements
 MFRS 12 Disclosure of Interests in Other Entities
 MFRS 13 Fair Value Measurement
 MFRS 119 (2011) Employee Benefits
 MFRS 127 (2011) Separate Financial Statements
 MFRS 128 (2011) Investments in Associates and Joint Ventures
 Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities
 Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance
 Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income
 IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine
 Annual Improvements to MFRSs 2009 – 2011 Cycle

The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Group's financial statements except as follows:-

- (a) MFRS 12 is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. MFRS 12 is a disclosure standard and requires extensive disclosures of which the additional disclosures are disclosed in Notes 5, 6 and 7 to the financial statements.
- (b) The amendments to MFRS 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. In addition, items presented in other comprehensive income section are to be grouped based on whether they are potentially re-classifiable to profit or loss subsequently i.e. those that might be reclassified and those that will not be reclassified. Income tax on items of other comprehensive income is required to be allocated on the same basis. There will be no financial impact on the financial statements of the Group upon its initial application other than the presentation format of the statements of profit or loss and other comprehensive income.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

Cont'd

3. BASIS OF PREPARATION *Cont'd*

- 3.2 The Group has not applied in advance the following accounting standards and 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 IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 (2009) Financial Instruments)
MFRS 9 (2010) Financial Instruments) To be
MFRS 9 Financial Instruments (Hedge Accounting and Amendments to MFRS 7, MFRS 9 and MFRS 139)) announced
Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures) by MASB
MFRS 14 Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities	1 January 2014
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions	1 July 2014
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets	1 January 2014
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21 Levies	1 January 2014
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014

The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows:-

- (a) MFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. Subsequently, this MFRS 9 was amended in year 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition (known as MFRS 9 (2010)). Generally, MFRS 9 replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments. MFRS 9 divides all financial assets into 2 categories - those measured at amortised cost and those measured at fair value, based on the entity's business model for managing its financial assets and the contractual cash flow characteristics of the instruments. For financial liabilities, the standard retains most of the MFRS 139 requirement. An entity choosing to measure a financial liability at fair value will present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income rather than within profit or loss. The adoption of MFRS 9 is expected to have no impact on the financial statements of the Group upon its initial application.
- (b) The amendments to MFRS 132 provide the application guidance for criteria to offset financial assets and financial liabilities. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application.
- (c) The amendments to MFRS 136 remove the requirement to disclose the recoverable amount when a cash-generating unit (CGU) contains goodwill or intangible assets with indefinite useful lives but there has been no impairment. Therefore, there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

Cont'd

3. BASIS OF PREPARATION *Cont'd*

- 3.2 (d) Annual Improvements to MFRSs 2010 - 2012 Cycle. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application except for the amendments to MFRS 116 which will only affect the amount of accumulated depreciation of the future revaluations.
- (e) Annual Improvements to MFRSs 2011 - 2013 Cycle. These amendments are 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

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(a) *Depreciation of Property, Plant and Equipment*

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) *Income Taxes*

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

(c) *Revaluation of Properties*

Certain properties of the Group are reported at valuation 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 year value, market freehold rental and other factors 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 valuation estimates.

(d) *Impairment of Non-financial Assets*

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

4.1 Critical Accounting Estimates And Judgements *Cont'd*

(e) *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.

(f) *Impairment of Trade and Other Receivables*

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loan and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment loss. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(g) *Impairment of Available-for-sale Financial Assets*

The Group reviews its available-for-sale financial assets at the end of each reporting period to assess whether they are impaired. The Group also records impairment loss on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost.

(h) *Classification of Leasehold Land*

The classification of leasehold land as a finance lease or an operating lease requires the use of judgement in determining the extent to which risks and rewards incidental to its ownership lie. Despite the fact that there will be no transfer of ownership by the end of the lease term and that the lease term does not constitute the major part of the indefinite economic life of the land, management considered that the present value of the minimum lease payments approximated to the fair value of the land at the inception of the lease. Accordingly, management judged that the Group has acquired substantially all the risks and rewards incidental to the ownership of the land through a finance lease.

(i) *Classification between Investment Properties and Owner-Occupied Properties*

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independent of the other assets held by the Group.

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 an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

4.1 Critical Accounting Estimates And Judgements *Cont'd*

(j) *Fair Value Estimates for Certain Financial Assets and Liabilities*

The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

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) 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.

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. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(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 parent 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.

At the end of each reporting period, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

4.2 Basis of Consolidation *Cont'd*

(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 139 or, when applicable, the cost on initial recognition of an investment in an associate or a jointly venture.

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) *Transactions and Balances*

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the 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 are translated to RM at the rates of exchange ruling at the end of the reporting period. Revenues and expenses of foreign operations are translated at exchange rates ruling at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity under translation reserve. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income relating to that particular foreign operation is reclassified from equity to profit or loss.

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.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

4.4 Investments in Subsidiaries

Investments in subsidiaries are initially 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 their 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.

4.5 Investments In Associates

An associate is an entity in which the Group have 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 statement of financial position 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.

Unrealised gains 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 139. 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. However, the Group will continue to use the equity method if the dilution does not result in a loss of significant influence or when an investment in a joint venture becomes an investment in an associate. Under such changes in ownership interest, the retained investment is not remeasured to fair value but a proportionate share of the amounts previously recognised in other comprehensive income of the associate will be reclassified to profit or loss where appropriate. All dilution gains or losses arising in investments in associates are recognised in profit or loss.

4.6 Joint Arrangements

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements returns.

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

4.6 Joint Arrangements *Cont'd*

A joint venture is a joint arrangement whereby the Group has rights only to the net assets of the arrangement. The investment in a joint venture is accounted for in the consolidated statement of financial position using the equity method, based on the financial statements of the joint venture made up to the end of the reporting period. The Group's share of the post acquisition profits and other comprehensive income of the joint venture 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, up to the effective date when the investment ceases to be a joint venture or when the investment is classified as held for sale. The Group's interest in the joint venture 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 investment includes transaction costs.

When the Group's share of losses exceeds its interest in a joint venture, 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.

Unrealised gains on transactions between the Group and the joint venture are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are eliminated unless cost cannot be recovered.

When the Group retains an interest in the former joint venture and the retained interest 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 139. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that joint venture to profit or loss when the equity method is discontinued. However, the Group will continue to use the equity method when an investment in a joint venture becomes an investment in an associate. Under such change in ownership interest, the retained investment is not remeasured to fair value but a proportionate share of the amounts previously recognised in other comprehensive income of the joint venture will be reclassified to profit or loss where appropriate. All dilution gains or losses arising in investments in joint ventures are recognised in profit or loss.

4.7 Financial Instruments

Financial instruments 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 liabilities or equity in accordance with the substance of the contractual arrangement. 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. 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.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

4.7 Financial Instruments *Cont'd*

(i) *Financial Assets*

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loan and receivables financial assets or available-for-sale financial assets, as appropriate.

- *Financial Assets at Fair Value Through Profit or Loss*

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

As at the end of the reporting period, there were no financial assets classified under this category.

- *Held-to-maturity Investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with interest income recognised in profit or loss on an effective yield basis.

As at the end of the reporting period, there were no financial assets classified under this category.

- *Loans and Receivables Financial Assets*

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

- *Available-for-sale Financial Assets*

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

4.7 Financial Instruments *Cont'd*

(ii) *Financial Liabilities*

All financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as 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. Derivatives are also classified as held for trading unless they are designated as hedges.

(iii) *Equity Instruments*

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

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(iv) *Derecognition*

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

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

4.8 Property, Plant and Equipment

Property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land is stated at cost less impairment losses, if any and is not depreciated.

Depreciation is charged to profit or loss (unless it is included in the carrying amount of another asset) on the 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%
Long leasehold land	Over the lease periods
Plant and machinery	20%
Motor vehicles	20%
Renovation, furniture and fittings	10 - 20%
Equipment and electrical installation	10 - 20%

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

4.8 Property, Plant and Equipment *Cont'd*

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.

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. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

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 assets is recognised in profit or loss.

4.9 Investment Properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Initially investment properties are measured at cost including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise.

Investment property is derecognised when it has 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.

4.10 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.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

4.10 Intangible Assets *Cont'd*

(i) 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.

4.11 Impairment

(a) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment.

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

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity to profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

(b) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when 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. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss.

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.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

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4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

4.12 Assets under Hire Purchase

Assets acquired under hire purchase are capitalised in the financial statements at the lower of the fair value of the leased assets and the present value of the minimum lease payments and, are depreciated in accordance with the policy set out in Note 4.8 to the financial statements. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase agreements.

4.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis, and comprises the purchase price 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 necessary to make the sale.

4.14 Borrowing Costs

Borrowing costs, directly attributable to the acquisition and 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. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

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

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

4.15 Income Taxes

Income tax for the year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the reporting period and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs 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 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 sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

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.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

4.15 Income Taxes *Cont'd*

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 the sale of those assets.

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 income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

4.16 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts 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.

4.17 Provisions

Provisions are recognised when the Group has a present obligation 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 recognized as interest expense in profit or loss.

4.18 Employee Benefits

(i) *Short-term Benefits*

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits 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.

(ii) *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.

4.19 Related Parties

A party is related to an entity (referred to as the "reporting entity") if:-

(a) A person or a close member of that person's family is related to a reporting entity if that person:-

- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

4.19 Related Parties *Cont'd*

- (b) An entity is related to a reporting entity if any of the following conditions applies:-
- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a) above.
 - (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4.20 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. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

4.21 Revenue and Other Income

(a) *Sale of Food and Beverage*

Revenue is measured at fair value of consideration received or receivable and is recognised upon delivery of food and beverage and customers' acceptance, and where applicable, net of service charge and service tax.

(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) *Sale of Goods*

Revenue is measured at fair value of consideration received or receivable and is recognised upon delivery of goods and customers' acceptance and where applicable, net of returns and trade discounts.

(d) *Interest Income*

Interest income is recognised on an accrual basis, based on the effective yield on the investment.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

4.21 Revenue and Other Income *Cont'd*

(e) *Rental Income*

Rental income is recognised on an accrual basis in accordance with the substance of the relevant agreements unless collectability is in doubt.

(f) *Dividend Income*

Dividend income from investment is recognised when the right to receive dividend payment is established.

4.22 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.

4.23 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's 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.

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.

Notes to the **Financial Statements**

For the Financial Year Ended 31 March 2014

Cont'd

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2014	2013
	RM	RM
Unquoted shares, at cost:-		
At 1 April	37,720,010	37,720,010
Addition during the financial year	9,389,795	-
At 31 March	47,109,805	37,720,010
Accumulated impairment losses	(1,280,000)	(880,000)
	45,829,805	36,840,010
Accumulated impairment losses:-		
At 1 April	(880,000)	-
Addition during the financial year	(400,000)	(880,000)
At 31 March	(1,280,000)	(880,000)

The details of the subsidiaries are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2014	2013	
		%	%	
Restoran Oversea (Imbi) Sdn. Bhd.	Malaysia	100	100	Restaurant operator.
Restoran Oversea (P.J.) Sdn. Bhd.	Malaysia	100	100	Restaurant operator.
Restoran Oversea (Subang Parade) Sdn. Bhd.	Malaysia	100	100	Restaurant operator.
Restoran Oversea (Bandar Baru Sri Petaling) Sdn. Bhd.	Malaysia	100	100	Restaurant operator.
Restoran Oversea (Jaya 1) Sdn. Bhd. ^	Malaysia	100	100	Restaurant operator.
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	Restaurant operator.
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.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

Cont'd

5. INVESTMENTS IN SUBSIDIARIES *Cont'd*

The details of the subsidiaries are as follows:- *Cont'd*

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2014 %	2013 %	
Restoran Oversea Holdings Sdn. Bhd.	Malaysia	100	100	Investment holding.
Restoran Oversea JV (International) Sdn. Bhd.	Malaysia	100	100	Investment holding.
Ipoh Group Limited # *	Hong Kong	100	100	Restaurant and cafe operator.
Restoran Oversea Hong Kong Cafe Sdn. Bhd. *	Malaysia	100	100	Restaurant and cafe operator.
Rich Tastes (Centrepont) Sdn. Bhd. ^^ *	Malaysia	65	-	Restaurant and cafe operator.

Notes:-

^ - The subsidiary ceased its business operations since the previous financial year.

- Not audited by Messrs. Crowe Horwath.

* - Held through Restoran Oversea JV (International) Sdn. Bhd.

^^ - The subsidiary ceased its business operations at the end of the reporting period as disclosed in Note 38 to the financial statements.

The details of non-controlling interest ("NCI") at the end of the reporting period comprises the following:-

	The Group			
	Loss Allocated to NCI		Accumulated NCI	
	2014 RM	2013 RM	2014 RM	2013 RM
Rich Tastes (Centrepont) Sdn. Bhd.	(110,714)	(97,601)	(110,271)	443

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

Cont'd

5. INVESTMENTS IN SUBSIDIARIES *Cont'd*

The summarised financial information (before intra-group elimination) for the subsidiary that has non-controlling interest to the Group is as follows:-

	Rich Tastes (Centrepont) Sdn. Bhd.	
	2014 RM	2013 RM
At 31 March		
Non-current assets	641,616	744,674
Current assets	194,918	351,404
Non-current liability	-	(216,270)
Current liabilities	(1,350,175)	(877,121)
Net (liabilities)/assets	(513,641)	2,687
Financial year ended 31 March		
Revenue	1,030,080	1,079,118
Loss after taxation/Total comprehensive expenses for the financial year	(516,328)	(184,703)
Net cash for operating activities	(305,984)	(748,070)
Net cash for investing activities	(18,162)	(513,210)
Net cash for financing activities	228,884	1,263,442

5.1 Impairment Loss For Investments In Subsidiaries

During the financial year, the Group assessed the recoverable amount of the investments in subsidiaries. The impairment loss on investments in subsidiaries recognised during the financial year, as the recoverable amount was lower than its carrying amount is as follows:-

	The Company	
	2014 RM	2013 RM
Restoran Oversea JV (International) Sdn. Bhd.	400,000	-
Restoran Oversea (Jaya 1) Sdn. Bhd.	-	880,000
	400,000	880,000

6. INVESTMENT IN AN ASSOCIATE

	The Group	
	2014 RM	2013 RM
Unquoted shares, at cost	898,820	-
Share of post-acquisition loss	(44,377)	-
	854,443	-

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

Cont'd

6. INVESTMENT IN AN ASSOCIATE *Cont'd*

The details of associate are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activity
		2014 %	2013 %	
Burger Foundry Australia Pty. Ltd.	Australia	30.1	-	Restaurant operator.

The statutory financial year end of Burger Foundry Australia Pty. Ltd. is 30 June 2014. The share of results in the associate is based on the unaudited financial statements for the 6 months ended 31 March 2014.

The summarised unaudited financial information for the associate is as follows:-

	Burger Foundry Australia Pty. Ltd.	
	2014 RM	2013 RM
<u>At 31 March</u>		
Non-current assets	200,038	-
Current assets	2,758,008	-
Current liabilities	(92,716)	-
Net assets	2,865,330	-
<u>Financial year ended 31 March</u>		
Revenue	795,418	-
Loss after taxation/Total comprehensive expenses for the financial year	(152,365)	-
Group's share of loss after taxation/Total comprehensive expenses for the financial year	(44,377)	-
<u>Reconciliation of net assets to carrying amount</u>		
Group's share of net assets	862,464	-
Goodwill	(8,021)	-
Carrying amount of the Group's interests in this associate	854,443	-

7. INTEREST IN JOINT VENTURE

	The Group	
	2014 RM	2013 RM
Unquoted shares, at cost:-	675,750	675,750
Share of post-acquisition loss	(201,856)	(82,724)
	473,894	593,026

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

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7. INTEREST IN JOINT VENTURE *Cont'd*

The details of the jointly controlled entity are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activity
		2014	2013	
Tunas Citarasa Sdn. Bhd.	Malaysia	51%	51%	Cafe operator.

The summarised audited financial information for the joint venture is as follows:-

	Tunas Citarasa Sdn. Bhd.	
	2014 RM	2013 RM
<u>At 31 March</u>		
Non-current assets	302,104	266,742
Current assets	833,794	934,756
Current liabilities	(206,693)	(38,701)
Net assets	929,205	1,162,797
<u>Financial year ended 31 March</u>		
Revenue	746,779	705,368
Loss after taxation/Total comprehensive expenses for the financial year	(233,592)	(162,203)
Group's share of loss after taxation/Total comprehensive expenses for the financial year	(119,132)	(74,556)
<u>Reconciliation of net assets to carrying amount</u>		
Group's share of net assets	473,894	593,026
Goodwill	-	-
Carrying amount of the Group's interests in this joint venture	473,894	593,026

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

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8. PROPERTY, PLANT AND EQUIPMENT

	At 1.4.2013 RM	Additions RM	Disposals RM	Write-offs RM	Reclassification RM	Depreciation Charge RM	At 31.3.2014 RM
The Group							
Net Book Value							
Freehold land	2,618,988	-	-	-	-	-	2,618,988
Freehold buildings	6,485,253	-	-	-	-	(139,755)	6,345,498
Long leasehold land	2,633,391	-	-	-	-	(34,528)	2,598,863
Long leasehold buildings	5,256,921	-	-	-	-	(63,884)	5,193,037
Plant and machinery	938,741	178,986	-	-	-	(307,101)	810,626
Motor vehicles	343,952	844,658	(2)	-	-	(224,655)	963,953
Renovation, furniture and fittings	5,670,946	543,473	(36,956)	(21,261)	(20,219)	(1,188,805)	4,947,178
Equipment and electrical installation	2,940,274	453,396	(30,944)	(63,275)	20,219	(800,699)	2,518,971
	26,888,466	2,020,513	(67,902)	(84,536)	-	(2,759,427)	25,997,114

	At 1.4.2012 RM	Acquisition of Subsidiary RM	Disposal of Subsidiary RM	Additions RM	Disposal RM	Write-offs RM	Depreciation Charge RM	At 31.3.2013 RM
The Group								
Net Book Value								
Freehold land	2,618,988	-	-	-	-	-	-	2,618,988
Freehold buildings	6,625,036	-	-	-	-	-	(139,783)	6,485,253
Long leasehold land	2,667,921	-	-	-	-	-	(34,530)	2,633,391
Long leasehold buildings	5,320,803	-	-	-	-	-	(63,882)	5,256,921
Plant and machinery	684,398	-	-	524,515	(5,376)	-	(264,796)	938,741
Motor vehicles	536,886	-	-	-	-	-	(192,934)	343,952
Renovation, furniture and fittings	6,810,993	114,822	(964,708)	1,882,109	-	(776,893)	(1,395,377)	5,670,946
Equipment and electrical installation	4,001,265	165,672	(867,380)	915,510	-	(118,554)	(1,156,239)	2,940,274
	29,266,290	280,494	(1,832,088)	3,322,134	(5,376)	(895,447)	(3,247,541)	26,888,466

Notes to the **Financial Statements**

For the Financial Year Ended 31 March 2014

Cont'd

8. PROPERTY, PLANT AND EQUIPMENT Cont'd

The Group	At Cost RM	Accumulated Depreciation RM	Net Book Value RM	
At 31.3.2014				
Freehold land	2,618,988	-	2,618,988	
Freehold buildings	6,987,742	(642,244)	6,345,498	
Long leasehold land	2,854,460	(255,597)	2,598,863	
Long leasehold buildings	5,527,483	(334,446)	5,193,037	
Plant and machinery	8,042,206	(7,231,580)	810,626	
Motor vehicles	3,123,253	(2,159,300)	963,953	
Renovation, furniture and fittings	18,441,169	(13,493,991)	4,947,178	
Equipment and electrical installation	12,655,985	(10,137,014)	2,518,971	
	60,251,286	(34,254,172)	25,997,114	
At 31.3.2013				
Freehold land	2,618,988	-	2,618,988	
Freehold buildings	6,987,742	(502,489)	6,485,253	
Long leasehold land	2,854,460	(221,069)	2,633,391	
Long leasehold buildings	5,527,483	(270,562)	5,256,921	
Plant and machinery	7,863,220	(6,924,479)	938,741	
Motor vehicles	2,456,596	(2,112,644)	343,952	
Renovation, furniture and fittings	17,976,132	(12,305,186)	5,670,946	
Equipment and electrical installation	12,370,427	(9,430,153)	2,940,274	
	58,655,048	(31,766,582)	26,888,466	
	At 1.4.2013 RM	Additions RM	Depreciation Charge RM	At 31.3.2014 RM
The Company				
Net Book Value				
Renovation, furniture and fittings	-	138,409	(11,601)	126,808
Equipment and electrical installation	-	265,871	(32,605)	233,266
	-	404,280	(44,206)	360,074
	At cost RM	Accumulated Depreciation RM	Net Book Value RM	
The Company				
At 31.3.2014				
Renovation, furniture and fittings	138,409	(11,601)	126,808	
Equipment and electrical installation	265,871	(32,605)	233,266	
	404,280	(44,206)	360,074	

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

Cont'd

8. PROPERTY, PLANT AND EQUIPMENT *Cont'd*

The net book value 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	
	2014 RM	2013 RM
Freehold land	2,053,988	2,053,988
Long leasehold land	1,980,711	2,005,219
Buildings	10,720,412	10,899,710
	14,755,111	14,958,917

Included in the property, plant and equipment are motor vehicles with a total net book value of RM138,390 (2013 - RM198,992) which were acquired under hire purchase terms.

9. INVESTMENT PROPERTIES

	The Group	
	2014 RM	2013 RM
At 1 April	1,921,500	2,069,404
Disposal during the financial year	(150,000)	-
Fair value adjustment	-	(147,904)
At 31 March	1,771,500	1,921,500
Investment properties comprise the following:-		
At fair value:-		
Freehold land and buildings	1,771,500	1,771,500
Long leasehold buildings	-	150,000
	1,771,500	1,921,500

Investment properties are stated at fair value, which have been determined based on the prevailing market prices of the investment properties at the end of the reporting period. There has been no change to the valuation technique during the financial year.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

Cont'd

9. INVESTMENT PROPERTIES *Cont'd*

Details of the Group's investment properties and information about the fair value hierarchy as at the end of the reporting period are as follows:-

	Fair Value Hierarchy			Total Fair Value RM
	Level 1 RM	Level 2 RM	Level 3 RM	
31 March 2014				
Shoplot	-	1,200,000	-	1,200,000
Terrace house	-	350,000	-	350,000
Condominium	-	195,000	-	195,000
Carpark	-	26,500	-	26,500
	-	1,771,500	-	1,771,500
				Total Fair Value * RM
31 March 2013				
Shoplot				1,200,000
Terrace house				350,000
Condominium				195,000
Carpark				26,500
				<u>1,771,500</u>

Note:-

* Comparative fair value information is not presented by levels, by virtue of the exemption given in MFRS 13

There were no transfer between the fair value hierarchy during the financial year.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

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10. OTHER INVESTMENTS

	The Group	
	2014 RM	2013 RM
At 1 April	734,046	537,566
Acquisition during the financial year	74,000	538,209
Disposal during the financial year	(581,921)	(580,307)
Fair value adjustment	30,055	238,578
At 31 March	256,180	734,046
Other investments comprise the following:-		
At fair value:-		
Quoted shares in Malaysia	74,250	431,976
Quoted shares outside Malaysia	74,160	194,300
Investments in quoted shares	148,410	626,276
Golf club membership	107,770	107,770
	256,180	734,046
Market value of quoted shares	148,410	626,276

Other investments of the Group are designated as available-for-sale financial assets and are measured at fair value.

11. INTANGIBLE ASSET

	The Group	
	2014 RM	2013 RM
Trademark, at cost:-		
At 1 April	305,933	294,646
Addition during the financial year	-	11,287
At 31 March	305,933	305,933
Amortisation of intangible asset	(183,804)	(138,134)
	122,129	167,799
Amortisation of intangible asset:-		
At 1 April	(138,134)	(92,316)
Amortisation during the financial year	(45,670)	(45,818)
At 31 March	(183,804)	(138,134)

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

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12. LONG-TERM RECEIVABLES

Long-term receivables comprise staff loans as follows:-

	The Group	
	2014 RM	2013 RM
Minimum staff loan repayments:		
- within one year	97,100	110,372
- within two to five years	173,270	146,398
- more than 5 years	37,830	-
	308,200	256,770
Less: Prepaid operating expenses	(45,636)	(29,969)
	262,564	226,801

The fair value of staff loans are repayable as follows:-

	The Group	
	2014 RM	2013 RM
Current (Note 16):		
- within one year	97,100	110,372
Non-current:		
- within two to five years	142,548	116,429
- more than 5 years	22,916	-
	165,464	116,429
	262,564	226,801
Prepaid operating expenses:-		
At 1 April	(29,969)	(38,636)
Addition during the financial year	(21,401)	(6,231)
Accretion of long-term receivables	5,734	14,898
Recognised in profit or loss during the financial year	(15,667)	8,667
At 31 March	(45,636)	(29,969)

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 2014

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13. DEFERRED TAX ASSETS/(LIABILITY)

	The Group	
	2014 RM	2013 RM
At 1 April	(968,396)	(979,418)
Recognised in profit or loss during the financial year (Note 28)	(34,520)	10,105
Translation difference	(113)	917
At 31 March	(1,003,029)	(968,396)
Presented as follows:-		
Deferred tax assets	193,608	208,632
Deferred tax liability	(1,196,637)	(1,177,028)
	(1,003,029)	(968,396)

The deferred tax assets/(liability) recognised at the end of the reporting period are as follows:-

	The Group	
	2014 RM	2013 RM
Deferred tax assets:-		
Allowance for impairment losses	40,000	40,000
Unabsorbed capital allowances	-	138,800
Unutilised tax losses	193,300	133,530
	233,300	312,330
Deferred tax liability:-		
Accelerated capital allowances over depreciation	(1,236,329)	(1,280,726)
	(1,003,029)	(968,396)

No deferred tax assets are recognised at the end of the reporting period on the following items:-

	The Group	
	2014 RM	2013 RM
Unabsorbed capital allowances	505,400	252,400
Unutilised tax losses	1,962,500	1,871,000
	2,467,900	2,123,400

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

Notes to the **Financial Statements**

For the Financial Year Ended 31 March 2014

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14. INVENTORIES

	The Group	
	2014	2013
	RM	RM
At Cost:-		
Food	2,995,976	3,249,169
Beverages	133,527	150,287
Raw materials	93,883	44,148
Packing materials	254,556	435,193
Finished goods	8,232	68,459
	3,486,174	3,947,256

None of the inventories is carried at net realisable value.

	The Group	
	2014	2013
	RM	RM
<u>Recognised in profit or loss</u>		
Inventories recognised as cost of sales	24,184,871	23,953,341

15. TRADE RECEIVABLES

	The Group	
	2014	2013
	RM	RM
Trade receivables	1,173,339	1,734,520
Allowance for impairment losses	(647,449)	(606,436)
	525,890	1,128,084
Allowance for impairment losses:-		
At 1 April	(606,436)	(890,032)
Addition during the financial year	(41,013)	-
Writeback during the financial year	-	14,850
Write-off during the financial year	-	268,746
At 31 March	(647,449)	(606,436)

The Group's normal trade credit terms range from cash term to 60 days. Other credit terms are assessed and approved on a case-by-case basis.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

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16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Other receivables	115,119	131,882	-	-
Deposits	2,349,634	2,372,803	118,722	332,114
Prepayments	386,429	331,932	14,735	14,973
	2,851,182	2,836,617	133,457	347,087

Included in the other receivables are staff loans of RM97,100 (2013 - RM110,372) as disclosed in Note 12 to the financial statements.

17. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	The Company	
	2014 RM	2013 RM
Amount owing by subsidiaries:-		
Non-trade balances	10,382,469	11,232,405
Allowance for impairment losses	(965,000)	-
	9,417,469	11,232,405
Allowance for impairment losses:-		
At 1 April	-	-
Addition during the financial year	(965,000)	-
At 31 March	(965,000)	-
Amount owing to subsidiaries:-		
Non-trade balances	(5,889,795)	-

At the end of the reporting period, an impairment loss of RM965,000 was made in relation to the amount owing by a subsidiary as the subsidiary was in significant financial difficulties.

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. DEPOSITS WITH LICENSED BANKS

The deposits with licensed banks bore effective interest rates ranging from 2.00% to 3.70% (2013 - 2.00% to 3.70%) per annum at the end of the reporting period. The deposits have maturity periods ranging from 1 to 12 months (2013 - 1 to 12 months).

The deposits of RM223,269 (2013 - RM359,772) at the end of the reporting period were pledged to licensed banks as security for banking facilities granted to the Group.

The deposits of RM215,122 (2013 - RM124,147) at the end of the reporting period were held in trust for the Group by a director. The deposits will be transferred to the Group on the maturity date of the deposits or at a time to be directed by the Group.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

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19. SHARE CAPITAL

	The Company			
	2014	2013	2014	2013
	Number Of Shares		RM	
Ordinary shares of RM0.20 each:-				
Authorised	500,000,000	500,000,000	100,000,000	100,000,000
Issued And Fully Paid-up	245,000,000	245,000,000	49,000,000	49,000,000

20. RESERVES

Reserves comprise the following:-

	Note	The Group		The Company	
		2014	2013	2014	2013
		RM	RM	RM	RM
Share premium	(a)	1,038,157	1,038,157	1,038,157	1,038,157
Fair value reserve	(b)	33,342	251,856	-	-
Foreign exchange translation reserve	(c)	(4,301)	(4,902)	-	-
Retained profits/(Accumulated losses)	(d)	796,950	(1,928,224)	307,136	(665,952)
		1,864,148	(643,113)	1,345,293	372,205

(a) Share Premium

The share premium is not distributable by way of dividends and may be utilised in the manner set out in Section 60(3) of the Companies Act 1965.

(b) Fair Value Reserve

	The Group	
	2014	2013
	RM	RM
At 1 April	251,856	91,540
Fair value gain on investment in quoted shares	30,055	238,578
Reversal upon disposal of investment in quoted shares	(248,569)	(78,262)
At 31 March	33,342	251,856

The fair value reserve represents the cumulative fair value changes of available-for-sale financial assets until they are disposed of or impaired.

(c) Foreign Exchange Translation Reserve

The foreign exchange translation reserve arose from the translation of the financial statements of the foreign subsidiary and is not distributable by way of dividends.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

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20. RESERVES *Cont'd*

(d) Retained Profits

Under the single tier tax system, tax on the Company's profits is the final tax and accordingly, any dividends to the shareholders are not subject to tax.

21. LONG-TERM BORROWINGS

	The Group	
	2014 RM	2013 RM
Hire purchase payables (Note 22)	28,150	56,744
Term loans (Note 23)	371,790	766,044
	399,940	822,788

22. HIRE PURCHASE PAYABLES

	The Group	
	2014 RM	2013 RM
Minimum hire purchase payments:		
- not later than one year	31,201	57,879
- later than one year and not later than five years	28,150	59,351
	59,351	117,230
Less: Future finance charges	(2,724)	(7,238)
Present value of hire purchase payables	56,627	109,992
Current (Note 25):		
- not later than one year	28,477	53,248
Non-current (Note 21):		
- later than one year and not later than five years	28,150	56,744
	56,627	109,992

The hire purchase payables bore effective interest rates ranging from 4.83% to 6.71% (2013 - 4.83% to 7.21%) per annum at the end of the reporting period.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

Cont'd

23. TERM LOANS

	The Group	
	2014 RM	2013 RM
Current (Note 25):		
- repayable within one year	395,995	427,203
Non-current (Note 21):		
- repayable between one and two years	371,790	395,875
- repayable between two and five years	-	370,169
	371,790	766,044
	767,785	1,193,247

Details of the repayment terms are as follows:-

Term Loan	Number of Monthly Instalment	Monthly Instalments RM	Date of Commencement of Repayment	The Group Amount Outstanding	
				2014 RM	2013 RM
1	180	Note 1	28.1.2009	767,785	1,135,598
2	180	3,112	5.5.2000	-	27,603
3	180	1,679	5.5.2000	-	15,023
4	180	1,679	5.5.2000	-	15,023
				767,785	1,193,247

The term loans bore an effective interest rate of 6.90% (2013 - 6.90% to 7.60%) per annum at the end of the reporting period and are secured by:-

- a first legal charge over certain properties of the Group as disclosed in Note 8 to the financial statements; and
- a joint and several guarantee of certain directors of the Group.

Note:-

1. Term loan 1 is repayable as follows:-

- RM28,469 per month from the date of the first drawdown to month 12;
- RM32,843 from month 13 to month 24;
- RM36,364 from month 25 to month 120; and
- RM36,277 from month 121 to month 180.

24. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 days.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

Cont'd

25. SHORT-TERM BORROWINGS

	The Group	
	2014 RM	2013 RM
Hire purchase payables (Note 22)	28,477	53,248
Term loans (Note 23)	395,995	427,203
	424,472	480,451

26. REVENUE

	The Group		The Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Sale of food and beverage	54,182,330	58,045,275	-	-
Sale of moon cakes and other baked products	11,293,011	9,027,878	-	-
Dividend income	-	-	3,300,000	3,501,344
	65,475,341	67,073,153	3,300,000	3,501,344

27. PROFIT/(LOSS) BEFORE TAXATION

	The Group		The Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Profit/(Loss) before taxation is arrived at after charging/(crediting):-				
Amortisation of intangible asset	45,670	45,818	-	-
Audit fee:				
- current financial year	184,966	170,560	23,000	22,000
- underprovision in the previous financial year	20,089	14,500	1,000	2,000
Bad debts written off:				
- trade and other receivables	9,376	18,386	-	-
- deposits	-	10,000	-	10,000
Depreciation of property, plant and equipment	2,759,427	3,247,541	44,206	-
Directors' fee	108,000	108,000	108,000	108,000
Directors' non-fee emoluments:				
- salaries, bonuses and allowances	1,944,727	1,639,856	-	-
- defined contribution plan	179,237	160,028	-	-
- other benefits	9,652	7,023	-	-
Fair value loss on investment properties	-	147,904	-	-

Notes to the **Financial Statements**

For the Financial Year Ended 31 March 2014

*Cont'd***27. PROFIT/(LOSS) BEFORE TAXATION** *Cont'd*

	The Group		The Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Impairment loss on:				
- investments in subsidiaries	-	-	400,000	880,000
- trade receivables	41,013	-	-	-
- amount owing by subsidiaries	-	-	965,000	-
Interest expense:				
- bank overdrafts	18,762	21,171	-	-
- hire purchase	4,514	5,941	-	-
- term loans	70,644	108,919	-	-
Loss on disposal of:				
- investments in subsidiaries	-	1,820,690	-	-
Property, plant and equipment written off	84,536	895,447	-	-
Realised loss on foreign exchange	25,529	38,555	-	-
Rental of premises	4,610,536	5,935,070	126,000	10,500
Rental of plant and machineries	33,328	55,823	-	-
Staff costs:				
- salaries, wages, bonuses and allowances	18,529,581	20,519,316	-	-
- defined contribution plan	1,577,425	1,628,280	-	-
- other benefits	657,303	1,045,787	-	-
Accretion of long-term receivables	(5,734)	(14,898)	-	-
Gain on bargain purchase arising from acquisition of a subsidiary	-	(33,881)	-	-
Gain on disposal of:				
- property, plant and equipment	(11,999)	(5,854)	-	-
- other investments	(248,484)	(87,764)	-	-
Interest income	(382,187)	(346,521)	(15,848)	(43,241)
Investment property:				
- rental income	(75,840)	(133,200)	-	-
- direct expenses for revenue generating properties	7,410	6,616	-	-
Rental income	(7,200)	(7,200)	-	-
Service fee income	(4,320,192)	(4,371,730)	-	-
Writeback of impairment loss on trade receivables	-	(14,850)	-	-

Included in the staff costs is an amount of prepaid operating expenses of RM21,401 (2013 - RM6,231) recognised in profit or loss as disclosed in Note 12 to the financial statements.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

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28. INCOME TAX EXPENSE

	The Group		The Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Current tax:				
- for the financial year	1,762,580	825,123	3,526	-
- (over)/underprovision in the previous financial year	(5,633)	45,247	10,233	-
	1,756,947	870,370	13,759	-
Deferred tax (Note 13):				
- relating to origination and reversal of temporary differences	1,520	121,895	-	-
- under/(over)provision in the previous financial year	33,000	(132,000)	-	-
	34,520	(10,105)	-	-
	1,791,467	860,265	13,759	-

During the financial year, the corporate tax rate remained at 25%.

The statutory tax rate will be reduced to 24% from the current financial year's rate of 25%, effective year of assessment 2016.

Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

A reconciliation of income tax expense applicable to the profit/(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	
	2014 RM	2013 RM	2014 RM	2013 RM
Profit/(Loss) before taxation	5,140,927	(3,650,132)	1,721,847	2,151,868
Tax at the statutory tax rate of 25%	1,285,232	(912,533)	430,462	537,967
Tax effects of:-				
Non-taxable gains	(73,709)	(554,912)	(825,000)	(875,336)
Non-deductible expenses	466,452	2,010,688	398,064	337,369
Deferred tax assets not recognised during the financial year	86,125	418,775	-	-
Utilisation of deferred tax asset not recognised in prior years	-	(15,000)	-	-
(Over)/Underprovision in the previous financial year:				
- current tax	(5,633)	45,247	10,233	-
- deferred tax	33,000	(132,000)	-	-
Tax for the financial year	1,791,467	860,265	13,759	-

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

Cont'd

28. INCOME TAX EXPENSE *Cont'd*

Tax savings during the financial year arising from:-

	The Group		The Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Utilisation of unabsorbed capital allowances previously not recognised	-	60,000	-	-

29. EARNINGS/(LOSS) PER SHARE

The earnings/(loss) per share is calculated by dividing the Group's profit/(loss) after taxation attributable to the equity holders of the Company by the number of ordinary shares in issue during the financial year:-

	The Group	
	2014	2013
Profit/(Loss) after taxation attributable to owners of the Company (RM)	3,460,174	(4,412,796)
Number of ordinary shares in issue	245,000,000	245,000,000
Basic earnings/(loss) per share (sen)	1.41	(1.80)

The fully diluted earnings per share for the Group is not presented as there were no potential dilutive ordinary shares outstanding at the end of the reporting period.

30. DIVIDEND

	The Group/ The Company	
	2014 RM	2013 RM
Single tier interim dividend of 0.3 sen per ordinary share in respect of the financial year ended 31 March 2013	-	735,000
Single tier interim dividend of 0.3 sen per ordinary share in respect of the financial year ended 31 March 2014	735,000	-
	735,000	735,000

On 4 April 2014, the Company declared a second single tier interim dividend of 0.3 sen per ordinary share amounting to RM735,000 in respect of the current financial year, payable on 19 May 2014, to shareholders whose names appeared in the record of depositors on 22 April 2014. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2015.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

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31. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	The Group		The Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Deposits with licensed banks (Note 18)	17,579,426	12,134,833	559,969	1,012,247
Cash and bank balances	4,590,546	5,146,379	90,693	62,962
	22,169,972	17,281,212	650,662	1,075,209
Less: Deposits pledged with licensed banks (Note 18)	(223,269)	(359,772)	-	-
	21,946,703	16,921,440	650,662	1,075,209

32. DIRECTORS' REMUNERATION

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	
	2014 RM	2013 RM	2014 RM	2013 RM
Executive directors:				
- salaries and other emoluments	2,133,616	1,806,907	-	-
Non-executive directors:				
- fee	108,000	108,000	108,000	108,000
	2,241,616	1,914,907	108,000	108,000

The number of directors of the Company whose total remuneration were received from the Group and the Company during the financial year within the following bands are analysed as follows:-

	The Group		The Company	
	2014	2013	2014	2013
Executive directors:				
- RM150,001 – RM200,000	2	2	-	-
- RM200,001 – RM250,000	1	1	-	-
- RM250,001 – RM300,000	1	-	-	-
- RM300,001 – RM350,000	-	1	-	-
- RM350,001 – RM400,000	1	-	-	-
- RM850,001 – RM900,000	-	1	-	-
- RM900,001 – RM950,000	1	-	-	-
Non-executive directors:				
- Below RM50,000	3	3	3	3
	9	8	3	3

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

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33. CAPITAL COMMITMENTS

	The Group	
	2014	2013
	RM	RM
Authorised but not contracted for:-		
Property, plant and equipment	2,235,000	1,568,000

34. CONTINGENT LIABILITY

	The Company	
	2014	2013
	RM	RM
Unsecured:-		
Corporate guarantee given to licensed banks for credit facilities granted to subsidiaries	1,086,293	1,439,094

35. 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.

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.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

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35. OPERATING SEGMENTS *Cont'd*

(a) Business Segments

The Group	Restaurants RM	Manufacturing RM	Trading And Investment Holding RM	Elimination RM	The Group RM
2014					
REVENUE:-					
External revenue	53,149,684	11,345,910	979,747	-	65,475,341
Inter-segment revenue	1,364,392	6,175,899	-	(7,540,291)	-
Total revenue	54,514,076	17,521,809	979,747	(7,540,291)	65,475,341
RESULTS					
Segment results	3,823,896	1,423,678	734,383	(734,689)	5,247,268
Finance costs	(93,493)	(12,848)	-	-	(106,341)
Profit before taxation					5,140,927
Income tax expense					(1,791,467)
Profit after taxation					3,349,460
ASSETS					
Segment assets	60,650,792	13,240,496	61,387,003	(76,604,349)	58,673,942
Unallocated assets	160,595	108,000	14,546	-	283,141
Total assets					58,957,083
LIABILITIES					
Segment liabilities	21,742,173	3,929,059	13,600,274	(32,589,766)	6,681,740
Unallocated liabilities	919,233	602,228	5	-	1,521,466
Total liabilities					8,203,206
OTHER SEGMENT ITEMS					
Amortisation of intangible asset	-	40,411	5,259	-	45,670
Capital expenditure:					
- Property, plant and equipment	1,225,503	390,731	404,279	-	2,020,513
Depreciation of property plant and equipment	2,197,327	517,895	44,205	-	2,759,427
Property, plant and equipment written off	84,536	-	-	-	84,536

Notes to the **Financial Statements**

For the Financial Year Ended 31 March 2014

Cont'd

35. OPERATING SEGMENTS *Cont'd***(a) Business Segments** *Cont'd*

The Group	Restaurants RM	Manufacturing RM	Trading And Investment Holding RM	Elimination RM	The Group RM
2013					
REVENUE:-					
External revenue	58,045,275	9,027,878	-	-	67,073,153
Inter-segment revenue	214,154	7,697,756	4,612,191	(12,524,101)	-
Total revenue	58,259,429	16,725,634	4,612,191	(12,524,101)	67,073,153
RESULTS					
Segment results	4,032,847	(196,966)	(2,581,488)	(4,770,006)	(3,515,613)
Finance costs	(113,347)	(21,172)	-	-	(134,519)
Profit before taxation					(3,650,132)
Income tax expense					(860,265)
Profit after taxation					(4,510,397)
ASSETS					
Segment assets	55,355,023	13,537,223	54,415,056	(67,692,867)	55,614,435
Unallocated assets	1,344,640	626,373	37,761	-	2,008,774
Total assets					57,623,209
LIABILITIES					
Segment liabilities	23,344,543	6,119,765	9,127,300	(30,502,757)	8,088,851
Unallocated liabilities	686,330	490,698	-	-	1,177,028
Total liabilities					9,265,879
OTHER SEGMENT ITEMS					
Amortisation of intangible asset	-	40,583	5,235	-	45,818
Capital expenditure:					
- Property, plant and equipment	2,572,756	749,378	-	-	3,322,134
Depreciation of property plant and equipment	2,788,871	458,670	-	-	3,247,541
Fair value loss on investment properties	125,000	22,904	-	-	147,904
Property, plant and equipment written off	895,447	-	-	-	895,447
Writeback of impairment loss on trade receivables	-	(14,850)	-	-	(14,850)

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

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35. OPERATING SEGMENTS *Cont'd*

(b) Geographical Segments

Revenue and non-current assets information based on the geographical location of the Company and its subsidiaries are as follows:-

	Revenue		Non-Current Assets	
	2014 RM	2013 RM	2014 RM	2013 RM
Malaysia	63,928,229	62,205,694	29,573,412	30,310,802
Singapore	-	3,204,170	-	-
Hong Kong	1,547,112	1,663,289	260,920	319,096
	65,475,341	67,073,153	29,834,332	30,629,898

(c) Information About Major Customers

There are no single external customers for which the revenue generated exceeded 10% of the Group's revenue.

36. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

The Group and the Company have related party relationships with:-

- (i) its subsidiaries and entities within the same group of companies;
- (ii) its associate and joint venture as disclosed in Notes 6 and 7 to the financial statements;
- (iii) entities controlled by the directors;
- (iv) the directors who are the key management personnel; and
- (v) close members of the family of certain directors.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

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36. RELATED PARTY DISCLOSURES *Cont'd*

(b) Related Party Transactions

In addition to the information disclosed elsewhere in the financial statements, the Group and the Company carried out the following significant transactions with its related parties during the financial year:-

	The Group		The Company	
	2014 RM	2013 RM	2014 RM	2013 RM
(i) Subsidiaries				
Expenses paid on behalf of	-	-	310	2,819,879
Expenses paid by	-	-	1,527	-
Advances to	-	-	1,167,030	1,789,785
Advances from	-	-	6,889,795	-
Management fee received	-	-	560,914	-
Dividend received	-	-	3,300,000	3,501,344
(ii) Joint venture				
Sales	-	1,069	-	-
Expenses paid by	19,012	-	-	-
Expenses paid on behalf of	19,136	410,000	-	-
(iii) Related parties				
Rental income	-	1,650	-	-
Rental expenses	1,069,200	1,069,200	-	-

(c) Compensation of Key Management Personnel (Including Directors)

	The Group		The Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Key management personnel (including directors)				
Short-term employee benefits	4,107,534	4,125,946	108,000	108,000

Key management personnel comprise members of the senior management team who are directly responsible for the financial and operating policies and decisions of the Group and the Company.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

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37. 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, liquidity risk and capital risk management. 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.

(a) Financial Risk Management Policies

The Group's policies in respect of the major areas of treasury activity are as follows:-

(i) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on purchases that are denominated in foreign currencies. The currency giving rise to this risk is primarily United States Dollar. Foreign currency risk is monitored closely and managed to an acceptable level.

The Group's exposure to foreign currency was as follows:-

	The Group	
	2014 RM	2013 RM
<u>Deposits with licensed bank</u>		
Hong Kong Dollar	287,691	145,730

Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currency as at the end of the reporting period, with all other variables held constant:-

	The Group	
	2014 Increase/ (Decrease) RM	2013 Increase/ (Decrease) RM
Effects on profit after taxation/equity		
Hong Kong Dollar:		
- strengthened by 5%	(10,788)	(5,465)
- weakened by 5%	10,788	5,465

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

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37. FINANCIAL INSTRUMENTS *Cont'd*

(a) Financial Risk Management Policies *Cont'd*

(i) Market Risk *Cont'd*

(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 its interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period were:-

	The Group		The Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Fixed rate instruments				
Deposits with licensed banks	17,579,426	12,134,833	559,969	1,012,247
Hire purchase payables	(48,076)	(68,471)	-	-
	17,531,350	12,066,362	559,969	1,012,247
			The Group	
			2014 RM	2013 RM
Floating rate instruments				
Hire purchase payables			(8,551)	(41,521)
Term loans			(767,785)	(1,193,247)
			(776,336)	(1,234,768)

Interest rate risk sensitivity analysis

The interest rate risk sensitivity analysis on the fixed rate instrument is not disclosed as this financial instrument is measured at amortised cost.

The following table details the sensitivity analysis on the floating rate instruments to a reasonably possible change in the interest rate as at the end of the reporting period, with all other variables held constant:-

	The Group	
	2014 Increase/ (Decrease) RM	2013 Increase/ (Decrease) RM
Effects on profit after taxation/equity		
Increase of 100 basis points	(5,823)	(9,261)
Decrease of 100 basis points	5,823	9,261

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

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37. FINANCIAL INSTRUMENTS *Cont'd*

(a) Financial Risk Management Policies *Cont'd*

(i) Market Risk *Cont'd*

(iii) Equity Price Risk

The Group's principal exposure to equity price risk arises mainly from changes in quoted investment prices. The equity price risk is monitored closely and managed to an acceptable level.

Exposure to equity price risk

The equity price risk profile of the Group based on carrying amount as at the end of the reporting period was:-

	The Group	
	2014 RM	2013 RM
Quoted shares in Malaysia	74,250	431,976
Quoted shares outside Malaysia	74,160	194,300
	148,410	626,276

Equity price risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the prices of the quoted investments as at the end of the reporting period, with all other variables held constant:-

	The Group	
	2014 Increase/ (Decrease) RM	2013 Increase/ (Decrease) RM
Effects on equity		
Increase of 10%	14,841	62,628
Decrease of 10%	(14,841)	(62,628)

(ii) 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.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

Notes to the **Financial Statements**

For the Financial Year Ended 31 March 2014

*Cont'd***37. FINANCIAL INSTRUMENTS** *Cont'd***(a) Financial Risk Management Policies** *Cont'd***(ii) Credit Risk** *Cont'd*Credit risk concentration profile

The Group does not have major concentration of credit risk related to any individual customer or counterparty.

Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

The exposure of credit risk for trade receivables by geographical region is as follows:-

	The Group	
	2014	2013
	RM	RM
Malaysia	524,310	1,122,255
Hong Kong	1,580	5,829
	525,890	1,128,084

Ageing analysis

The ageing analysis of the Group's trade receivables as at the end of the reporting period is as follows:-

	Gross Amount	Individual Impairment	Collective Impairment	Carrying Value
	RM	RM	RM	RM
The Group				
2014				
Not past due	310,385	-	-	310,385
Past due:				
- less than 3 months	68,173	-	-	68,173
- 3 to 6 months	147,084	-	-	147,084
- over 6 months	647,697	(647,449)	-	248
	1,173,339	(647,449)	-	525,890
2013				
Not past due	674,871	-	-	674,871
Past due:				
- less than 3 months	94,829	-	-	94,829
- 3 to 6 months	358,384	-	-	358,384
- over 6 months	606,436	(606,436)	-	-
	1,734,520	(606,436)	-	1,128,084

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

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37. FINANCIAL INSTRUMENTS *Cont'd*

(a) Financial Risk Management Policies *Cont'd*

(ii) Credit Risk *Cont'd*

Ageing analysis *Cont'd*

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

The collective impairment allowance is determined based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

Trade receivables that are past due but not impaired

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are in respect of customers using credit card transactions which are aged ranging from 7 to 30 days. The balance of the trade receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of these trade receivables.

(iii) 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.

The following table sets out the maturity profile of the financial liabilities as 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	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
2014						
Trade payables	-	3,511,618	3,511,618	3,511,618	-	-
Other payables and accruals	-	2,345,710	2,345,710	2,345,710	-	-
Hire purchase payables	4.83 - 6.71	56,627	59,351	31,201	28,150	-
Term loans	6.90	767,785	820,921	436,368	384,553	-
		6,681,740	6,737,600	6,324,897	412,703	-
2013						
Trade payables	-	4,044,933	4,044,933	4,044,933	-	-
Other payables and accruals	-	2,740,679	2,740,679	2,740,679	-	-
Hire purchase payables	4.83 - 7.21	109,992	117,230	57,879	59,351	-
Term loans	6.90 - 7.60	1,193,247	1,312,697	495,893	816,804	-
		8,088,851	8,215,539	7,339,384	876,155	-

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

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37. FINANCIAL INSTRUMENTS *Cont'd*

(a) Financial Risk Management Policies *Cont'd*

(iii) Liquidity Risk *Cont'd*

The following table sets out the maturity profile of the financial liabilities as 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	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
2014						
Other payables and accruals	-	167,478	167,478	167,478	-	-
Amount owing to subsidiaries	-	5,889,795	5,889,795	5,889,795	-	-
		6,057,273	6,057,273	6,057,273	-	-
2013						
Other payables and accruals	-	132,506	132,506	132,506	-	-

(b) Capital Risk Management

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as total borrowings from financial institutions divided by total equity.

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 debts.

Under the requirement of Bursa Malaysia Guidance Note No. 3/2006, the Company is required to maintain its shareholders' equity equal to or not less than the 25% of the issued and paid-up share capital (excluding treasury shares) of the Company. The Company has complied with this requirement.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

Cont'd

37. FINANCIAL INSTRUMENTS *Cont'd*

(c) Classification Of Financial Instruments

	The Group		The Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Financial assets				
<u>Available-for-sale financial assets</u>				
Other investments, at fair value	256,180	734,046	-	-
<u>Loans and receivables financial assets</u>				
Trade receivables	525,890	1,128,084	-	-
Other receivables, deposits and staff loans	2,630,217	2,621,114	118,722	332,114
Amount owing by subsidiaries	-	-	9,417,469	11,232,405
Deposits with licensed banks	17,579,426	12,134,833	559,969	1,012,247
Cash and bank balances	4,590,546	5,146,379	90,693	62,962
	25,326,079	21,030,410	10,186,853	12,639,728
Financial liabilities				
<u>Other financial liabilities</u>				
Trade payables	3,511,618	4,044,933	-	-
Other payables and accruals	2,345,710	2,740,679	167,478	132,506
Amount owing to subsidiaries	-	-	5,889,795	-
Hire purchase payables	56,627	109,992	-	-
Term loans	767,785	1,193,247	-	-
	6,681,740	8,088,851	6,057,273	132,506

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

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37. FINANCIAL INSTRUMENTS *Cont'd*

(d) Fair Value Information

Other than those disclosed below, the fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amount due to relatively short-term maturity of the financial instruments.

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 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
2014								
<u>Financial Assets</u>								
Other investments	256,180	-	-	-	-	-	256,180	256,180
<u>Financial Liabilities</u>								
Hire purchase payables	-	-	-	-	56,627	-	56,627	56,627
Term loans	-	-	-	-	767,785	-	767,785	767,785
2013								
<u>Financial Assets</u>								
Other investments	734,046	-	-	-	-	-	734,046	734,046
<u>Financial Liabilities</u>								
Hire purchase payables	-	-	-	-	110,159	-	110,159	109,992
Term loans	-	-	-	-	1,193,247	-	1,193,247	1,193,247

* Comparative fair value information is not presented by levels, by virtue of the exemption given in MFRS 13.

The fair values of level 1 and level 2 above have been determined using the following basis:-

- The fair value of quoted investment is estimated based on their quoted closing bid prices as at the end of the reporting period.
- The fair value of hire purchase payables and term loans are determined by discounting the relevant cash flows using interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:-

	The Group	
	2014	2013
Hire purchase payables	4.83% - 6.71%	4.83% - 7.21%
Term loans	6.90%	6.90% - 7.60%

In regard to financial instruments carried at fair value, there were no transfer between the fair value hierarchy during the financial year.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

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38. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events of the Group during the financial year are as follows:-

- (a) On 10 December 2013, Restoran Oversea JV (International) Sdn. Bhd. ("OJV") entered into a Shareholders' Agreement for the investment in Burger Foundry Australia Pty. Ltd. ("BFA") which is located at Adelaide, South Australia. Under the Shareholders' Agreement, OJV holds 30.1% of the equity interest in BFA. The Shareholders' Agreement determine the relationship between OJV and the other shareholders and regulates the rights, obligations and liabilities as shareholders for the purpose of developing and carrying on the business as food and beverage outlets.
- (b) Rich Tastes (Centrepoint) Sdn. Bhd., an indirect subsidiary of the Company has ceased its business operations at the end of the reporting period. The estimated restoration costs and expenses in respect of the cessation of business amounting to RM200,000 have been provided for in the current financial year.
- (c) On 27 March 2014, the Company subscribed for the additional 2,419,998 new ordinary shares of RM1 each at par in Restoran Oversea (Bandar Baru Sri Petaling) Sdn. Bhd. for a total cash consideration of RM2,419,998 to retain its 100% equity interest.
- (d) On 27 March 2014, the Company subscribed for the additional 2,419,797 new ordinary shares of RM1 each at par in Restoran Oversea (Imbi) Sdn. Bhd. for a total cash consideration of RM2,419,797 to retain its 100% equity interest.
- (e) On 27 March 2014, the Company subscribed for the additional 2,050,000 new ordinary shares of RM1 each at par in Restoran Oversea (Subang Parade) Sdn. Bhd. for a total cash consideration of RM2,050,000 to retain its 100% equity interest.
- (f) On 27 March 2014, the Company subscribed for the additional 2,500,000 new ordinary shares of RM1 each at par in OJV for a total cash consideration of RM2,500,000 to retain its 100% equity interest.

39. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year:-

	As Restated RM	As Previously Reported RM
CONSOLIDATED STATEMENT OF CASH FLOWS (EXTRACT)		
CASH FLOWS FROM INVESTING ACTIVITIES		
Withdrawal of deposits pledged with licensed banks	167,220	-
NET CASH FROM INVESTING ACTIVITIES	(3,084,680)	(3,251,900)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	20,074,219	20,601,211
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	16,921,440	17,281,212

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

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40. SUPPLEMENTARY INFORMATION - DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES

The breakdown of the retained profits/(accumulated losses) of the Group and of the Company as at the end of the reporting period into realised and unrealised profits/(losses) are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	The Group		The Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Total retained profits /(accumulated losses):				
- realised	30,566,829	29,847,336	307,136	(665,952)
- unrealised	1,003,029	953,330	-	-
	31,569,858	30,800,666	307,136	(665,952)
Total share of losses of joint venture:				
- realised	(201,856)	(82,724)	-	-
Total share of losses of an associate				
- realised	(44,377)	-	-	-
	31,323,625	30,717,942	-	-
Less: Consolidation adjustments	(30,526,675)	(32,646,166)	-	-
At 31 March	796,950	(1,928,224)	307,136	(665,952)

List of Top 10 Properties

Held by the Group
As at 31 March 2014

Registered owner	Location	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 31-03-2014 (RM,000)		
									Date of Acquisition	Year of last revaluation	
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	82 years (11.12.2096)	11	84,066	58,330	6,494	30/06/2003	2008
Restoran Oversea (PJ) 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/ property investment	Commercial/ Building	Freehold	-	6	1,430	2,487	1,227	21/02/2006	2008
Restoran Oversea (PJ) 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)	82 years (11.12.2096)	14	3,003	3,180	328	27/07/2005	2008
Haewaytian Restaurant Sdn. Bhd.	No. 28, Jalan Datoh, 30000 Ipoh, Perak	Restaurant	Commercial/ Building	Freehold	-	6	25,764	27,185	8,260	23/08/2002	2008
Haewaytian Restaurant Sdn. Bhd.	No. 57, Jalan Seenivasagam, 30450 Ipoh, Perak	Restaurant, storage facilities and staff hostel	Commercial/ Building	Leasehold 99 years	64 years (20.12.2078)	35	1,900	4,800	371	16/05/1985	2008
Restoran Oversea (Jaya 1) Sdn. Bhd.	No. 477, Jalan 5/46, Section 5, 46000 Petaling Jaya, Selangor	Accommodation	Residential/ Building	Freehold	-	44	1,700	2,400	350	30/11/1998	2008
Restoran Oversea (Subang Parade) Sdn. Bhd.	No. 29, Jalan SS 15/2B, 47500 Subang Jaya, Selangor	Hostel	Residential/ Building	Freehold	-	35	2,560	1,524	383	10/09/1997	2008
Restoran Oversea (PJ) Sdn. Bhd.	No. 45, Jalan 14/15, Section 14, 46100 Petaling Jaya, Selangor	Hostel	Residential/ Building	Leasehold 99 years	52 years (18.04.2066)	44	1,672	1,023	114	1994	2008
Restoran Oversea (PJ) Sdn. Bhd.	No. 1, Jalan 8/3, Section 8, 46050 Petaling Jaya, Selangor	Hostel	Residential/ Building	Leasehold 99 years	56 years (11.01.2070)	54	5,655	1,144	234	07/10/1996	2008
Restoran Oversea (Subang Parade) Sdn. Bhd.	No. 4, Jalan SS15/3A, Subang Jaya, 47500 Petaling Jaya, Selangor	Hostel	Residential/ Building	Freehold	-	35	1,760	1,818	321	24/07/1997	2008

Note: -

1) Other disclosures on land building owned by the Group are immaterial to disclose individually.

Analysis of Shareholdings

As at 30 July 2014

Authorised Share Capital	:	RM100,000,000.00
Issued and Fully Paid-up Capital	:	RM49,000,000.00
Class of Shares	:	Ordinary shares of RM0.20 each
Voting Rights	:	One vote per share
Number of Shareholders	:	1,229

ANALYSIS OF SHAREHOLDINGS AS AT 30 JULY 2014

Holdings	No. of Holders	Total Shareholdings	%
Less than 100	47	1,790	0.00
100 - 1,000	131	72,040	0.03
1,001 - 10,000	372	2,392,790	0.98
10,001 - 100,000	565	23,497,300	9.59
100,001 to less than 5% of issued shares	111	64,932,859	26.50
5% and above of issued shares	3	154,103,221	62.90
	1,229	245,000,000	100.00

LIST OF 30 LARGEST SHAREHOLDERS REGISTERED AS AT 30 JULY 2014

(Without aggregating the securities from different securities accounts belonging to the same person)

No.	Name	No. of Shares Held	%
1	Yu Soo Chye @ Yee Soo Chye	82,744,270	33.77
2	Lee Lim & Sons Sdn. Bhd.	50,898,358	20.77
3	Lee Pek Yoke	20,460,593	8.35
4	Khong Yik Kam	9,256,338	3.78
5	Kwan Sia Hock	8,947,493	3.65
6	Lee Seng Fan	5,868,496	2.40
7	Chen Khai Voon	3,000,000	1.22
8	Proactive Approach Sdn. Bhd.	2,240,800	0.91
9	Cimsec Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Nicholas Lim Wee Kwan) (SBULOH-CL)	1,780,000	0.73
10	Amsec Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Jega Devan A/L M Nadchatiram)	1,395,800	0.57
11	Public Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Lim Chou Bu) (E-KPG)	1,211,500	0.49
12	San Ah Lan	1,200,000	0.49
13	Affin Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Tan Roy Soon) (TAN7341C)	1,100,000	0.45
14	Cheah Tuck Sheng	1,100,000	0.45
15	Kok Chee Mun	1,000,600	0.41
16	Chiang Kooi Fong	1,000,000	0.41
17	Kenanga Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Ong King Seng)	850,000	0.35
18	Rurug Juang Realty Sdn. Bhd.	750,000	0.31
19	Public Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Nicholas Lim Wee Kwan) (E-KPG)	705,000	0.29
20	Inter-Pacific Equity Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Cheah Tuck Hing) (AC0048)	640,000	0.26

Analysis of Shareholdings

As at 30 July 2014

Cont'd

LIST OF 30 LARGEST SHAREHOLDERS REGISTERED AS AT 30 JULY 2014 Cont'd

(Without aggregating the securities from different securities accounts belonging to the same person)

No.	Name	No. of Shares Held	%
21	Yu Tack Tein	600,033	0.24
22	Jimmy Lim Thaw Chay	500,000	0.20
23	Public Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Law Yoke Kuan) (E-KPG)	500,000	0.20
24	Public Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Wong Siew Oon) (E-BCG/KPR)	500,000	0.20
25	RHB Capital Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Low Choon Chong)	500,000	0.20
26	Soon Tian Lye	500,000	0.20
27	Yap Ping Tiong	481,400	0.20
28	Chia Liang Chuan	464,100	0.19
29	Thing Pha Hua	450,000	0.18
30	Maybank Securities Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Chong Kok An) (REM 130)	449,700	0.18
	Total	201,094,481	82.05

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 30 JULY 2014

Name of Substantial Shareholders	Direct Interest	No. of Shares Held		
		%	Indirect Interest	%
Yu Soo Chye @ Yee Soo Chye	82,744,270	33.77	-	-
Lee Lim & Sons Sdn. Bhd.	50,898,358	20.77	-	-
Lee Pek Yoke	20,460,593	8.35	-	-

DIRECTORS' SHAREHOLDINGS AS AT 30 JULY 2014

(Based on the Register of Directors' Shareholdings)

Name of Directors	Direct Interest	No. of Shares Held		
		%	Indirect Interest	%
Yu Soo Chye @ Yee Soo Chye	82,744,270	33.77	-	-
Lee Pek Yoke	20,460,593	8.35	-	-
Khong Yik Kam	9,256,338	3.78	1,350,000 [#]	0.55
Lee Seng Fan	5,868,496	2.40	50,917,358 ^{##}	20.78
Yu Tack Tein	600,033	0.24	-	-
Koong Lin Loong	100,000	0.04	-	-
Chiam Soon Hock	100,000	0.04	-	-
Yau Ming Teck	-	-	-	-

[#] Deemed interested by virtue of his substantial shareholdings and directorship in Rurng Juang Realty Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965 as well as his spouse and children's shareholdings in the Company pursuant to Section 134(12)(c) of the Companies Act, 1965.

^{##} Deemed interested by virtue of his substantial shareholdings in Lee Lim & Sons Sdn. Bhd. which in turn is a substantial shareholder of the Company and the shareholdings of his spouse in the Company pursuant to Section 134(12)(c) of the Companies Act, 1965.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Nineteenth Annual General Meeting (AGM) of the Company will be held at Restoran Oversea Bandar Baru Sri Petaling, No. 62-66, Jalan 1/149D, Bandar Baru Sri Petaling, 57000 Kuala Lumpur on Monday, 8 September 2014 at 11.00 a.m. for the following purposes:-

AGENDA

1. To receive and adopt the audited financial statements for the year ended 31 March 2014 together with the Reports of the Directors and Auditors thereon. **(Resolution 1)**
2. To approve the payment of Directors' Fee for the financial year ended 31 March 2014. **(Resolution 2)**
3. To re-elect the following Directors retiring pursuant to Article 85 of the Company's Articles of Association:
 - (i) Mr. Yu Soo Chye @ Yee Soo Chye **(Resolution 3)**
 - (ii) Mr. Yau Ming Teck **(Resolution 4)**
4. To re-elect Director Mr. Yu Tack Tein who retires pursuant to Article 92 of the Company's Articles of Association. **(Resolution 5)**
5. To re-appoint Messrs. Crowe Horwath as Auditors and to authorise the Directors to fix their remuneration. **(Resolution 6)**
6. As Special Business, to consider and if thought fit, to pass the following resolutions as Ordinary Resolutions and Special Resolution:
 - I Proposed Renewal of Authority to issue shares pursuant to Section 132D of the Companies Act, 1965 (Ordinary Resolution)

"THAT pursuant to Section 132D of the Companies Act, 1965 (Act), and subject to the approval of the relevant governmental/regulatory authorities (if any shall be required), the Directors be and are hereby empowered to allot and issue shares in the Company, from time to time, at such price, upon such terms and conditions and for such purpose and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued share capital of the Company for the time being and THAT the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and THAT such authority shall continue to be in force until conclusion of the next AGM of the Company."

(Resolution 7)
 - II Proposed Renewal of Shareholders' Mandate And New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (Ordinary Resolution)

"THAT subject to the provisions of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (Listing Requirements), approval be and is hereby given to the Company and its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature with the related parties (Recurrent Related Party Transactions) as set out in Section 2.2 of Part A of the Circular To Shareholders dated 13 August 2014 (Circular) subject further to the followings:-

 - (i) the Recurrent Related Party Transactions are entered into in the ordinary course of business on terms not more favourable to the related parties than those generally available to the public, and the Recurrent Related Party Transactions are undertaken on arms' length basis and are not to the detriment of the minority shareholders of the Company;**(Resolution 8)**

Notice of Annual General Meeting

Cont'd

- (ii) the disclosure is made in the Annual Report of the breakdown of the aggregate value of the Recurrent Related Party Transactions conducted pursuant to the shareholders' mandate during the financial year, amongst others, based on the following information:-
 - (a) the type of Recurrent Related Party Transactions made; and
 - (b) the names of the related parties involved in each type of Recurrent Related Party Transactions made and their relationship with the Company;
- (iii) the shareholders' mandate is subject to annual renewal and this shareholders' mandate shall only continue to be in full force until:-
 - (a) the conclusion of the next AGM of the Company following this AGM at which the shareholders' mandate will lapse unless by a resolution passed at the said AGM, such authority is renewed;
 - (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
 - (c) revoked or varied by resolution passed by shareholders in a general meeting before the next AGM,

whichever is earlier;

AND THAT the Directors of the Company (or any of them) be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) to give effect to the Recurrent Related Party Transactions contemplated and/or authorised by this Ordinary Resolution;

AND THAT, the estimates given of the Recurrent Related Party Transactions specified in Section 2.2 of Part A of the Circular being provisional in nature, the Directors and/or any of them be and are hereby authorised to agree to the actual amount or amounts thereof provided always that such amount or amounts comply with the procedures set out in Section 2.4 of Part A of the Circular."

- III Proposed Share Buy-Back of up to Ten Percent (10%) of the Issued and Paid-Up Share Capital of Oversea Enterprise Berhad

(Resolution 9)

"THAT pursuant to Chapter 12, Rule 12.03(b) of the Listing Requirements and subject to Section 67A of the Act, the Company's Memorandum and Articles of Association and other applicable laws, rules and regulations and the approvals of all relevant regulatory authorities, the Company be and is hereby authorised to purchase and/or hold such amount of ordinary shares of RM0.20 each in the Company as may be determined by the Directors from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company, provided that:

- (a) the aggregate number of ordinary shares of RM0.20 each in the Company which may be purchased and/or held by the Company shall not exceed ten percent (10%) of the issued and paid-up share capital of the Company as quoted on Bursa Securities as at the point of purchase;
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing the shares shall be backed by an equivalent amount of retained profits and/or share premium of the Company; and

Notice of Annual General Meeting

Cont'd

- (c) the authority conferred by this resolution will commence immediately upon passing of this ordinary resolution and will continue to be in force until:-
- (i) the conclusion of the next AGM of the Company following the general meeting at which this resolution was passed at which time it shall lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
 - (ii) the expiration of the period within which the next AGM is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extensions as may be allowed pursuant to Section 143(2) of the Act); or
 - (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first.

AND THAT the Directors of the Company be and are hereby authorized to cancel all the shares or any part thereof so purchased or to retain all the shares so purchased as treasury shares (of which may be distributed as dividends to shareholders and/or resold on Bursa Securities and/or subsequently cancelled), or to retain part of the shares so purchased as treasury shares and cancel the remainder, and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act, the Listing Requirements and any other relevant authorities for the time being in force.

THAT the Directors of the Company be and are hereby authorized to take all such steps as are necessary or expedient to implement, finalize or to effect the aforesaid share buy-back with full powers to assent to any conditions, modifications, variations and/or amendments as may be required or imposed by the relevant authorities and to do all such acts and things (including executing all documents) as the Directors may deem fit and expedient in the best interest of the Company."

IV Proposed Amendment to the Memorandum of Association

**(Special
Resolution 1)**

"THAT the Company's Memorandum of Association be altered by deletion of object clause 3(2) in its entirety and to be replaced with a new object clause 3(2) which read as follow:-

"To acquire by purchase in good faith and in the best interest of the Company, the Company's own shares through Bursa Malaysia Securities Berhad or such other recognized stock exchange on which the shares of the Company are quoted in accordance with the provisions of the Companies Act, 1965, the Rules of Bursa Malaysia Depository Sdn. Bhd., Regulations and Order made pursuant thereto and the requirements of Bursa Malaysia Securities Berhad and any other relevant authorities in respect thereof."

7. To transact any other ordinary business of which due Notice shall have been received.

By Order of The Board

NG BEE LIAN
Company Secretary

Kuala Lumpur
13 August 2014

Notice of Annual General Meeting

Cont'd

Notes:

1. A proxy may but need not be a member of the Company or a qualified legal practitioner or an approved company auditor or a person approved by the Registrar and the provisions of Sections 149(1)(b) and 149(1)(c) of the Act shall not apply to the Company.

To be valid, the Form of Proxy duly completed, must be deposited at the Registered Office of the Company at B-01-06, B-02-06 & B-03-06, Endah Promenade, No. 5, Jalan 3/149E, Bandar Baru Sri Petaling, 57000 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the Meeting Provided That in the event the Member(s) duly executes the form of proxy but does not name any proxy, such Member(s) shall be deemed to have appointed the Chairman of the meeting as his / their proxy, Provided Always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the Member(s).

2. A Member shall be entitled to appoint two (2) or more proxies to attend and vote at the same meeting and the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. Where a Member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds which is credited with ordinary shares of the Company.
4. 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.
5. Only members whose name appear in the Record of Depositors as at 2 September 2014 (at least 3 market days before the AGM date) will be entitled to attend and vote at the meeting.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominees may appoint in respect of each omnibus account it holds.

Explanatory Notes on Special Business

Ordinary Resolution No. 7

Proposed Renewal of Authority to issue shares not exceeding ten per centum (10%) of the issued capital of the Company.

The Company continues to consider the opportunities to broaden its earnings potential. The proposed Ordinary Resolution No. 7, if granted, will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding current and/or future investment project(s), working capital and/or acquisitions.

In order to avoid any delay and costs involved in convening a general meeting to approve such issue of share, it is thus considered appropriate that the Directors be empowered to issue shares in the Company, up to any amount not exceeding in total ten per centum (10%) of the issued share capital of the Company for the time being, for such purposes. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company. The general mandate sought for issue of securities is a new mandate which the Company wish to seek from its shareholders at this AGM.

No shares have been issued and allotted by the Company since obtaining the said authority from its shareholders at the last AGM held on 6 September 2013.

Ordinary Resolution 8

Proposed Renewal of Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed resolution No. 8, if passed, will benefit the Company and / or its subsidiaries by facilitating entry by members of the Group into transactions with Related Party specified in Section 2.2 of Part A of the Circular To Shareholders dated 13 August 2014 in the ordinary course of the Group's business on commercial terms, in a timely manner and will enable the Group to continue to carry out recurrent related party transactions necessary for the Group's day-to-day operations and undertaken at arms' length and on terms not to the detriment of the minority shareholders of the Company.

Ordinary Resolution 9

Proposed Share Buy-Back of up to Ten Percent (10%) of the Issued and Paid-Up Share Capital of Oversea Enterprise Berhad

The proposed resolution No. 9, if passed, will provide the mandate for the Company to buy back its own shares up to a limit of ten percent (10%) of the issued and paid up share capital of the Company.

For further information on proposed resolution No. 9, please refer to the Circular To Shareholders dated 13 August 2014 accompanying the Company's Annual Report for the financial year ended 31 March 2014.

Special Resolution 1

Proposed Amendment to the Memorandum of Association

The existing Memorandum and Articles of Association of the Company does not contain any provision for the purchase of the Company's own shares. The amendment to the Memorandum of Association is therefore necessary to give the Company the required powers / authority to purchase its own shares in the manner provided for under the Companies Act, 1965.

Statement Accompanying Notice of the Nineteenth Annual General Meeting

CONTENTS OF STATEMENT ACCOMPANYING NOTICE OF THE NINETEENTH ANNUAL GENERAL MEETING OF OVERSEA ENTERPRISE BERHAD

Pursuant to Rule 8.29 of the Listing Requirements for ACE Market of Bursa Malaysia Securities Berhad.

1. The names of individuals standing for re-election under Article 85 of the Articles of Association are as follows:-

Mr. Yu Soo Chye @ Yee Soo Chye
Mr. Yau Ming Teck

The name of individual standing for re-election under Article 92 of the Articles of Association is as follow:-

Mr. Yu Tack Tein

The shareholdings of the Directors standing for re-election in the Company are disclosed in the Directors' Report under Directors' Interest on page 43 and under Directors' Profile on pages 12, 13 and 15 in this Annual Report.

2. Annual General Meeting of Oversea Enterprise Berhad

Place : Restoran Oversea Bandar Baru Sri Petaling
No. 62-66, Jalan 1/149D, Bandar Baru Sri Petaling
57000 Kuala Lumpur

Date and Time : Monday, 8 September 2014 at 11.00 a.m.

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I/We _____ NRIC No _____

of _____

being a member(s) of Oversea Enterprise Berhad hereby appoint _____

_____ of _____

_____ or failing him/her

_____ of _____

or failing him/her the Chairman of the Meeting as my/our proxy to attend and vote on my/our behalf at the Nineteenth Annual General Meeting of the Company to be held at Restoran Oversea Bandar Baru Sri Petaling, No. 62-66, Jalan 1/149D, Bandar Baru Sri Petaling, 57000 Kuala Lumpur on Monday, 8 September 2014 at 11.00 a.m. or at any adjournment thereof:

RESOLUTIONS		FOR	AGAINST
1.	To receive and adopt the Audited Financial Statements for the year ended 31 March 2014 and the Reports of the Directors and Auditors thereon.		
2.	To approve the payment of Directors' Fees for the financial year ended 31 March 2014.		
3.	To re-elect Mr. Yu Soo Chye @ Yee Soo Chye as Director.		
4.	To re-elect Mr. Yau Ming Teck as Director.		
5.	To re-elect Mr. Yu Tack Tein as Director.		
6.	To re-appoint Messrs. Crowe Horwath as Auditors.		
7.	To approve the Proposed Renewal of Authority to issue shares pursuant to Section 132D of the Companies Act, 1965 (Ordinary Resolution).		
8.	To approve the Proposed Renewal of Shareholders' Mandate And New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (Ordinary Resolution)		
9.	To approve Proposed Share Buy-Back of up to Ten Percent (10%) of the Issued and Paid Up Share Capital (Ordinary Resolution)		
10.	To approve the Proposed Amendment to Memorandum of Association (Special Resolution)		

(Please indicate with an "X" in the spaces provided above, how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his discretion.)

As witness my hand this _____ day of _____ 2014

Number of Ordinary
Shares held

Signature

NOTES:

1. A proxy may but need not be a member of the Company or a qualified legal practitioner or an approved company auditor or a person approved by the Registrar and the provisions of Sections 149(1)(b) and 149(1)(c) of the Companies Act, 1965 shall not apply to the Company.
To be valid, the Form of Proxy duly completed, must be deposited at the Registered Office of the Company at B-01-06, B-02-06 & B-03-06, Endah Promenade, No. 5, Jalan 3/149E, 57000 Bandar Baru Sri Petaling, Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the Meeting Provided That in the event the Member(s) duly executes the form of proxy but does not name any proxy, such Member(s) shall be deemed to have appointed the Chairman of the meeting as his / their proxy, Provided Always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the Member(s).
2. A Member shall be entitled to appoint two (2) or more proxies to attend and vote at the same meeting and the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. Where a Member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds which is credited with ordinary shares of the Company.
4. 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.
5. Only members whose name appear in the Record of Depositors as at 2 September 2014 (at least 3 market days before AGM date) will be entitled to attend and vote at the meeting.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominees may appoint in respect of each omnibus account it holds.

Fold This Flap For Sealing

Then Fold Here

STAMP

The Company Secretary

OVERSEA ENTERPRISE BERHAD (317155-U)
(Incorporated in Malaysia)

B-01-06, B-02-06 & B-03-06
Endah Promenade
No. 5 Jalan 3/149E
Bandar Baru Sri Petaling
57000 Kuala Lumpur
Malaysia

1st Fold Here
