



海外天集团有限公司  
**OVERSEA ENTERPRISE BERHAD**  
 (Formerly known as Restoran Oversea Corporation Sdn. Bhd.)  
 (Company No. 317155-U)

OVERSEA ENTERPRISE BERHAD (317155-U)

# Annual Report 2009



弘扬  
 中华饮食文化

Annual Report 2009



海外天集团有限公司  
**OVERSEA ENTERPRISE BERHAD**  
 (Formerly known as Restoran Oversea Corporation Sdn. Bhd.)  
 (Company No. 317155-U)

Lot 13, Jalan Utarid U5/16,  
 Seksyen U5, Kawasan Perindustrian "Mah Sing Integrated",  
 40150 Shah Alam, Selangor Darul Ehsan, Malaysia.  
 E-mail: info@oversea.com.my



# CONTENTS

2	Our Story	25	Statement of Internal Control
4	Corporate Structure	26	Other Information
5	Financial Highlights	29	Financial Statements
6	Corporate Information	76	List of Properties
7	Chairman's Statement	79	Analysis of Shareholdings
10	Board of Directors' Profile	82	Notice of Annual General Meeting
13	Statement of Corporate Governance	86	Statement Accompanying Notice of Annual General Meeting
18	Audit Committee Report	87	Implementation of Electronic Dividend Payment (eDividend)
21	Remuneration Committee Report		Proxy Form
23	Nominating Committee Report		

# Our Story

**We were incorporated in Malaysia on 22 September 1994 under the Companies Act, 1965 as a private limited company under the name Restoran Oversea Corporation Sdn. Bhd. Subsequently, we changed our name to Oversea Enterprise Sdn. Bhd. on 23 September 2009 and were converted to a public company and assumed our present name on 6 November 2009.**

Our Group was founded by the late Lee Lim together with our Group Managing Director, Mr. Yu Soo Chye @ Yee Soo Chye and one (1) of the Executive Directors, Madam Lee Pek Yoke. Our active founders bring with them approximately fifty (50) years and thirty two (32) years of experience in the Chinese restaurant industry respectively. Our founders have been instrumental in the success, growth and development of our Group. Over the years, they have successfully established our Group as a reputable operator of a chain of Chinese restaurants under the "Restoran Oversea" (海外天) brand name.

Our business originated in the 1970's as a partnership between an independent third party and Mr. Yu Soo Chye @ Yee Soo Chye with the establishment of their first restaurant, namely Oversea Imbi in Kuala Lumpur, with a seating capacity of approximately fifty (50) seats. The independent third party subsequently disposed off his interest to the late Lee Lim and in 1983, the partnership was converted to a private limited company. Since then, the same restaurant has clocked up approximately thirty two (32) years of operation and has grown to a seating capacity for eight hundred and fifty (850) people.

The success of our first "Restoran Oversea" (海外天) restaurant encouraged us to open our second restaurant in Ipoh in 1982. To date, we have developed our Chinese restaurant operations into a chain of seven (7) wholly-owned restaurants with five (5) outlets in Klang Valley and two (2) in Ipoh, Perak. All our Chinese restaurants specialise in serving local Cantonese cuisine.

In 1986, we expanded our business into making moon cakes. At that time all our moon cakes were hand made and were sold as part of our Chinese restaurant business. In 1995, we moved our moon cake operation to our manufacturing facility in Sungai Buloh with a built-up area of approximately 20,000 square feet. Subsequently in 2002, we moved our manufacturing facilities to Shah Alam, Selangor with a total built-up area of 62,535 square feet. In 1986, our output of moon cakes averaged 20,000 pieces per year and has since grown to 1.1 million pieces per year by 2008. Currently, the manufacturing activities are undertaken by our two (2) subsidiaries, namely Haewaytian Cake House Sdn. Bhd. and Restoran Oversea Confectioneries Sdn. Bhd..

In 1997, we incorporated Haewaytian Food Industries Sdn. Bhd. to focus on marketing our in-house manufactured moon cakes and other baked products. In the same year, Haewaytian Trading Sdn. Bhd. was also incorporated and commenced operations as the procurement arm of our Group in 2008. Tenshou Trading Sdn. Bhd. was incorporated in 1997 and commenced business in year 2000 to undertake trading activities of third party brands of food products. To enhance the product offering to our existing clients, Tenshou Trading Sdn. Bhd. sold a variety of unique imported food stuff such as Konnyaku, dried bitter gourd tea and moon cakes purchased from selected overseas suppliers.

As part of our Group's strategy to expand our portfolio of in-house manufactured products, we also ventured into the production of egg rolls in 1999.

In 2000, our moon cakes were exported to Australia via our distributor. We have since expanded our export markets to cover the Netherlands, Indonesia, New Zealand, Papua New Guinea, the US and the PRC.

To address new market segments while retaining our core competencies in operating Chinese restaurants, we expanded our business into the operation of cafés to target the casual dining segment. To further differentiate from our fine dining traditional Chinese restaurant, our café's offerings were focused on the Hong Kong style, commonly referred to as "Char Chan Teng". In 2004, we opened our first café in Pandan Indah, Kuala Lumpur under the brand name of "Tsim Tung".

In 2005, we continued our strategy to target new market segments by opening our first "dim sum" outlet in Sri Petaling, Kuala Lumpur.

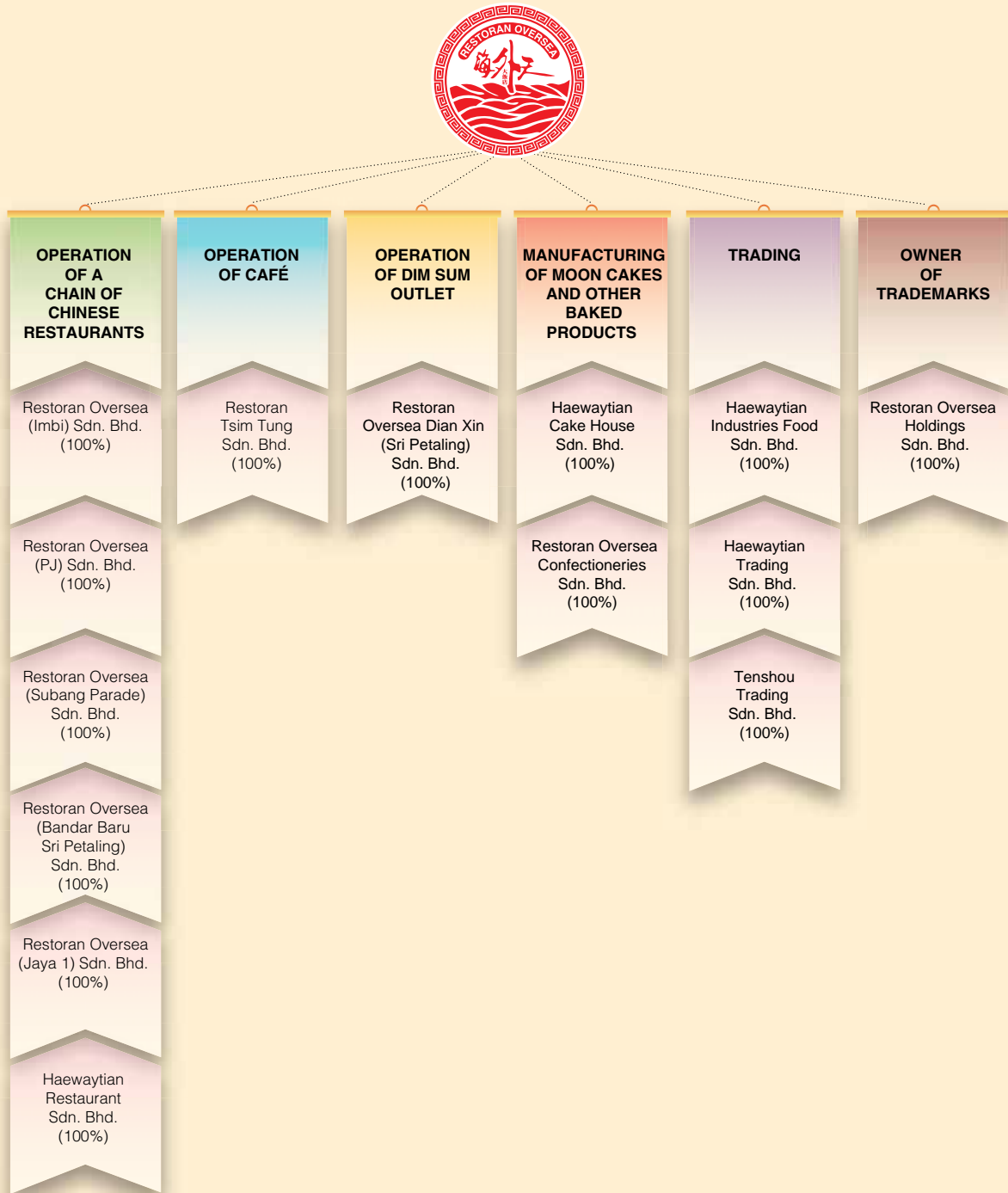
Since the opening of our Group's restaurants, we have received many awards and recognitions, which include, amongst others, "Asia's Finest Restaurants", "Greatest Tables in Kuala Lumpur" and "Winner of World Gold Kitchen Cooking Grand Competition".

As at to-date, we have seven (7) fine dining Chinese cuisine restaurants and one (1) "dim sum" outlet operating under our "Restoran Oversea" (海外天) brand and one (1) café outlet operating under "Tsim Tung" brand.

**LIST OF OUTLETS AND ITS SEATING CAPACITY**

	<b>Seating capacity (seats)</b>
<b>Restaurants</b>	
1. Oversea (Imbi) No. 84-88, Jalan Imbi, 55100 Kuala Lumpur Tel: 03-2144 9911/ 2148 7567	850
2. Oversea (PJ) Plaza Armada, Lot 28, Ground Floor, Lorong Utara C, 46200 Petaling Jaya, Selangor Darul Ehsan Tel: 03-7956 1029	800
3. Oversea (Subang Parade) G14 & 28, Ground Floor, Subang Parade, No. 5, Jalan SS16/1, 47500 Subang, Selangor Darul Ehsan Tel: 03-5632 6676	850
4. Oversea (Jaya 1) No. 35-LG1-1, Palm Square, Jaya One, No. 72A, Jalan Universiti, Block J, Section 13, 46200 Petaling Jaya, Selangor Darul Ehsan Tel: 03-7956 9911/ 7957 4929	700
5. Oversea (Bandar Baru Sri Petaling) No. 62-66, Jalan 1/149D, Bandar Baru Sri Petaling, 57000 Kuala Lumpur Tel: 03-9057 9911	900
6. Haewaytian Restaurant No. 57-65, Jalan Seenivasagam, 30450 Ipoh, Perak Darul Ridzuan Tel: 05-253 8005/ 253 1970	500
7. Haewaytian Restaurant No. 28, Jalan Datoh, 30000 Ipoh, Perak Darul Ridzuan Tel: 05-243 1199	1,140
<b>Café</b>	
1. Tsim Tung No. 18-28, Jalan Pandan Indah 4/6, Pandan Indah, 55100 Kuala Lumpur Tel: 03-4295 1896	400
<b>Dim sum outlet</b>	
1. Oversea Dian Xin No. 67, Jalan 1/149J, Bandar Baru Sri Petaling, 57000 Kuala Lumpur Tel: 03-9058 9911	100

# Corporate Structure



## Financial Highlights

The following table sets out a summary of the proforma consolidated results of the Group for the financial years ended 31 December 2007, 31 December 2008 and 31 December 2009 prepared based on the assumption that the Group has operated as a single economic entity throughout the financial years:-

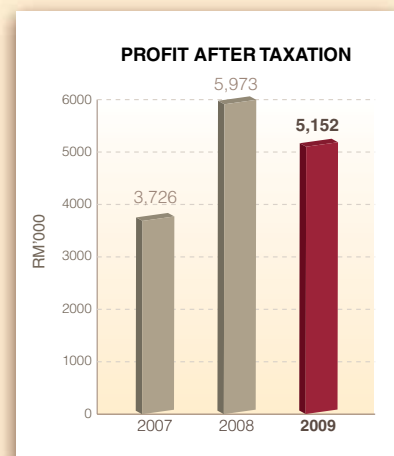
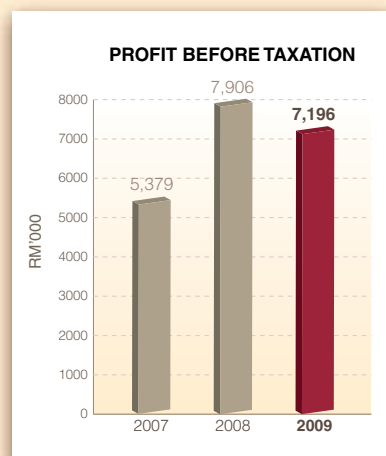
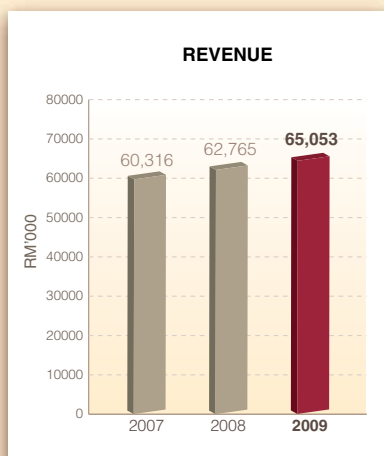
Year Ended	Revenue RM'000	Profit Before Taxation RM'000	Profit After Taxation RM'000
31 December 2007	60,316	5,379	3,726
31 December 2008	62,765	7,906 #	5,973 #
31 December 2009	65,053	7,196 @	5,152 @

**Notes:**

# included in the profit before tax and profit after tax for financial year ended 31 December 2008 is other income from insurance claim of approximately RM1.6 million relating to a fire accident in 2006 at Haewaytian Cake House Sdn. Bhd..

@ inclusive of expenses incurred pursuant to our Listing exercise amounting to approximately RM742,000, 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 Group of 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 statements of Oversea Enterprise Berhad and its Group of subsidiaries.



## Corporate Information

### BOARD OF DIRECTORS

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

**Lee Seng Fan**  
*Executive Director*

**Chiam Soon Hock**  
*Independent Non-Executive Director*

**Lee Pek Yoke**  
*Executive Director*

**Koong Lin Loong**  
*Independent Non-Executive Director*

**Yau Ming Teck**  
*Independent Non-Executive Director*

**Khong Yik Kam**  
*Executive Director*

### COMPANY SECRETARIES

Ng Bee Lian (MAICSA 7041392)  
Tan Enk Purn (MAICSA 7045521)

### 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

### SPONSOR

OSK Investment Bank Berhad (14152-V)  
20<sup>th</sup> Floor, Plaza OSK  
Jalan Ampang  
50450 Kuala Lumpur  
Tel. No. : 03-2333 8333  
Fax No. : 03-2175 3217

### REGISTERED OFFICE

Lot 13, Jalan Utarid U5/16  
Seksyen U5  
Kawasan Perindustrian "Mah Sing  
Integrated" 40150 Shah Alam  
Selangor Darul Ehsan  
Tel. No. : 03-7845 9680  
Fax No. : 03-7845 8060/7845 4848  
email : info@oversea.com.my

### PRINCIPAL BANKERS

Public Bank Berhad (6364-H)  
Hong Leong Bank Berhad (97141-X)  
United Overseas Bank (Malaysia) Bhd. (271809-K)

### AUDITORS AND REPORTING ACCOUNTANTS

Crowe Horwath (AF 1018)  
*(formerly known as Horwath)*  
Level 16, Tower C  
Megan Tower II  
12 Jalan Yap Kwan Seng  
50450 Kuala Lumpur  
Tel. No. : 03-2166 0000  
Fax No. : 03-2166 1000

### 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 Code : 0153

### WEBSITE ADDRESS

[www.oversea.com.my](http://www.oversea.com.my)

### INVESTOR RELATION

Persons to contact:-  
Goh Swee Huat (*Group Finance Manager*)  
Catherine Wong (*In-house Secretary*)

## Chairman's Statement

“Dear Shareholders,

*On behalf of the Board of Directors, I am pleased to present the Annual Report and Financial Statements of Overseas Enterprise Berhad and of the Group for the financial year ended 31 December 2009.*”

### ECONOMIC REVIEW

In year 2009, the business environment continues to be challenging for the Group due to an unprecedented financial crisis where many major banks have succumbed to the credit crunch, commodity prices and demand for goods and services had plummeted drastically across the globe and we have observed the unprecedented fiscal stimulus packages from government around the world trying to jump start their economies.

On the local front, our country is also not insulated from the economic downturn, however, the global economy began stabilizing in the second half of 2009 after governments worldwide commence intervention with stimulus plans. Likewise in Malaysia, the government has initiated efforts to stimulate the domestic economy such as increasing disposable income through introduction of various stimulus fiscal measures and incentives. For the fourth quarter 2009, the Malaysian economy had registered a positive growth of 4.5% with domestic demand increased by 3% following sustained growth in private consumption and higher public sector spending.

According to the Bank Negara Malaysia Annual Report of 2009, the food, beverages as well as the tobacco industry sector assisted in sustaining the domestic demand, especially food related industry. The industry ended the year on an encouraging note as output picked up by the end of the year.

### FINANCIAL PERFORMANCE

For the financial year ended 31 December 2009, the Group achieved a turnover of RM10,395,635 and profit before and after tax of RM2,241,571 and RM1,942,603 respectively. These results represented the post acquisition contributions from its subsidiary companies which were acquired on 28 October 2009 and 5 November 2009 respectively as an integral part of the Company's listing exercise. Consequently, the results announced was for a period of only about two (2) months. Had the acquisition of the subsidiary companies been completed at the beginning of Overseas's financial year, the Group would have

announced a turnover of RM65,052,524 and profit before and after tax of RM6,823,035 and RM5,152,453 respectively. Revenue from on-going operations should the acquisition of subsidiary companies been completed at the beginning of the financial year, had achieved another record year for Overseas Group – considering the challenging economic conditions. The year under review saw Overseas achieving our highest group revenues of RM65.1 million, surpassing by 3.7% the previous year's RM62.8 million. Operationally, the Group's manufacturing operations did especially well, with sales increasing 21.3% to RM10.2 million. Likewise our Group's gross profit contribution had recorded an increment of 8.0% to RM35.9 million representing a gross profit margin of 55.2% as compared to 52.9% of previous year.

As at 31 December 2009, the Group's shareholders' fund stood at RM39,530,365 whilst net assets per share is RM0.20.

The Group remains committed to its future strategic plans in expanding and upgrading its existing Chinese restaurants as well as expanding its chain of casual and contemporary Chinese restaurants and cafes, embarking on licensing programme via market penetration in new overseas countries and with more than thirty (30) years of presence in the Food and Beverage Industry, the Group continues to be one of the leading market players in the Chinese restaurant segment in Malaysia.

### GOING FORWARD

The Board is mindful of the current events taking place, in particular the financial crisis and the global recession looming and the rising cost in raw materials prices due to the climatic changes which affects the supply of these raw materials.



## Chairman's Statement

cont'd

The Board views 2010 optimistically and sees it as a year of opportunities. As consumer sentiments improved in the light of better economic climate, we seek to capitalize on it by getting closer to our consumers so as to respond better to their needs. Therefore, the Group is actively developing business strategies to increase end-consumers and intermediaries such as distributors, wholesalers and retailers. The Management is also committed in the implementation of various cost savings measures and improvement in efficiency in the production.

Independent recognition of achievement is a key measure of success for an organisation in the fulfilment of its goals. The Group is pleased to have received numerous awards and accreditations in the past years. In 2009, the Group was voted as one of the Asia's finest restaurants by Ate Media Pte Ltd in the Miele Guide 2009/2010 and Winner of Malaysia Independence Award 1957 under the "Star Company" category by the Secretariat of "Malaysia Independence Award 1957".

### CORPORATE DEVELOPMENTS

During the year, the following corporate events have taken place in the Group:-

- On 25.03.2010, 12,000,000 shares of 20 cents each representing 4.9 % of the total enlarged issued and paid up share capital were allotted to Malaysian public;
- On 25.03.2010, 35,400,000 shares of 20 cents each representing 14.4% of the total enlarged issued and paid up share capital was to identified investors by way of private placement;
- On 25.03.2010, 9,500,000 shares of 20 cents each representing 3.9% of the total enlarged issued and paid up share capital was issued to eligible Directors, employees and persons who have contributed to the success of the Company and its subsidiaries; and
- On 30.03.2010, 9,500,000 shares of 20 cents each representing 3.9% of the total enlarged issued and paid up share capital were credited to the identified investors by way of private placement.

Bursa Malaysia Securities Berhad had approved the listing of and quotation for the enlarged share capital of 245,000,000 shares of 20 cents each on 27 January 2010 and were subsequently listed on the ACE Market of Bursa Malaysia Securities Berhad on 1 April 2010.

On the status of the utilisation of the proceeds of the Initial Public Offering, the Company has yet to fully utilised the proceeds as at 30 April 2010 according to the Prospectus dated 15 March 2010 in the following manner:-

	Proposed Utilisation RM'000	Amount Utilised RM'000	Balance Unutilised RM'000
Capital expenditure and business expansion plans	6,050	-	6,050
Working capital	3,310	-	3,310
Repayment of borrowings	2,000	2,000	-
Estimated listing expenses	1,727	2,025	(298)
<b>Total</b>	<b>13,087</b>	<b>4,025</b>	<b>9,062</b>

### COMMITMENT TO CORPORATE SOCIAL RESPONSIBILITY

The Group undertakes its corporate social responsibility (CSR) conscientiously by doing business in a responsible manner for its shareholders, staffs and business associates at large. As one of the well known Group of restaurants, the Group believes it shall only deliver high quality food to fulfill its key business objectives and expectations of its shareholders but will be mindful of its social responsibilities. The Group will strike for a balanced approach. The CSR contributions of the Group, amongst others, include participations in the following activities:-

#### Donation

By caring and sharing, the Group has recently together with its staffs, contributed some funds to a less fortunate three (3) years old child who required urgent surgery and treatment as a result of suffering from leukaemia through Yayasan Sin Chew.

#### Human Resource

The Group also believes its human resources are an important asset and hence, constantly invest in its employees through, amongst others, the following:-

- the Group arranged relevant trainings programmes, courses and workshops, focusing on job related training and management development to enhance employees' job performance, upgrading of employees' skills, knowledge and career development;

## Chairman's Statement

*cont'd*

- ensuring the safety, health and welfare of employees are not compromised at the workplace, Group's insurance policies which cover medical, personal accident and hospitalisation are also provided for eligible employees;
- fulfilling the obligation of making contributions to EPF, Socso and etc;
- in order to promote the interaction among employees to strengthen the bonds of friendship and instil a sense of belonging, the Group organised various social activities such as monthly gatherings and outings for staffs on a yearly basis.

The Board recognises the importance of customers to its business and strive to meet and satisfy customers' needs with new products and services.

### **DIVIDENDS**

For the financial year under review, the Board of Directors does not recommend the payment of any dividend.

### **APPRECIATION**

On behalf of the Board, I would like to express my appreciation to all Directors, management and staff for their strong commitment and contribution towards the continued success of the Group. My appreciation also goes to our valued shareholders, bankers and business partners for their continued support and confidence in the Group.

Lastly, I would like to congratulate my fellow Directors, management and staff of the Group for the good performance in 2009 and I trust that we will all continue to work hard and strive for the continued success for the Group in the coming years.

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

## Board of Directors' Profile

### **YU SOO CHYE @ YEE SOO CHYE**

*Chairman/Group Managing Director  
65 years of age, Malaysian*

Mr. Yu has approximately fifty (50) 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 under Oversea Imbi in Kuala Lumpur. Subsequently in 1983, he converted the partnership into a private limited company. Since then, he has established a chain of seven (7) 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 Honoured 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 Keepers' Association. He is also the Chief Judge of Malaysia Cuisine Championship and Deputy Judge of The 4<sup>th</sup> 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 the member of the Remuneration Committee.

He is the spouse of Mdm. Lee Pek Yoke and the brother-in-law of Mr. Khong Yik Kam and Mr. Lee Seng Fan.

He has no conflict of interest with the Group and has not been convicted of any offences within the past ten (10) years.

### **LEE PEK YOKE**

*Executive Director  
56 years of age, Malaysian*

Mdm. Lee is 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 three (33) 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, sister of Mr. Lee Seng Fan and sister-in-law of Mr. Khong Yik Kam.

She has no conflict of interest with the Group and has not been convicted of any offences within the past ten (10) years.

### **KHONG YIK KAM**

*Executive Director  
61 years of age, Malaysian*

Mr. Khong started his career in 1968 when he joined United Engineering Group as a supervisor. He joined Oversea Group in 1985 and has approximately twenty five (25) 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. Lee Seng Fan.

He has no conflict of interest with the Group and has not been convicted of offences within the past ten (10) years.

## Board of Directors' Profile

*cont'd*

### LEE SENG FAN

*Executive Director*

*44 years of age, 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 four (24) 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 of Mdm. Lee Pek Yoke and brother-in-law of Mr. Yu Soo Chye @ Yee Soo Chye and Mr. Kong Yik Kam.

He has no conflict of interest with the Group and has not been convicted of any offences within the past ten (10) years.

### KOONG LIN LOONG

*Independent Non-Executive Director*

*46 years of age, Malaysian*

Mr. Koong is qualified as a Chartered Management Accountant in the United Kingdom; a member of the Malaysian Institute of Accountants; Certified Practising Accountant Australia; Certified Management Accountants Australia; Malaysian Institute of Taxation; Associate Member of Malaysian Association of Company Secretaries and the Institute of Internal Auditors Malaysia. Mr. Koong has extensive cross-border experiences in various industries which includes internal audit and control, feasibility study for Malaysian Listed Corporations and Hong Kong joint venture assignment in China, he represented Malaysian Chinese Youth Leaders delegation to China and Taiwan for a series of dialogue with respective leaders from both countries; he was also invited to Jakarta, Indonesia by People's Government of Guangdong Province of China for the 5th World Guangdong Convention and presented his paper at its Young Entrepreneur Forum. Currently, among others, he is the National Council Member of the Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM) and Deputy Chairman of its Small and Medium Enterprises (SMEs) and Exco cum Chairman of Economic Research Bureau of the Malaysia-China Chamber of Commerce (MCCC). Mr. Koong is the Managing Partner of LLKG INTERNATIONAL, Chartered Accounting Firm and Executive Director of K-Konsult Taxation Sdn. Bhd. and its group of companies. He is also an Independent Non-Executive Director of INS Bioscience Berhad.

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.

He has no family relationship with any Director/major shareholder of the Company.

He has no conflict of interest with the Group and has not been convicted of any offences within the past ten (10) years.

## Board of Directors' Profile

cont'd

### **CHIAM SOON HOCK**

*Independent Non-Executive Director  
62 years of age, 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 and a Corporate Member of the Institute of Engineers, Malaysia. 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 has no family relationship with any Director/major shareholder of the Company.

Mr. Chiam has no conflict of interest with the Group and has not been convicted of offences within the past ten (10) years.

### **YAU MING TECK**

*Independent Non-Executive Director  
39 years of age, 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 fifteen (15) 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 Securities as a corporate finance manager and last served as a financial controller of another company listed on the Main Board of Bursa Securities 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 has no family relationship with any Director/major shareholder of the Company.

He has no conflict of interest with the Group and has not been convicted of any offences within the past ten (10) years.

## Statement of Corporate Governance

The Malaysian Code on Corporate Governance (the Code) sets out basic principles and best practices on structures and processes that companies may adopt in their operations towards achieving the optimal governance framework.

The Board of Directors of Oversea Enterprise Berhad (the Company) is committed 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 for the ACE Market of Bursa Malaysia Securities Berhad, the Board of Directors are pleased to present the report on how the Group has applied the principles of the Code and the extent of compliance with the best practices provision.

### THE BOARD OF DIRECTORS

The Board assumes responsibility for leading and controlling the Group towards realizing long term shareholders value. The Board has the overall responsibilities for corporate governance, strategic direction, formulation of policies and overseeing the investment and business of the Group. The Board has established a formal schedule of matters reserved to itself for decision, this include the overall Group strategy and direction, corporate plans and budget, acquisition and divestment policies, major capital expenditures and significant financial matters.

The Board has in place clear terms of reference for the Board, the Chairman and the Executive Directors, spelling out their duties and responsibilities.

#### Composition of the Board

The Board currently has seven (7) members, comprising of three (3) Independent Non-Executive Directors and four (4) Executive Directors. The Company is in compliance with the Listing Requirements which requires one third (1/3) of total number of Directors being Independent Directors. Collectively the Directors have a wide range of business, financial and technical experience. This mix of skills and experience is vital for the successful direction of the Group.

A brief profile of each Director is presented in this annual report on pages 10 to 12.

#### Board Balance

The role of the Chairman and the Group Managing Director are currently not separated. The Group Managing Director is primarily responsible for the orderly conduct and the working of the Board, day-to-day running of the business and implementation of Board policies and decisions. There is sufficient balance of Executive Directors such that decision made are fully discussed and examined taking into account the long term interest of shareholders, employees, customers and other communities in which the Group conducts its business. Represented on the Board are three (3) Independent Non-Executive Directors who provide unbiased and independent views, advice and judgment, as well to safeguard the interest of other parties such as minority shareholders.

The Board would review the term of office and performance at each and every Audit Committee member at least once in every three (3) years pursuant to paragraph 15.20 of the Listing Requirements for the ACE Market of Bursa Malaysia Securities Berhad.

#### Board Meetings

As the Company was listed on the ACE Market of Bursa Malaysia Securities Berhad on 1 April 2010, the Company did not hold any Board of Directors' Meeting during the financial year ended 31 December 2009.

The Board will meet regularly and all proceedings at the Board Meetings are to be properly minuted and signed by the Chairman. The Board Meetings are to be scheduled in advance prior to the start of the financial year and are formally structured with pre-set agenda and Board papers covering corporate and financial developments circulated to the Directors before the meetings are held.

In the intervals between Board Meetings, for any matters requiring Board decisions, Board approvals are obtained through circular resolutions.

## Statement of Corporate Governance

cont'd

### RE-ELECTION

The Articles of Association of the Company provides that at least one third (1/3) of the Directors including the Group Managing Director are subject to retirement by rotation at each Annual General Meeting at least once in three (3) years but shall be eligible for re-election and that each Directors shall offer himself for re-election. Directors who are appointed by the Board during the financial year are subject to re-election by the shareholders at the next Annual General Meeting held following their appointments. Directors over seventy (70) years of age are required to subject themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

### SUPPLY OF INFORMATION

Board Members are provided with all relevant papers and reports in advance of each Board and Committee Meeting in accordance to the agenda for discussion. This ensures that Directors have sufficient time to appreciate issues deliberated at meetings and expedites the decision making process. Senior management staff are invited to attend Board or Committee Meetings to present the financial performance, reports or other proposals affecting the business areas as and when and where necessary.

The Board have direct access to the advice and services of the Company Secretary who is responsible for ensuring that Board procedures are followed and the regulatory requirements are met.

The Directors are also given access to seek independently professional advice when necessary at the Company's expense.

### DIRECTORS' TRAINING

The Directors are mindful that appropriate trainings are required from time to time to keep them abreast with the development of the industry as well as comply with the statutory and regulatory requirements.

Save for Mdm. Lee Pek Yoke who will be attending the Mandatory Accreditation Programme (MAP) in June 2010, all the Directors have completed the MAP pursuant to the requirements of the ACE Market of Bursa Malaysia Securities Berhad. The Board encourages the Directors to attend talks, workshops, seminars and conferences to update and enhances their skills and knowledge to keep abreast with the changing business developments relevant to the industry within which the Group operates.

During the financial year, the Directors were briefed by the Company Secretary on the compliance of the Listing Requirements of the ACE Market of Bursa Malaysia Securities Berhad, especially on the regulations in relation to the dealings of securities during the closed periods.

### BOARD COMMITTEE

The following Board Committees have been established to assist the Board in execution of its duties and responsibilities. The functions and terms of reference of the Committees as well as authority delegated by the Board to these Committees are clearly defined.

#### Audit Committee

The Board is assisted by the Audit Committee, whose composition, duties and responsibilities and summary of its activities during the financial year are set out in the Audit Committee Report on pages 18 to 20 of the Annual Report.

#### Nominating Committee

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

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

## Statement of Corporate Governance

cont'd

### BOARD COMMITTEE cont'd

The Nominating Committee is to assist the Board in assessing the effectiveness of the Board as a whole and Board Committee and assessing the contributions of each individual Director including Chief Executive Director, if any, on an annual basis.

The Nominating Committee is also responsible for nominating the right candidate with the required skills, experience and attributes for recommendation to and appointment by the Board wherever the need arises.

### Remuneration Committee

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

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

The Remuneration Committee is responsible for recommending to the Board the remuneration packages of the Executive Directors, whilst the Board as a whole determines the remuneration of the Non-Executive Directors. Individual Directors do not participate in discussion or decision concerning their own remuneration packages.

### DIRECTORS' REMUNERATION

The remuneration policy of the Company for Executive Directors is structured to link rewards to corporate and individual performance. As for Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the particular Non-Executive Director concerned.

It is the Board's and Remuneration Committee's duty to ensure that the level of remuneration is sufficient to attract and retain the Directors of the caliber needed to run the Group successfully.

The Remuneration Committee will deliberate and submit its recommendations to the Board for their endorsement. During the Board's deliberation in the respective Director's remuneration, the Directors play no part in deciding their own remuneration and shall abstain from discussion and decision in respect of their own remuneration.

The Directors are satisfied that the current level of remuneration is in line with the responsibilities expected in the Group.

The aggregate remuneration paid to the Directors of the Company for the financial year ended 31 December 2009 is as follows:-

Category	Fees RM	Salaries & Allowance RM	Other Emoluments RM	Total RM
Executive Directors	-	-	-	-
Non-Executive Directors	18,000.00	-	-	18,000.00

The number of Directors whose remuneration falls into the respective bands is as follows:-

Range of Remuneration inclusive Attendance Allowance (RM)	Executive Directors	Non-Executive Directors
Below 25,000	-	3

\* The above remuneration was paid for the months from November to December 2009.



# Statement of Corporate Governance

cont'd

## INVESTORS RELATIONS AND SHAREHOLDERS COMMUNICATION

### Shareholders

The Group recognizes the importance of accountability to its shareholders and investors through timely and proper communications. Press release and announcements for public dissemination are made as and when there are significant corporate events. Bursa Malaysia Securities Berhad also provides for the Company to electronically publish all its announcements, including full version of its quarterly financial results, announcements and Annual Report which can be accessed through Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com)

The Annual General Meeting (AGM) is the principal forum of dialogue with the shareholders and also an avenue for the Chairman and Board members to respond personally to all queries and undertake to provide sufficient clarification on issues and concerns raised by the shareholders.

Other than the forum of the AGM, the other medium of communication between the Company and shareholders and/or investors are as follows:-

- quarterly financial statements and annual reports;
- announcements on major developments to the Bursa Malaysia Securities Berhad;
- the Company's general meetings; and
- the Company's website at [www.oversea.com.my](http://www.oversea.com.my)

### Disclosures

The Board is fully committed in providing and presenting a true and fair view of the financial performances and future prospects in the industry. This is provided through the quarterly, half yearly and annual financial statements as well as the Annual Reports.

The Board also recognizes the need to fully disclose to shareholders all major developments in relation to the Group on a timely basis. Therefore, in addition to the mandatory disclosures requirement by Bursa Malaysia as well as other corporate disclosures, the Company also maintains a website at [www.oversea.com.my](http://www.oversea.com.my) for access by the public and shareholders.

## ACCOUNTABILITY AND AUDIT

### Financial Reporting

The Board of Directors is responsible to present a balanced and understandable assessment of the Group's position and prospects through the annual financial statements, quarterly and half yearly announcement of results to the shareholders as well as the Chairman's statement and review of operations in the Annual Report. The Company's financial statements are drawn up in accordance with the provision of the Companies Act, 1965 and the approved accounting standards in Malaysia. The Board is responsible to ensure that the financial statements of the Group and its subsidiaries give a true and fair view of the state of affairs of the Group at the end of the financial year and of their operations and cashflows for the financial year then ended. The Audit Committee of the Board assists by scrutinizing the information to be disclosed to ensure accuracy and adequacy. A full Statement of Directors' Responsibility is enclosed in page 34 of the Annual Report.

### Internal Control Statement

The Board has overall responsibilities for corporate governance and the development of sound internal control system for the Group to achieve its objectives within the acceptable risk profile as well as safeguarding shareholders' interest and the Group's assets.

The Board is considering outsourcing the services of internal audit, taking into consideration of their scopes of works and service fees.

## Statement of Corporate Governance

*cont'd*

### ACCOUNTABILITY AND AUDIT *cont'd*

#### Audit Committee

The Group's financial reporting and internal control system is overseen by the Audit Committee which comprises of three (3) Independent Non-Executive Directors. The composition, terms of reference and summary of the activities of the Audit Committee during the financial year are disclosed in the Audit Committee Report.

#### Relationship with Auditors

The Company has established transparent and appropriate relationship with the Company's Internal and External Auditors. The Auditors are also under the obligation to highlight to the Audit Committee and the Board on matters that require their attention. The Internal and External Auditors attend meetings of the Audit Committee when necessary to review issues in relation to the audit of the Group's financial statements.

### COMPLIANCE WITH BEST PRACTICES

Save as disclosed below, the Group is in general compliance with the Best Practices in Corporate Governance set out in Part 2 of 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, will abstain from all deliberations and voting on matters, which he is directly or deemed interested.

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

## Audit Committee Report

The Board of Directors is pleased to present the report of the Audit Committee (AC) for the financial year ended 31 December 2009.

### COMPOSITION

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

The Committee shall be appointed by the Board of Directors from amongst the Directors of the Company and consist of not less than three (3) members. All the AC members must be Non-Executive Directors, with a majority of whom must be independent. The members of the AC shall elect the Chairman from among their number who shall be an Independent Non-Executive Director. No Alternate Director shall be appointed as a member of the AC.

At least one (1) of the members of the AC must be a member of the Malaysian Institute of Accountants, or if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years of working experience and either must have passed the examinations specified in Part I of the First Schedule of Accountants Act, 1967, or 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 fulfils such other requirements as prescribed or approved by the Bursa Securities.

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.

### MEMBERS

**Koong Lin Loong** - *Chairman*  
*Independent Non-Executive Director*  
*Member of the Malaysian Institute of Accountants*

**Yau Ming Teck** - *Member*  
*Independent Non-Executive Director*

**Chiam Soon Hock** - *Member*  
*Independent Non-Executive Director*

### 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

- (a) The AC shall convene a minimum of four (4) meetings a year, although additional meetings may be called at any time at the AC Chairman's discretion or if requested by any AC member, the management, the External or Internal Auditors.
- (b) 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.
- (c) The AC members shall meet with the External Auditors without Executive Board members at least twice a year.

## Audit Committee Report

*cont'd*

### MEETINGS *cont'd*

- (d) 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.
- (e) The quorum for each meeting shall be at least two (2) independent members.
- (f) The Company Secretary shall be the Secretary to the AC.
- (g) 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.

### ATTENDANCE

There was no meeting held during the financial year ended 31 December 2009 as the AC was only established on 6 November 2009 and the Company was listed on the ACE Market of Bursa Malaysia Securities Berhad on 1 April 2010.

### TERMS OF REFERENCE

#### Authority

- a) The AC is authorized by the Board of Directors 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 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 before submission to the Board of Directors, focusing particularly on:
  - ❖ public announcements of results and dividend payment;
  - ❖ any changes in accounting policies and practices;
  - ❖ major judgmental areas;
  - ❖ significant adjustments resulting from the audit;
  - ❖ the going-concern assumptions;
  - ❖ compliance with accounting standards; and
  - ❖ compliance with stock exchange and legal requirements.

# Audit Committee Report

*cont'd*

## TERMS OF REFERENCE *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, if applicable;
- 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 of Directors.

### Reporting Procedures

The AC is authorized to regulate its own procedure and 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 of Directors.

### Summary of Activities

There were no activities carried out during the financial year ended 31 December 2009 as the AC was only established on 6 November 2009 and the Company was listed on the ACE Market of Bursa Malaysia Securities Berhad on 1 April 2010.

## INTERNAL AUDIT FUNCTION

The Company recognised that an internal audit function is essential to ensuring the effectiveness of the Group's systems of internal control and is an integral part of the risk management process. The Company does not have an internal audit function, but is in the midst of considering the use of qualified professionals to review and assess the internal audit function of the Group on an ad-hoc basis.

The internal audit function shall be independent of the activities or operation it audits and reports directly to the AC. The Internal Auditor shall undertake the audit of the Group's operating units, reviewing the units' compliance to internal control procedures, highlighting weaknesses and making appropriate recommendations for improvement.

## Remuneration Committee Report

### REMUNERATION COMMITTEE (RC) AND TERMS OF REFERENCE

The RC 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 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 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;
- iv. to recommend to the Board the appointment of the services of such advisers or consultants as it deems necessary to fulfill its responsibilities;

## Remuneration Committee Report

*cont'd*

### REMUNERATION COMMITTEE (RC) AND TERMS OF REFERENCE *cont'd*

#### 5. Duties and Responsibilities *cont'd*

- 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 year ended 31 December 2009, there was no meeting held as the Company was listed on the ACE Market of Bursa Malaysia Securities Berhad on 1 April 2010.

## Nominating Committee Report

### NOMINATING COMMITTEE (NC) AND TERMS OF REFERENCE

The NC comprises of the following Directors:-

**Yau Ming Teck** - *Chairman*  
*Independent Non-Executive Director*

**Koong Lin Loong** - *Member*  
*Independent Non-Executive Director*

**Chiam Soon Hock** - *Member*  
*Independent Non-Executive Director*

The Terms of Reference of the Nominating Committee (NC) are as follows:

#### 1. Objectives

In accordance with the Malaysian Code on Corporate Governance, the NC is set up to provide recommendations to the Board candidates for all directorships of the Company. The final decision on the appointment of any Directors of the Company shall be made by the Board.

The NC shall:

- recommend to the Board, candidates for all directorships to be filled by the shareholders or the Board. In making its recommendations, the NC should consider the candidates' skills, knowledge, expertise and experience; professionalism; integrity; and in the case of candidates for the position of independent Non-Executive Directors, the NC should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from independent non-executive directors;
- consider, in making its recommendations, candidates for directorships proposed by the Chief Executive Officer and, within the bounds of practicability, by any other Senior Executive or any Director or shareholder; and
- recommend to the Board, Directors to fill the seats on Board Committees.

#### 2. Size and Composition

The NC shall consist wholly of Non-Executive Directors. The members of the NC shall elect a Chairman from amongst its members who shall be an independent Non-Executive Director. 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.

#### 3. Meetings and Procedures

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.

#### 4. Secretary

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

#### 5. Duties and Responsibilities

- i. to review regularly the Board structure, size and composition and make recommendations to the Board with regard to any adjustments thereof and/or the appointment of Directors, as the NC deems necessary;



# Nominating Committee Report

*cont'd*

## **NOMINATING COMMITTEE AND TERMS OF REFERENCE** *cont'd*

### **5. Duties and Responsibilities** *cont'd*

- ii. to consider, in making its recommendations, candidates for directorships proposed by the Chief Executive Officer and, within the bounds of practicability, by any other Senior Executive or any Director or shareholder as well as to make recommendations to put in place the plans for succession;
- iii. to recommend to the Board for continuation or discontinuation in service of Directors as an Executive Director or Non-Executive Director;
- iv. to recommend Directors who are retiring by rotation to be put forward for re-election;
- v. to recommend the continuation (or not) in service of any Director who has reached the age of seventy (70);
- vi. to establish a mechanism for the formal assessment on the effectiveness of the Board as a whole and the contribution of the Board's various committees and the performance of the Managing Director, Chief Executive Officer and other key Senior Management Officers. The annual assessment to be conducted would be based on objective performance criteria as approved by the Board;
- vii. to recommend to the Board the removal of a Director/Managing Director/key Senior Management Officers from the Board/Management if the said Director/Managing Director/key Senior Management Officer is ineffective, errant and negligent in discharging his responsibilities;
- viii. to ensure that all the Directors receive appropriate continuous training programmes in order to keep abreast with developments in the industry and with changes in the relevant statutory and regulatory requirements;
- ix. to recommend to the Board the engagement of the services of such adviser as it deems necessary to fulfill the Board's responsibilities; and
- x. 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 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.

During the financial year ended 31 December 2009, no meeting was held as the Company was listed on the ACE Market of Bursa Malaysia Securities Berhad on 1 April 2010.

## Statement of Internal Control

The Malaysian Code of Corporate Governance requires listed companies to maintain a sound system of internal controls to safeguard shareholders' investments and the Group's assets.

The Listing Requirements for the ACE Market of Bursa Malaysia Securities Berhad require Directors of listed companies to include a statement on the state of their internal controls in their Annual Reports.

### RESPONSIBILITY FOR RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors recognizes the importance to maintain a sound system of internal controls to safeguard shareholders' investments and the Group's assets. The Board will, amongst others, identify principal risks and ensuring the implementation of appropriate system to manage risks. The Board affirms its overall responsibility for the Group's internal control systems and for reviewing the adequacy and integrity of the Company's internal control systems and management systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines. However, such systems are designed to manage rather than eliminate the possibility of poor judgment in decision-making, human error, control process being deliberately circumvented by employees and the risk of failure to achieve business objectives. Therefore, it should be noted that any system can provide only a reasonable and not absolute assurance against material misstatement, fraud or losses or breaches of law.

### SYSTEM OF INTERNAL CONTROL

The key measures implemented in the Group for ensuring and reviewing the effectiveness of the system of internal controls are as follows:-

- (i) an organization structure with formally distinct lines of responsibility, proper segregation of duties and delegation of authority;
- (ii) a management reporting system in place to facilitate timely generation and monitoring of financial information for management review and decision;
- (iii) Quarterly and annual financial results are reviewed by the Audit Committee;
- (iv) A budgeting process which establishes plans and target against which performance are monitored on an on-going basis;
- (v) The Group's management team meets regularly to review the monthly report, monitors the business development, discussion and resolves key operations and management issues and reviews the financial performance against the budget; and
- (iv) The Audit Committee will review the internal audit functions, internal audit reports and monitors the status of the implementation of corrective actions to address internal control weaknesses, if any

### INTERNAL AUDIT FUNCTION

In accordance with the Malaysian Code on Corporate Governance, the Board has established an internal audit function to review the adequacy and integrity of its systems of internal controls.

The internal audit function is independent of its activities and reports to the Audit Committee. The internal audit function includes reviewing and assessing the internal controls activities of the Company and its subsidiary companies and reports to the Audit Committee on four (4) times annual basis.

The Board is considering outsourcing specific control processes for internal audit to a professional firm who reports directly to the Audit Committee. The firm will assess the effectiveness of internal controls in relation to specific critical control processes and highlight significant risks impacting the Group.

For the financial year ended 31 December 2009, due to the effective monitoring of the internal control systems of the Group, there was no material misstatements and losses incurred during the financial year under review.

This Statement was made in accordance with the resolution of the Board dated 17 May 2010.

## Other Information

### 1. NON AUDIT FEES

The amount of non audit fees paid to external auditors and its affiliates for the financial year ended 31 December 2009 amounted to RM4,370.

### 2. REVALUATION POLICY ON LANDED PROPERTIES

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

### 3. SHARE BUY-BACK

There was no share buy-back during the financial year ended 31 December 2009

### 4. SANCTIONS AND/OR PENALTIES IMPOSED

There was no public sanctions and/or penalties imposed on the Company and its 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, 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 December 2009.

### 7. VARIATION OF RESULTS

The company did not make any release on the profit estimate, forecast or projection for the financial year.

### 8. UTILISATION OF PROCEEDS

As at the date of this report, the gross proceeds of RM13,087,000.00 raised from the public issues pursuant to the Listing of the Company on the ACE Market of Bursa Malaysia Securities Berhad has been utilised in the following manner:-

Description	Proposed Utilisation RM'000	Amount Utilised RM'000	Balance Unutilised RM'000
Capital expenditure and business expansion plans	6,050	-	6,050
Working capital	3,310	-	3,310
Repayment of borrowings	2,000	2,000	-
Estimated listing expenses	1,727	2,025	(298)
<b>Total</b>	<b>13,087</b>	<b>4,025</b>	<b>9,062</b>

The under estimation of listing expenses will be covered by working capital portion.

### 9. PROFIT GUARANTEE

There was no profit guarantee given by the Company during the financial year ended 31 December 2009.

## Other Information

*cont'd*

**10. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES**

There was no exercise of options, warrants or convertible securities during the financial year ended 31 December 2009.

**11. RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE**

At the forthcoming Annual General Meeting to be held on 18 June 2010, 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 24 May 2010 attached to this Annual Report.



# 海外

大飯店

## FINANCIAL STATEMENTS



Directors' Report	30
Statement by Directors	34
Statutory Declaration	34
Independent Auditors' Report	35
Balance Sheets	37
Income Statements	39
Statements of Changes in Equity	40
Cash Flow Statements	41
Notes to the Financial Statements	43



## Directors' Report

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2009.

### CHANGE OF NAME

On 23 September 2009, the Company changed its name from Restoran Oversea Corporation Sdn. Bhd. to Oversea Enterprise Sdn. Bhd.

### CONVERSION OF PRIVATE COMPANY TO PUBLIC COMPANY

On 6 November 2009, the Company was converted from a private limited company to a public company limited by shares and assumed its present name, Oversea Enterprise Berhad.

### PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are disclosed in Note 6 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/(Loss) after taxation	1,942,603	(698,832)

### DIVIDENDS

No dividend was paid since the end of the previous financial year and the directors do not recommend the payment of any 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) the Company sub-divided its authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each to 500,000 ordinary shares of RM0.20 each;
- (b) the Company increased its authorised share capital from RM100,000 to RM100,000,000 by the creation of 499,500,000 new ordinary shares of RM0.20 each;
- (c) the Company increased its issued and paid-up share capital from RM4 to RM37,620,000 by the allotment of 188,099,980 new ordinary shares of RM0.20 each at par. The shares were issued for the acquisition of subsidiaries pursuant to the Flotation Exercise, the details of which are set out in Note 38 to the financial statements. The shares were issued for the acquisition of subsidiaries. The new shares issued rank pari passu in all respects with the existing shares of the Company; and
- (d) there were no issues of debentures by the Company.

## Directors' Report

*cont'd*

### 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.

### 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 doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

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 doubtful debts 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

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

- (a) any charge that has arisen since the end of the financial year which has arisen on the assets of the Group and of the Company 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.



## Directors' Report

cont'd

### 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

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

Yu Soo Chye @ Yee Soo Chye	<i>(Appointed on 6 November 2009)</i>
Lee Pek Yoke	<i>(Appointed on 6 November 2009)</i>
Khong Yik Kam	<i>(Appointed on 6 November 2009)</i>
Lee Seng Fan	<i>(Appointed on 6 November 2009)</i>
Yau Ming Teck	<i>(Appointed on 6 November 2009)</i>
Chiam Soon Hock	<i>(Appointed on 6 November 2009)</i>
Koong Lin Loong	<i>(Appointed on 6 November 2009)</i>
Goh Swee Huat	<i>(Resigned on 6 November 2009)</i>
Wong Mee Ling	<i>(Resigned on 6 November 2009)</i>

### DIRECTORS' INTERESTS

In accordance with the register of directors' shareholdings, the interests of the directors in office at the end of the financial year in shares in the Company during the financial year are as follows:-

	Number of Ordinary Shares of RM0.20 Each			
	At 1.1.2009/ Date of Appointment	Bought	Sold	At 31.12.2009
<b>Direct Interests</b>				
Yu Soo Chye @ Yee Soo Chye	82,044,270	-	-	82,044,270
Lee Pek Yoke	22,255,593	-	-	22,255,593
Khong Yik Kam	12,752,438	-	-	12,752,438
Lee Seng Fan	5,668,496	-	-	5,668,496
<b>Indirect Interest</b>				
Lee Seng Fan	55,398,358	-	-	55,398,358

By virtue of their interests in shares in the Company, Yu Soo Chye @ Yee Soo Chye, Lee Pek Yoke and Lee Seng Fan are deemed to have interests in shares in its related corporations to the extent of the Company's interest, in accordance with Section 6A of the Companies Act 1965.

The other directors holding office at the end of the financial year did not have any 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 Group and the Company with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest 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 Company or its subsidiaries 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.

### **SIGNIFICANT EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE**

The significant events subsequent to the balance sheet date are disclosed in Note 39 to the financial statements.

### **AUDITORS**

The auditors, Messrs. Crowe Horwath (formerly known as Messrs. Horwath), have expressed their willingness to continue in office.

Signed in Accordance with a Resolution of the Directors

24 February 2010

**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 (formerly known as Restoran Oversea Corporation Sdn. Bhd.), state that, in the opinion of the directors, the financial statements set out on pages 37 to 75 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2009 and of their results and cash flows for the financial year ended on that date.

Signed in Accordance with a Resolution of the Directors

24 February 2010

**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 (formerly known as Restoran Oversea Corporation Sdn. Bhd.), do solemnly and sincerely declare that the financial statements set out on pages 37 to 75 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 24 February 2010

**Yu Soo Chye @ Yee Soo Chye**

Before me

## Independent Auditors' Report to the Members of Oversea Enterprise Berhad (Incorporated in Malaysia)

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Oversea Enterprise Berhad, which comprise the balance sheets as at 31 December 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 37 to 75.

#### Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

#### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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 Company'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 have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2009 and of their financial performance and cash flows for the financial year then ended.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

## Independent Auditors' Report

to the Members of Oversea Enterprise Berhad (Incorporated in Malaysia)  
*cont'd*

### 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

Kuala Lumpur

24 February 2010

#### **Lee Kok Wai**

Approval No: 2760/06/10 (J)  
Partner

## Balance Sheets

at 31 December 2009

	Note	The Group 2009 RM	The Company 2009 RM	2008 RM
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Investment in subsidiaries	6	-	37,620,010	-
Property, plant and equipment	7	26,869,471	-	-
Investment properties	8	7,722,404	-	-
Prepaid land lease payments	9	2,745,604	-	-
Other investments	10	653,062	-	-
Intangible asset	11	82,826	-	-
Long-term receivables	12	32,000	-	-
		38,105,367	37,620,010	-
<b>CURRENT ASSETS</b>				
Inventories	13	5,165,018	-	-
Trade receivables	14	3,439,059	-	-
Other receivables, deposits and prepayments		2,312,827	199,432	-
Tax refundable		1,289,732	-	-
Fixed deposits with licensed banks	15	3,302,398	-	-
Cash and bank balances		5,946,262	4	4
		21,455,296	199,436	4
<b>TOTAL ASSETS</b>		59,560,663	37,819,446	4

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

## Balance Sheets

at 31 December 2009

cont'd

	Note	The Group 2009 RM	The Company 2009 RM	2008 RM
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Share capital	16	37,620,000	37,620,000	4
Retained profit/(Accumulated losses)		1,910,365	(731,070)	(32,238)
<b>TOTAL EQUITY</b>		<b>39,530,365</b>	<b>36,888,930</b>	<b>(32,234)</b>
<b>NON-CURRENT LIABILITIES</b>				
Long-term borrowings	17	7,309,024	-	-
Deferred tax liabilities	20	686,500	-	-
		7,995,524	-	-
<b>CURRENT LIABILITIES</b>				
Trade payables	21	6,106,876	-	-
Other payables and accruals	22	4,341,368	39,002	1,000
Amount owing to a subsidiary	23	-	891,502	31,238
Amount owing to directors	24	8,486	12	-
Short-term borrowings	25	715,913	-	-
Bank overdrafts	26	853,798	-	-
Provision for taxation		8,333	-	-
		12,034,774	930,516	32,238
<b>TOTAL LIABILITIES</b>		<b>20,030,298</b>	<b>930,516</b>	<b>32,238</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>59,560,663</b>	<b>37,819,446</b>	<b>4</b>

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

## Income Statements

for the Financial Year Ended 31 December 2009

	Note	The Group 2009 RM	The Company 2009 RM	2008 RM
<b>REVENUE</b>	27	10,395,635	-	-
<b>COST OF SALES</b>		(4,743,983)	-	-
<b>GROSS PROFIT</b>		5,651,652	-	-
<b>OTHER INCOME</b>		3,199,276	-	-
		8,850,928	-	-
<b>SELLING AND DISTRIBUTION EXPENSES</b>		(3,943,413)	-	-
<b>ADMINISTRATIVE EXPENSES</b>		(2,588,666)	(698,832)	(2,685)
<b>FINANCE COSTS</b>		(77,278)	-	-
<b>PROFIT/(LOSS) BEFORE TAXATION</b>	28	2,241,571	(698,832)	(2,685)
<b>INCOME TAX EXPENSE</b>	29	(298,968)	-	-
<b>PROFIT/(LOSS) AFTER TAXATION</b>		1,942,603	(698,832)	(2,685)
<b>ATTRIBUTABLE TO:-</b>				
Equity holders of the Company		1,942,603	(698,832)	(2,685)
<b>EARNINGS PER SHARE</b>				
- basic (sen)	30	31	-	-
- diluted (sen)	30	Not applicable	-	-

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



## Statements of Changes in Equity

for the Financial Year Ended 31 December 2009

	Note	Share Capital RM	(Accumulated Losses)/ Retained Profit RM	Total RM
<b>THE GROUP</b>				
Balance at 1.1.2009		4	(32,238)	(32,234)
Shares issued pursuant to the acquisition of subsidiaries	16	37,619,996	-	37,619,996
Profit after taxation for the financial year		-	1,942,603	1,942,603
Balance at 31.12.2009		37,620,000	1,910,365	39,530,365
<b>THE COMPANY</b>				
Balance at 1.1.2008		4	(29,553)	(29,549)
Loss for the financial year		-	(2,685)	(2,685)
Balance at 31.12.2008/1.1.2009		4	(32,238)	(32,234)
Shares issued pursuant to the acquisition of subsidiaries	16	37,619,996	-	37,619,996
Loss for the financial year		-	(698,832)	(698,832)
Balance at 31.12.2009		37,620,000	(731,070)	36,888,930

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

## Cash Flow Statements

for the Financial Year Ended 31 December 2009

	The Group	The Company	
	2009	2009	2008
	RM	RM	RM
<b>CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES</b>			
Profit/(Loss) before taxation	2,241,571	(698,832)	(2,685)
Adjustments for:-			
Allowance for doubtful debts	50,110	-	-
Amortisation of intangible asset	6,309	-	-
Amortisation of prepaid land lease payments	12,371	-	-
Bad debts written off	3,808	-	-
Depreciation of property, plant and equipment	510,135	-	-
Impairment loss of goodwill on consolidation	772,326	-	-
Interest expense	76,932	-	-
Interest income	(9,731)	-	-
Gain on disposal of property, plant and equipment	(18,999)	-	-
Excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets and liabilities over the business combination costs arising from the acquisition of subsidiaries	(3,025,071)	-	-
Writeback of allowance for doubtful debts	(57,338)	-	-
Operating profit/(loss) before working capital changes	562,423	(698,832)	(2,685)
Decrease in inventories	186,751	-	-
Decrease/(Increase) in trade and other receivables	35,454,609	(199,432)	-
(Decrease)/Increase in trade and other payables	(29,171,532)	38,002	1,000
<b>CASH FROM/(FOR) OPERATIONS</b>	7,032,251	(860,262)	(1,685)
Income tax paid	(345,462)	-	-
<b>NET CASH FROM/(FOR) OPERATING ACTIVITIES CARRIED FORWARD</b>	6,686,789	(860,262)	(1,685)

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

## Cash Flow Statements

for the Financial Year Ended 31 December 2009

cont'd

	Note	The Group 2009 RM	The Company 2009 RM	2008 RM
<b>NET CASH FROM/(FOR) OPERATING ACTIVITIES BROUGHT FORWARD</b>		6,686,789	(860,262)	(1,685)
<b>CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES</b>				
Interest received		9,731	-	-
Net cash inflows from the acquisition of subsidiaries	31	4,735,009	(14)	-
Payment for intangible assets		(2,364)	-	-
Proceeds from disposal of property, plant and equipment		19,001	-	-
Purchase of property, plant and equipment		(2,876,663)	-	-
<b>NET CASH FROM/(FOR) INVESTING ACTIVITIES</b>		1,884,714	(14)	-
<b>CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES</b>				
Advances from a subsidiary		-	860,264	1,685
Advances from directors		8,486	12	-
Interest paid		(76,932)	-	-
Repayment of hire purchase obligations		(18,465)	-	-
Repayment of term loans		(89,734)	-	-
<b>NET CASH (FOR)/FROM FINANCING ACTIVITIES</b>		(176,645)	860,276	1,685
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		8,394,858	-	-
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>		4	4	4
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	32	8,394,862	4	4

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

## Notes to the Financial Statements

for the Financial Year Ended 31 December 2009

### 1. GENERAL INFORMATION

The Company is a private company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office : 10<sup>th</sup> Floor, Menara Hap Seng,  
1 & 3 Jalan P. Ramlee, 50250 Kuala Lumpur.

Principal place of business : Lot 13, Jalan Utarid U5/16, Seksyen U5,  
Kawasan Perindustrian "Mah Sing Integrated",  
40150 Shah Alam, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 24 February 2010.

### 2. PRINCIPAL ACTIVITY

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

### 3. FINANCIAL RISK MANAGEMENT POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its market, credit, liquidity and cash flow risks. The policies in respect of the major areas of treasury activity are as follows:-

#### (a) Market Risk

##### (i) Foreign Currency Risk

The Group does not have any foreign currency transactions, assets or liabilities and hence is not exposed to foreign currency risks.

##### (ii) Interest Rate Risk

The Group obtains financing through bank borrowings and hire purchase facilities. Its policy is to obtain the most favourable interest rates available.

Surplus funds are placed with licensed financial institutions at the most favourable interest rates.

##### (iii) Price Risk

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

#### (b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from receivables. The maximum exposure to credit risk is represented by the total carrying amount of this financial asset in the balance sheet reduced by the effects of any netting arrangements with counterparties.

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

The Group manages its exposure to credit risk by the application of credit limits and monitoring procedures on an ongoing basis.

## Notes to the Financial Statements

for the Financial Year Ended 31 December 2009

*cont'd*

### 3. FINANCIAL RISK MANAGEMENT POLICIES *cont'd*

#### (c) *Liquidity and Cash Flow Risk cont'd*

The Group's exposure to liquidity and cash flow risks arises mainly from general funding and business activities.

It practises prudent liquidity risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

### 4. 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 Financial Reporting Standards ("FRS") and the Companies Act, 1965 in Malaysia.

The Group has not applied in advance the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:-

<b>FRSs/IC Interpretations</b>	<b>Effective date</b>
Revised FRS 1 (2010) First-time Adoption of Financial Reporting Standards	1 July 2010
Revised FRS 3 (2010) Business Combinations	1 July 2010
FRS 4 Insurance Contracts	1 January 2010
FRS 7 Financial Instruments: Disclosures	1 January 2010
FRS 8 Operating Segments	1 July 2009
Revised FRS 101 (2009) Presentation of Financial Statements	1 January 2010
Revised FRS 123 (2009) Borrowing Costs	1 January 2010
Revised FRS 127 (2010) Consolidated and Separate Financial Statements	1 July 2010
Revised FRS 139 (2010) Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 1 and FRS 127: Cost of Investment in a Subsidiary, Joint Controlled Entity or Associate	1 January 2010
Amendments to FRS 2: Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 2: Scope of FRS 2 and Revised FRS 3 (2010)	1 July 2010
Amendments to FRS 5: Plan to Sell the Controlling Interest in a Subsidiary	1 July 2010
Amendments to FRS 7, FRS 139 and IC Interpretation 9	1 January 2010
Amendments to FRS 138: Consequential Amendments Arising from Revised FRS 3 (2010)	1 July 2010
IC Interpretation 9 Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10 Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11: FRS 2 - Group and Treasury Share Transactions	1 January 2010
IC Interpretation 12 Service Concession Arrangements	1 July 2010
IC Interpretation 13 Customer Loyalty Programmes	1 January 2010

## Notes to the Financial Statements

for the Financial Year Ended 31 December 2009  
*cont'd*

#### 4. BASIS OF PREPARATION *cont'd*

FRSs/IC Interpretations	Effective date
IC Interpretation 14: FRS 119 - Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
IC Interpretation 15 Agreements for the Construction of Real Estate	1 July 2010
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 Distributions of Non-cash Assets to Owners	1 July 2010
Amendments to IC Interpretation 9: Scope of IC Interpretation 9 and Revised FRS 3 (2010)	1 July 2010
Annual Improvements to FRSs (2009)	1 January 2010

The above FRSs, IC interpretations and amendments are not relevant to the Group's operations except as follows:-

- (i) The revised FRS 3 (2010) introduces significant changes to the accounting for business combinations, both at the acquisition date and post acquisition, and requires greater use of fair values. In addition, all transaction costs, other than share and debt issue costs, will be expensed as incurred. This revised standard will be applied prospectively and therefore there will not have any financial impact on the financial statements of the Group for the current financial year but may impact the accounting for future transactions or arrangements.
- (ii) The possible impacts of FRS 7 (including the subsequent amendments) and the revised FRS 139 (2010) on the financial statements upon their initial applications are not disclosed by virtue of the exemptions given in these standards.
- (iii) FRS 8 replaces FRS 114<sup>2004</sup> Segment Reporting and requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes. The adoption of this standard only impacts the form and content of disclosures presented in the financial statements of the Group. This FRS is expected to have no material impact on the financial statements of the Group upon its initial application.
- (iv) The revised FRS 101 (2009) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in a accounting policy, the correction of an error or the reclassification of items in the financial statements. The adoption of this revised standard will only impact the form and content of the presentation of the Group's financial statements in the next financial year.
- (v) The revised FRS 127 (2010) requires accounting for changes in ownership interests by the group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The revised standard also requires all losses attributable to the minority interest to be absorbed by the minority interest instead of by the parent. The Group will apply the major changes of the revised FRS 127 (2010) prospectively and therefore there will not have any financial impact on the financial statements of the Group for the current financial year but may impact the accounting for future transactions or arrangements.
- (vi) Amendments to FRS 1 and FRS 127 remove the definition of "cost method" currently set out in FRS 127, and instead require an investor to recognise all dividend from subsidiaries, jointly controlled entities or associates as income in its separate financial statements. In addition, FRS 127 has also been amended to deal with situations where a parent reorganises its group by establishing a new entity as its new parent. Under this circumstance, the new parent shall measure the cost of its investment in the original parent at the carrying amount of its share of the equity items shown in the separate financial statements of the original parent at the reorganisation date. The amendments will be applied prospectively and therefore there will not have any financial impact on the financial statements of the Group for the current financial year but may impact the accounting for future transactions or arrangements.

## Notes to the Financial Statements

for the Financial Year Ended 31 December 2009

*cont'd*

### 4. BASIS OF PREPARATION *cont'd*

- (vii) Amendments to FRS 138 clarify the requirements under the revised FRS 3 (2010) regarding accounting for intangible assets acquired in a business combination. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application.
- (viii) IC interpretation 9 requires embedded derivatives to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date the entity first became a party to the contract. The possible impacts of IC Interpretation 9 on the financial statements upon its initial application are not disclosed by virtue of the exemptions given under the revised FRS 139 (2010).
- (ix) IC Interpretation 10 prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and financial assets carried at cost to be reversed at a subsequent balance sheet date. This interpretation is expected to have no material impact on the financial statements of the Group upon its initial application.
- (x) Amendments to IC Interpretation 9 are a consequential amendment from the revised FRS 3 (2010). These amendments are expected to have no material impact on the financial statements of the Group upon its initial application.
- (xi) Annual Improvements to FRSs (2009) contain amendments to 21 accounting standards that result in accounting changes for presentation, recognition or measurement purposes and terminology or editorial amendments. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application.

### 5. SIGNIFICANT ACCOUNTING POLICIES

#### (a) 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:-

#### (i) 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 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 factors could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

#### (ii) 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.

## Notes to the Financial Statements

for the Financial Year Ended 31 December 2009  
*cont'd*

### 5. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

#### (a) Critical Accounting Estimates and Judgements *cont'd*

##### (iii) Impairment of 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.

##### (iv) Allowance for 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.

##### (v) Allowance for Doubtful Debts of Receivables

The Group makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyses historical bad debt, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the allowance for doubtful debts of receivables. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

##### (vi) 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.

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.

#### (b) Financial Instruments

Financial instruments are recognised in the balance sheet 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 financial instruments 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.

Financial instruments recognised in the balance sheet are disclosed in the individual policy statement associated with each item.



## Notes to the Financial Statements

for the Financial Year Ended 31 December 2009

*cont'd*

### 5. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

#### (c) Functional and Presentation Currency

The functional currency of each of the Group's entity is measured using the currency of the primary economic environment in which that entity operates.

The consolidated financial statements are presented in Ringgit Malaysia which is the Group's functional and presentation currency.

#### (d) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to 31 December 2009.

A subsidiary is defined as a company in which the parent company has the power, directly or indirectly, to exercise control over its financial and operating policies so as to obtain benefits from its activities.

All subsidiaries are consolidated using the purchase method. Under the purchase method, the results of the subsidiaries acquired or disposed of are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the consolidated financial statements. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

Intragroup transactions, balances and unrealised gains on transactions are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

#### (e) Goodwill on Consolidation

Goodwill on consolidation represents the excess of the fair value of the purchase consideration over the Group's share of the fair values of the identifiable net assets of the subsidiaries at the date of acquisition.

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually. The impairment value of goodwill is recognised immediately in the consolidated income statement. An impairment loss recognised for goodwill is not reversed in a subsequent period.

If, after reassessments, the Group's interest in the fair values of the identifiable net assets of the subsidiaries exceeds the cost of the business combinations, the excess is recognised immediately in the consolidated income statement.

#### (f) Investments

##### (i) Investments in Subsidiaries

Investments in subsidiaries are stated at cost in the balance sheet of the Company, and are reviewed for impairment at the end of the financial year if events or changes in circumstances indicate that their carrying values may not be recoverable.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is taken to the income statement.

## Notes to the Financial Statements

for the Financial Year Ended 31 December 2009  
*cont'd*

### 5. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

#### (f) Investments *cont'd*

##### (ii) Investments in Marketable Securities

Investments in marketable securities are initially carried at cost and subsequently revalued to the market value, determined on an aggregate portfolio basis by category of investment. Cost is arrived at on the weighted average basis. Market value is calculated by reference to stock exchange quoted selling prices at the close of business at the balance sheet date. Gains or losses arising from changes in the fair values of the marketable securities are included in the income statement in the year in which they arise.

On the disposal of the investments in marketable securities, the difference between the net disposal proceeds and the carrying amount of the investments is taken to the income statement.

##### (iii) Other Investments

Other investments are held on a long-term basis and are stated at cost. Allowance for diminution in value is only made if the directors are of the opinion that the diminution is permanent.

On the disposal of these investments, the difference between the net disposal proceeds and the carrying amount of the investments is taken to the income statement.

#### (g) Property, Plant and Equipment

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

Depreciation is calculated under 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:-

Freehold buildings	2%
Long leasehold buildings	Over the lease periods of 58 - 93 years
Plant and machinery	20%
Motor vehicles	20%
Renovation, furniture and fittings	10 - 20%
Equipment and electrical installation	10 - 20%

Properties are revalued periodically, at least once in every three to five years. Surpluses arising from the revaluation of the properties, net of deferred taxation, where applicable, are credited to a revaluation reserve. Deficits arising from the revaluation, to the extent that they are not supported by any previous revaluation surpluses, are charged to the income statement.

The depreciation method, useful life and residual values are reviewed, and adjusted if appropriate, at each balance sheet date to ensure that the amount, method and period 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.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is included in the income statement in the year the asset is derecognised.

## Notes to the Financial Statements

for the Financial Year Ended 31 December 2009

*cont'd*

### 5. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

#### (h) Prepaid Land Lease Payments

Leases of land under which the lessor has not transferred all the risks and benefits of ownership are classified as operating leases. Lease prepayment for land use rights is stated at cost less accumulated amortisation and impairment losses, if any. Amortisation is charged to the income statement on a straight-line basis over the lease terms.

#### (i) 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 included in the income statement in the year in which they arise.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is charged to the income statement; any amount in the revaluation reserve relating to that investment property is transferred to retained earnings.

#### (j) Impairment of Assets

The carrying values of assets, other than those to which FRS 136 - Impairment of Assets does not apply, are reviewed at each balance sheet date 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' net selling price and its value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is charged to the income statement immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to the revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

#### (k) 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.

## Notes to the Financial Statements

for the Financial Year Ended 31 December 2009  
*cont'd*

### 5. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

#### (k) Intangible Assets *cont'd*

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 is reviewed at least at each financial year end. Changes in the expected useful life 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 income statement 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.

#### (i) Trademark

The purchased trademark is stated at cost less accumulated amortisation and impairment losses, if any. The trademark is amortised over its remaining useful life. In the event that the expected future economic benefits are no longer probable of being recovered, the trademark is written down to its recoverable amount.

#### (l) Assets under Hire Purchase

Assets acquired under hire purchase are capitalised in the financial statements and are depreciated in accordance with the policy set out in Note 5(g) above. 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 allocated to the income over the periods of the respective hire purchase agreements.

#### (m) 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.

Where necessary, due allowance is made for all damaged, obsolete and slow-moving items.

#### (n) Receivables

Receivables are carried at anticipated realisable value. Bad debts are written off in the period in which they are identified and an allowance is made for doubtful debts when there is objective evidence that all the debts due will not be collectible in accordance with the terms of receivables.

#### (o) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

#### (p) Income Taxes

Income taxes for the year comprise current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the balance sheet date.

## Notes to the Financial Statements

for the Financial Year Ended 31 December 2009

*cont'd*

### 5. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

#### (p) Income Taxes *cont'd*

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.

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.

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 balance sheet date.

Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly to equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax 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. The carrying amounts of deferred tax assets are reviewed at each balance sheet date 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.

#### (q) Interest-bearing Borrowings

Interest-bearing borrowings are recorded at the amount of proceeds received, net of transaction costs.

Borrowing costs directly attributable to the acquisition of property and equipment are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use.

All borrowing costs are charged to the income statement as expenses in the period in which they are incurred.

#### (r) Equity Instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new 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.

#### (s) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, deposits pledged with financial institutions, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are not subject to an insignificant risk of changes in value.

## Notes to the Financial Statements

for the Financial Year Ended 31 December 2009  
*cont'd*

### 5. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

#### (t) Employee Benefits

##### (i) Short-term Benefits

Wages, salaries, paid annual leave, bonuses and non-monetary benefits are accrued 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 charged to the income statement 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.

#### (u) Revenue Recognition

##### (i) Sale of Food and Beverages

Revenue is recognised upon delivery of food and beverages and customers' acceptance, and where applicable, net of service charge and service tax.

##### (ii) Service Fee Income

Service fee income is measured at the fair value of the consideration receivable and is recognised in the income statement when it is probable that economic benefits associated with the transactions will flow to the Group.

##### (iii) Sale of Goods

Revenue is recognised upon delivery of goods and customers' acceptance and where applicable, net of returns and trade discounts.

##### (vi) Interest Income

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

##### (v) Rental Income

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

#### (v) Segmental Information

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of property, plant and equipment (net of accumulated depreciation, where applicable), intangible asset, inventories, receivables, and cash and bank balances.

Most segment assets can be directly attributed to the segments on a reasonable basis. Segment assets and liabilities do not include income tax assets and liabilities respectively.

Segment revenues, expenses and results include transfers between segments. The prices charged on intersegment transactions are based on normal commercial terms. These transfers are eliminated on consolidation.

## Notes to the Financial Statements

for the Financial Year Ended 31 December 2009

*cont'd*

### 5. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

#### (w) Related Parties

A party is related to an entity if:-

- (a) directly, or indirectly through one or more intermediaries, the party:-
  - (i) controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
  - (ii) has an interest in the entity that gives it significant influence over the entity; or
  - (iii) has joint control over the entity;
- (b) the party is an associate of the entity;
- (c) the party is a joint venture in which the entity is a venturer;
- (d) the party is a member of the key management personnel of the entity or its parent;
- (e) the party is a close member of the family of any individual referred to in (a) or (d);
- (f) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
- (g) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

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

### 6. INVESTMENT IN SUBSIDIARIES

	The Company	
	2009	2008
	RM	RM
Unquoted shares, at cost	37,620,010	-

## Notes to the Financial Statements

for the Financial Year Ended 31 December 2009  
*cont'd*

### 6. INVESTMENT IN SUBSIDIARIES *cont'd*

Details of the subsidiaries, which are all incorporated in Malaysia, are as follows:-

Name of Company	Effective Equity Interest		Principal Activities
	2009 %	2008 %	
Restoran Oversea (Imbi) Sdn. Bhd.	100	-	Restaurant operator.
Restoran Oversea (P.J.) Sdn. Bhd.	100	-	Restaurant operator.
Restoran Oversea (Subang Parade) Sdn. Bhd.	100	-	Restaurant operator.
Restoran Oversea (Bandar Baru Sri Petaling) Sdn. Bhd.	100	-	Restaurant operator.
Restoran Oversea (Jaya 1) Sdn. Bhd.	100	-	Restaurant operator.
Haewaytian Restaurant Sdn. Bhd.	100	-	Restaurant operator.
Restoran Oversea Dian Xin (Sri Petaling) Sdn. Bhd.	100	-	Restaurant operator.
Restoran Tsim Tung Sdn. Bhd.	100	-	Restaurant operator.
Haewaytian Cake House Sdn. Bhd.	100	-	Manufacturing and wholesale confectioneries
Haewaytian Food Industries Sdn. Bhd.	100	-	Distributor of food products.
Restoran Oversea Confectioneries Sdn. Bhd.	100	-	Manufacturer and wholesaler of confectioneries
Tenshou Trading Sdn. Bhd.	100	-	Retailer of foodstuff.
Haewaytian Trading Sdn. Bhd.	100	-	Distributing general products.
Restoran Oversea Holdings Sdn. Bhd.	100	-	Dormant.

### 7. PROPERTY, PLANT AND EQUIPMENT

The Group Net Book Value	At 1.1.2009 RM	Acquisition of Subsidiaries RM	Additions RM	Disposal RM	Depreciation Charge RM	At 31.12.2009 RM
Freehold land	-	2,618,988	-	-	-	2,618,988
Freehold buildings	-	6,931,230	22,091	-	(34,615)	6,918,706
Long leasehold buildings	-	5,286,232	-	-	(1,053)	5,285,179
Plant and machinery	-	412,790	33,800	-	(39,580)	407,010
Motor vehicles	-	712,585	-	(2)	(50,003)	662,580
Renovation, furniture and fittings	-	5,775,323	1,450,277	-	(215,723)	7,009,877
Equipment and electrical installation	-	2,765,797	1,370,495	-	(169,161)	3,967,131
	-	24,502,945	2,876,663	(2)	(510,135)	26,869,471



## Notes to the Financial Statements

for the Financial Year Ended 31 December 2009  
cont'd

### 7. PROPERTY, PLANT AND EQUIPMENT cont'd

<b>AT 31.12.2009</b>	<b>At Cost</b>	<b>Accumulated Depreciation</b>	<b>Net Book Value</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
Freehold land	2,618,988	-	2,618,988
Freehold buildings	6,967,221	(48,515)	6,918,706
Long leasehold buildings	5,351,968	(66,789)	5,285,179
Plant and machinery	7,175,811	(6,768,801)	407,010
Motor vehicles	2,432,508	(1,769,928)	662,580
Renovation, furniture and fittings	16,724,221	(9,714,344)	7,009,877
Equipment and electrical installation	11,225,184	(7,258,053)	3,967,131
	<b>52,495,901</b>	<b>(25,626,430)</b>	<b>26,869,471</b>

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:-

	<b>The Group 2009 RM</b>
Freehold land and buildings	8,820,794
Long leasehold buildings	4,745,455
	<b>13,566,249</b>

Included in property, plant and equipment are motor vehicles with a total net book value of RM567,551 which were acquired under hire purchase terms.

### 8. INVESTMENT PROPERTIES

	<b>The Group 2009 RM</b>
Arising from acquisition of subsidiaries	7,722,404
Investment properties comprise the following:-	
At fair value:-	
Freehold land and buildings	7,549,500
Long leasehold land and buildings	172,904
	<b>7,722,404</b>

## Notes to the Financial Statements

for the Financial Year Ended 31 December 2009  
*cont'd*

### 8. INVESTMENT PROPERTIES *cont'd*

The following investment properties have been pledged to a licensed bank as security for banking facilities granted to the Group:-

	<b>The Group 2009 RM</b>
Freehold land and buildings	5,950,000

### 9. PREPAID LAND LEASE PAYMENTS

	<b>The Group 2009 RM</b>
Long leasehold land	
At cost:-	
At 1 January	-
Arising from acquisition of subsidiaries	2,854,460
At 31 December	2,854,460
Accumulated amortisation	(108,856)
	2,745,604
Accumulated amortisation:-	
At 1 January	-
Arising from acquisition of subsidiaries	(96,485)
Amortisation for the financial year	(12,371)
At 31 December	(108,856)
Prepaid land lease payments pledged to a licensed bank as security for banking facilities	2,084,871

### 10. OTHER INVESTMENTS

	<b>The Group 2009 RM</b>
At cost:-	
Quoted shares in Malaysia, net of impairment loss	545,292
Golf club membership, at cost	107,770
	653,062

## Notes to the Financial Statements

for the Financial Year Ended 31 December 2009

*cont'd*

### 10. OTHER INVESTMENTS *cont'd*

	The Group 2009 RM
Quoted shares in Malaysia, at cost	
At 1 January	-
Arising from acquisition of subsidiaries	586,466
Accumulated impairment loss arising from acquisition of subsidiaries	(41,174)
At 31 December	545,292
At market value	504,346

### 11. INTANGIBLE ASSET

	The Group 2009 RM
Trademark, at cost:-	
At 1 January	-
Arising from acquisition of subsidiaries	102,021
Addition during the financial year	2,364
At 31 December	104,385
Amortisation of intangible asset	(21,559)
	82,826
Amortisation of intangible asset:-	
At 1 January	-
Arising from acquisition of subsidiaries	(15,250)
Amortisation during the financial year	(6,309)
At 31 December	(21,559)

## Notes to the Financial Statements

for the Financial Year Ended 31 December 2009  
*cont'd*

### 12. LONG-TERM RECEIVABLES

	The Group 2009 RM
Staff loans	32,000

The staff loans are unsecured, interest-free and repayable within 7 years.

	The Group 2009 RM
The staff loans are repayable as follows:-	
Current :	
- repayable within one year included in other receivables	18,600
Non-current:	
- repayable between one and five years	32,000
	<u>50,600</u>

### 13. INVENTORIES

	The Group 2009 RM
At Cost:-	
Food	2,508,112
Beverages	126,518
Raw materials	2,440,069
Packing materials	56,795
Finished goods	33,524
	<u>5,165,018</u>

None of the inventories was stated at net realisable value at the balance sheet date.

## Notes to the Financial Statements

for the Financial Year Ended 31 December 2009

cont'd

### 14. TRADE RECEIVABLES

	<b>The Group 2009 RM</b>
Trade receivables	4,244,557
Allowance for doubtful debts	(805,498)
	3,439,059
Allowance for doubtful debts:-	
At 1 January	-
Arising from acquisition of subsidiaries	(812,726)
Addition during the financial year	(50,110)
Writeback during the financial year	57,338
At 31 December	(805,498)

The Group's normal trade credit terms range from 7 to 30 days. Other credit terms are assessed and approved on a case-by-case basis.

Included in trade receivables of the Group was an amount of RM81,747 owing by companies in which certain directors have substantial financial interests. This amount owing was unsecured, interest-free and repayable on demand. The amount owing was settled in cash on 24 February 2010.

### 15. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks bore effective interest rates ranging from 2.50% to 3.70% per annum at the balance sheet date. The fixed deposits have maturity periods ranging from 1 to 24 months.

The fixed deposits of RM439,007 have been pledged to licensed banks as security for banking facilities granted to the Group.

The fixed deposits of RM112,443 at the balance sheet date were held in trust for the Group by a director. The fixed deposits will be transferred to the Group upon the maturity date of the fixed deposits or at a time directed by the Group.

## Notes to the Financial Statements

for the Financial Year Ended 31 December 2009  
cont'd

### 16. SHARE CAPITAL

	Par Value	The Company			
		2009 Number of Shares	2008	2009 RM	2008 RM
<b>AUTHORISED</b>					
Ordinary shares					
At 1.1.2008	1.00	-	100,000	-	100,000
At 1.1.2009 Sub-division of the par value of ordinary shares of RM1.00 each into RM0.20 each	0.20	500,000	-	100,000	-
Created during the financial year		499,500,000	-	99,900,000	-
At 31.12.2009/2008		500,000,000	100,000	100,000,000	100,000
<b>ISSUED AND FULLY PAID-UP</b>					
Ordinary shares					
At 1.1.2008	1.00	-	4	-	4
At 1.1.2009 Sub-division of the par value of ordinary shares of RM1.00 each into RM0.20 each	0.20	20	-	4	-
Allotment of shares pursuant to acquisition of subsidiaries		188,099,980	-	37,619,996	-
At 31.12.2009/2008		188,100,000	4	37,620,000	4

During the financial year,

- the Company sub-divided its authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each to 500,000 ordinary shares of RM0.20 each;
- the Company increased its authorised share capital from RM100,000 to RM100,000,000 by the creation of 499,500,000 new ordinary shares of RM0.20 each; and
- the Company increased its issued and paid-up share capital from RM4 to RM37,620,000 by the allotment of 188,099,980 new ordinary share of RM0.20 each at par. The shares were issued for the acquisition of subsidiaries pursuant to the Flotation Exercise, the details of which are set out in Note 38 to the financial statements. The shares were issued for the acquisition of subsidiaries. The new shares issued rank pari passu in all respects with the existing shares of the Company.

### 17. LONG-TERM BORROWINGS

	The Group 2009 RM
Hire purchase payables (Note 18)	195,239
Term loans (Note 19)	7,113,785
	7,309,024

## Notes to the Financial Statements

for the Financial Year Ended 31 December 2009

cont'd

### 18. HIRE PURCHASE PAYABLES

	The Group 2009 RM
Minimum hire purchase payments:	
- not later than one year	129,885
- later than one year and not later than five years	205,232
	335,117
Less: Future finance charges	(25,024)
Present value of hire purchase payables	310,093
Current (Note 25):	
- not later than one year	114,854
Non-current (Note 17):	
- later than one year and not later than five years	195,239
	310,093

The hire purchase payables bore effective interest rates ranging from 5.27% to 7.21% per annum at the balance sheet date.

### 19. TERM LOANS

	The Group 2009 RM
Current (Note 25):	
- repayable within one year	601,059
Non-current (Note 17):	
- repayable between one and two years	604,150
- repayable between two and five years	1,485,755
- repayable after five years	5,023,880
	7,113,785
	7,714,844

## Notes to the Financial Statements

for the Financial Year Ended 31 December 2009  
*cont'd*

### 19. TERM LOANS *cont'd*

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 2009 RM
1	180	11,000	5.11.2008	1,132,447
2	180	5,000	5.11.2008	558,983
3	180	5,000	5.11.2008	558,969
4	180	5,000	5.11.2008	559,016
5	120	Note 1	14.12.2002	572,371
6	180	Note 2	28.1.2008	4,063,414
7	180	3,000	5.5.2000	129,598
8	180	3,000	5.5.2000	70,023
9	180	3,000	5.5.2000	70,023
				7,714,844

The term loans bore effective interest rates ranging from 6.15% to 7.50% per annum at the balance sheet date and are secured by:-

- (a) a first legal charge over the long leasehold and freehold land and buildings as disclosed in Note 7, Note 8 and Note 9 to the financial statements; and
- (b) a joint and several guarantee of certain directors of the Group.

Notes:-

1. Term loan 5 is repayable as follows:-

- (i) RM15,330 per month from the date of the first drawdown to month 12;
- (ii) RM16,529 per month from month 13 to month 24; and
- (iii) RM17,494 per month from month 25 to month 120.

2. Term loan 6 is repayable as follows:-

- (i) RM28,469 per month from the date of the first drawdown to month 12;
- (ii) RM32,843 from month 13 to month 24;
- (iii) RM36,362 from month 25 to month 120; and
- (iv) RM36,277 from month 121 to month 180.

### 20. DEFERRED TAX LIABILITIES

	The Group 2009 RM
At 1 January	-
Arising from acquisition of subsidiaries	692,500
Recognised in the income statements (Note 29)	(6,000)
At 31 December	686,500



## Notes to the Financial Statements

for the Financial Year Ended 31 December 2009

cont'd

### 20. DEFERRED TAX LIABILITIES cont'd

The deferred tax assets/(liabilities) recognised in the balance sheets are as follows:-

	<b>The Group 2009 RM</b>
Deferred tax liabilities:-	
Accelerated capital allowances over depreciation	645,550
Revaluation of properties	197,500
	<b>843,050</b>
Deferred tax assets:-	
Allowance for doubtful debts	(48,000)
Unabsorbed capital allowances	(35,000)
Unutilised tax losses	(73,550)
	<b>(156,550)</b>
	<b>686,500</b>

No deferred tax asset is recognised in the balance sheets on the following item:-

	<b>The Group 2009 RM</b>
Unutilised tax losses	127,500

### 21. TRADE PAYABLES

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

Included in trade payables of the Group is an amount of RM55,316 owing to companies in which certain directors have substantial financial interests. This amount owing is unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

### 22. OTHER PAYABLES AND ACCRUALS

Included in other payables and accruals of the Group is an amount of RM18,294 owing to companies in which certain directors have substantial financial interests. This amount owing is unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

## Notes to the Financial Statements

for the Financial Year Ended 31 December 2009  
*cont'd*

### 23. AMOUNT OWING TO A SUBSIDIARY

The amount owing is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

### 24. AMOUNT OWING TO DIRECTORS

The amount owing is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

### 25. SHORT-TERM BORROWINGS

	<b>The Group 2009 RM</b>
Hire purchase payables (Note 18)	114,854
Term loans (Note 19)	601,059
	<u>715,913</u>

### 26. BANK OVERDRAFTS

The bank overdrafts bore effective interest rates ranging from 5.55% to 6.05% per annum at the balance sheet date.

The bank overdrafts are secured in the same manner as the term loans disclosed in Note 19 to the financial statements.

### 27. REVENUE

	<b>The Group 2009 RM</b>
Sale of food and beverages	10,164,227
Others	231,408
	<u>10,395,635</u>

## Notes to the Financial Statements

for the Financial Year Ended 31 December 2009

cont'd

### 28. PROFIT/(LOSS) BEFORE TAXATION

	The Group	The Company	
	2009	2009	2008
	RM	RM	RM
Profit/(Loss) before taxation is arrived at after charging/ (crediting):-			
Allowance for doubtful debts	50,110	-	-
Amortisation of intangible assets	6,309	-	-
Amortisation of prepaid land lease payments	12,371	-	-
Audit fee	38,750	20,000	1,000
Bad debts written off	3,808	-	-
Depreciation of property, plant and equipment	510,135	-	-
Directors' fee	18,000	18,000	-
Directors' non-fee emoluments	243,552	-	-
Interest expense:			-
- bank overdrafts	7,034	-	-
- hire purchase	3,184	-	-
- term loans	66,714	-	-
Impairment loss of goodwill on consolidation	772,326	-	-
Listing expenses	658,951	658,951	150
Rental of premises	798,676	-	-
Rental of plant and machineries	23,395	-	-
Staff costs	3,911,533	-	-
Gain on disposal of property, plant and equipment	(18,999)	-	-
Rental income	(380)	-	-
Interest income	(9,731)	-	-
Investment property:			
- Rental income	(22,000)	-	-
- Direct expenses for revenue generating properties	1,679	-	-
- Direct expenses for non-revenue generating properties	637	-	-
Service fee income	(857,413)	-	-
Writeback of allowance for doubtful debts	(57,338)	-	-
Excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets and liabilities over the business combination costs arising from the acquisition of subsidiaries	(3,025,071)	-	-

## Notes to the Financial Statements

for the Financial Year Ended 31 December 2009  
cont'd

### 29. INCOME TAX EXPENSE

	<b>The Group</b>	<b>The Company</b>	
	<b>2009</b>	<b>2009</b>	<b>2008</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
Current tax:			
- for the financial year	316,944	-	-
- overprovision in the previous financial year	(11,976)	-	-
	304,968		
Deferred taxation (Note 20):			
- for the financial year	94,000	-	-
- overprovision in the previous financial year	(100,000)	-	-
	(6,000)	-	-
	298,968	-	-

During the current financial year, the statutory tax rate was reduced from 26% to 25%, as announced in the Malaysian Budget 2008.

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 is as follows:-

	<b>The Group</b>	<b>The Company</b>	
	<b>2009</b>	<b>2009</b>	<b>2008</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
Profit/(Loss) before taxation	2,241,571	(698,832)	(2,685)
Tax at the statutory tax rate of 25% (2008 - 26%)	560,393	(174,708)	(698)
Tax effects of:-			
Non-taxable gains	(784,844)	-	-
Non-deductible expenses	886,792	174,708	698
Utilisation of reinvestment allowances	(173,579)	-	-
Utilisation of deferred tax assets not recognised in prior years	(15,600)	-	-
Overprovision in prior years:			
- current tax	(11,976)	-	-
- deferred tax	(100,000)	-	-
Differential in tax rates	(62,218)	-	-
Tax for the financial year	298,968	-	-

## Notes to the Financial Statements

for the Financial Year Ended 31 December 2009

cont'd

### 30. EARNINGS PER SHARE

The basic earnings per share ("EPS") is arrived at by dividing the Group's profit attributable to the equity holders of the Company of RM1,942,603 by the weighted average number of ordinary shares in issue during the financial year of 6,300,003.

The fully diluted earnings per share for the Group is not presented as there were no potential dilutive ordinary shares outstanding at the balance sheet date.

### 31. ACQUISITION OF SUBSIDIARIES

On 26 October 2009 and 5 November 2009, the respective legal and beneficial owners of the subsidiaries and the Company entered into 14 Sale and Purchase Agreements pursuant to which the owners for the subsidiaries transferred their respective interests in each subsidiary to the Company in consideration of the allotment of 188,099,980 Shares and RM14 to such owners or their nominees. The details of the acquisition are disclosed in Note 38 to the financial statements.

The effects of net assets acquired and cash flow arising from the acquisition of the subsidiaries are as follows:-

	<b>The Group 2009 RM</b>
Property, plant and equipment	24,502,945
Investment properties	7,722,404
Prepaid land lease payments	2,757,975
Other investments	653,062
Intangible asset	86,771
Inventories	5,351,769
Trade and other receivables	41,235,075
Tax refundable	1,240,905
Cash and cash equivalents	4,735,023
Trade and other payables	(39,587,538)
Borrowings	(8,133,136)
Deferred taxation	(692,500)
Fair value of net assets acquired	39,872,755
Goodwill on consolidation	772,326
Excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets and liabilities over the business combination costs arising from the acquisition of subsidiaries	(3,025,071)
Total purchase consideration	37,620,010
Purchase consideration satisfied by the issuance of 188,099,980 new ordinary shares of RM0.20 each	(37,619,996)
Purchase consideration satisfied by cash	14
Less: Cash and cash equivalents of subsidiaries	(4,735,023)
Net cash inflow from acquisition of subsidiaries	(4,735,009)

## Notes to the Financial Statements

for the Financial Year Ended 31 December 2009  
*cont'd*

### 32. CASH AND CASH EQUIVALENTS

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

	<b>The Group</b>	<b>The Company</b>	
	<b>2009</b>	<b>2009</b>	<b>2008</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
Fixed deposits with licensed banks	3,302,398	-	-
Cash and bank balances	5,946,262	4	4
Bank overdrafts	(853,798)	-	-
	<b>8,394,862</b>	<b>4</b>	<b>4</b>

### 33. 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:-

	<b>The Group</b>	<b>The Company</b>	
	<b>2009</b>	<b>2009</b>	<b>2008</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
Executive directors:-			
- salaries and other emoluments	225,552	-	-
Non-executive directors:-			
- fee	18,000	18,000	-
	<b>243,552</b>	<b>18,000</b>	<b>-</b>

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

	<b>The Group</b>	<b>The Company</b>	
	<b>2009</b>	<b>2009</b>	<b>2008</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
Executive directors:-			
- Below RM50,000	2	-	-
- RM50,001 – RM100,000	1	-	-
- RM100,001 – RM150,000	1	-	-
Non-executive directors:-			
- Below RM50,000	3	3	-
	<b>7</b>	<b>3</b>	<b>-</b>

## Notes to the Financial Statements

for the Financial Year Ended 31 December 2009

cont'd

### 34. NON-CANCELLABLE LEASE COMMITMENTS

	<b>The Group 2009 RM</b>
Current:	
- within one year	2,330,380
Non-current:	
- between one and two years	1,750,384
- between two and five years	727,003
	<u>2,477,387</u>
	<u>4,807,767</u>

### 35. SEGMENTAL REPORTING

#### (a) Business Segments

	Restaurants	Manufacture of Moon Cake	Trading and Others	Eliminations	The Group
	RM	RM	RM	RM	RM
<b>THE GROUP 2009</b>					
<b>REVENUE:</b>					
External revenue	10,164,227	(156,905)	388,313	-	10,395,635
Inter-segment revenue	416,542	178,851	-	(595,393)	-
Total revenue	<u>10,580,769</u>	<u>21,946</u>	<u>388,313</u>	<u>(595,393)</u>	<u>10,395,635</u>
<b>RESULTS</b>					
Segment results	1,353,907	(629,932)	1,594,874	-	2,318,849
Finance costs					<u>(77,278)</u>
Profit from ordinary activities before taxation					2,241,571
Income tax expense					<u>(298,968)</u>
Net profit attributable to equity holders of the Company					<u>1,942,603</u>

## Notes to the Financial Statements

for the Financial Year Ended 31 December 2009  
cont'd

### 35. SEGMENTAL REPORTING *cont'd*

#### (a) Business Segments *cont'd*

	Restaurants RM	Manufacture of Moon Cake RM	Trading and Others RM	Eliminations RM	The Group RM
<b>THE GROUP 2009</b>					
<b>OTHER INFORMATION</b>					
Segment assets	43,583,070	12,975,138	1,712,723	-	58,270,931
Unallocated asset					1,289,732
					<u>59,560,663</u>
Segment liabilities	17,710,748	978,319	646,398	-	19,335,465
Unallocated liabilities					694,833
					<u>20,030,298</u>
Amortisation	1,670	15,911	1,099	-	18,680
Depreciation	455,070	54,735	330	-	510,135
Capital expenditure:					
- Property, plant and equipment	2,837,689	38,974	-	-	2,876,663
Impairment loss on goodwill on consolidation	-	-	772,326	-	772,326
Listing expenses	-	-	658,951	-	658,951
Excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets and liabilities over the business combination costs arising from the acquisition of subsidiaries	-	-	(3,025,071)	-	(3,025,071)

#### (b) Geographical Segments

No segmental information by geographical location is provided as the Group operates predominantly in Malaysia.

In the opinion of the directors, all inter-segment transactions have been entered into in the ordinary course of business on terms that were mutually agreed between the parties.



## Notes to the Financial Statements

for the Financial Year Ended 31 December 2009

cont'd

### 36. RELATED PARTY DISCLOSURES

- (a) For the purpose of the financial statements, the Group have related party relationships with:-
- (i) a subsidiary
  - (ii) an entity controlled by the directors; and
  - (iii) the directors who are the key management personnel.
- (b) In addition to the information disclosed elsewhere in the financial statements, the Group and the Company carried out the following transactions with its related parties during the financial year:-

	<b>The Group</b>	<b>The Company</b>	
	<b>2009</b>	<b>2009</b>	<b>2008</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>(i) Subsidiary</b>			
Expenses paid by	-	860,264	2,185
<b>(ii) Related party</b>			
Sales	28,757	-	-
Rental income	1,300	-	-
Rental expenses	30,100	-	-
Perishable goods transferred from	124,788	-	-
Perishable goods transferred to	7,275	-	-
Expenses paid on behalf	120,117	-	-
<b>(iii) Key management personnel (including directors)</b>			
Short-term employee benefits	437,581	18,000	-

### 37. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is defined as the amount at which the financial instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced sale or liquidation.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

#### (a) Cash and Cash Equivalents and Short-Term Receivables/Payables

The carrying amounts approximated their fair values due to the relatively short-term maturity of these investments.

#### (b) Hire Purchase Payables and Long-Term Borrowings

The carrying amounts approximated the fair values of these instruments. The fair values of the hire purchase payables and the long-term borrowings are determined by discounting the relevant cash flows using the current interest rates at the balance sheet date.

## Notes to the Financial Statements

for the Financial Year Ended 31 December 2009  
*cont'd*

### 37. FAIR VALUES OF FINANCIAL INSTRUMENTS *cont'd*

#### (c) Quoted and Unquoted Investments

The fair values of quoted investments are estimated based on quoted market prices for these investments.

For unquoted investments, it is not practicable to determine the fair values because of the lack of quoted market prices and the assumptions used in valuation models to value these investments cannot be reasonably determined. However, the Group believes that the carrying amount represents the recoverable amount.

### 38. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

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

- (i) On 26 October 2009, the Company entered into a Sale and Purchase Agreement with Yu Soo Chye @ Yee Soo Chye, Lee Lim & Sons Sdn. Bhd., Lee Pek Yoke and Wong Ket Ching (collectively the "Oversea Imbi Vendors"), wherein the Company agreed to acquire and the Oversea Imbi Vendors agreed to sell the entire issued and paid-up share capital of Restoran Oversea (Imbi) Sdn. Bhd. comprising 180,203 shares for a total purchase consideration of RM17,240,000 which was satisfied entirely by the issuance of 86.2 million new ordinary shares of RM0.20 each of the Company ("Oversea Shares");
- (ii) On 5 November 2009, the Company entered into a Sale and Purchase Agreement with Yu Soo Chye @ Yee Soo Chye, Kwan Sia Hock, Lee Pek Yoke, Khong Yik Kam, and Lee Seng Fan (collectively the "Oversea PJ Vendors"), wherein the Company agreed to acquire and the Oversea PJ Vendors agreed to sell the entire issued and paid-up share capital of Restoran Oversea (P.J.) Sdn. Bhd. comprising 500,000 shares for a total purchase consideration of RM6,200,000 which was satisfied entirely by the issuance of 31 million new Oversea Shares;
- (iii) On 5 November 2009, the Company entered into a Sale and Purchase Agreement with Oversea Imbi and Oversea PJ (collectively the "Oversea Subang Vendors"), wherein the Company agreed to acquire and the Oversea Subang Vendors agreed to sell the entire issued and paid-up share capital of Restoran Oversea (Subang Parade) Sdn. Bhd. comprising 550,000 shares for a total purchase consideration of RM1,939,996 which was satisfied entirely by the issuance of 9,699,980 new Oversea Shares;
- (iv) On 5 November 2009, the Company entered into a Sale and Purchase Agreement with Yu Soo Chye @ Yee Soo Chye, Lee Lim & Sons Sdn. Bhd., Lee Pek Yoke and Khong Yik Kam (collectively the "Oversea BBSP Vendors"), wherein the Company agreed to acquire and the Oversea BBSP Vendors agreed to sell the entire issued and paid-up share capital of Restoran Oversea (Bandar Baru Sri Petaling) Sdn. Bhd. ("Oversea BBSP") comprising 180,002 shares for a total purchase consideration of RM4.00 which was satisfied in cash;
- (v) On 5 November 2009, the Company entered into a Sale and Purchase Agreement with Oversea BBSP, wherein the Company agreed to acquire and Oversea BBSP agreed to sell the entire issued and paid-up share capital of Restoran Oversea Dian Xin (Sri Petaling) Sdn. Bhd. comprising 100,000 shares for a total purchase consideration of RM1.00 which was satisfied in cash;
- (vi) On 5 November 2009, the Company entered into a Sale and Purchase Agreement with Yu Soo Chye @ Yee Soo Chye, Lee Lim & Sons Sdn. Bhd., Lee Pek Yoke and Khong Yik Kam (collectively the "Oversea Jaya 1 Vendors"), wherein the Company agreed to acquire and the Oversea Jaya 1 Vendors agreed to sell the entire issued and paid-up share capital of Restoran Oversea (Jaya 1) Sdn. Bhd. comprising 150,200 shares for a total purchase consideration of RM880,000 which was satisfied entirely by the issuance of 4.4 million new Oversea Shares;
- (vii) On 5 November 2009, the Company entered into a Sale and Purchase Agreement with Yu Soo Chye @ Yee Soo Chye and Lee Pek Yoke (collectively the "Oversea Ipoh Vendors"), wherein the Company agreed to acquire and the Oversea Ipoh Vendors agreed to sell the entire issued and paid-up share capital of Haewaytian Restaurant Sdn. Bhd. comprising 300,200 shares for a total purchase consideration of RM3.78 million which was satisfied entirely by the issuance of 18.9 million new Oversea Shares;

## Notes to the Financial Statements

for the Financial Year Ended 31 December 2009

*cont'd*

### 38. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR *cont'd*

- (viii) On 5 November 2009, the Company entered into a Sale and Purchase Agreement with Restoran Sun Wong Sdn. Bhd. ("Sun Wong"), wherein the Company agreed to acquire and Sun Wong agreed to sell the entire issued and paid-up share capital of Restoran Tsim Tung Sdn. Bhd. comprising 250,000 shares for a total purchase consideration of RM240,000 which was satisfied entirely by the issuance of 1.2 million new Oversea Shares;
- (ix) On 5 November 2009, the Company entered into a Sale and Purchase Agreement with Yu Soo Chye @ Yee Soo Chye, Lee Lim & Sons Sdn Bhd, Lee Pek Yoke, and Khong Yik Kam, (collectively the "Haewaytian Cake House Vendors"), wherein the Company agreed to acquire and the Haewaytian Cake House Vendors agreed to sell the entire issued and paid-up share capital of Haewaytian Cake House Sdn. Bhd. ("Haewaytian Cake House") comprising 150,000 shares for a total purchase consideration of RM6.54 million which was satisfied entirely by the issuance of 32.7 million new Oversea Shares;
- (x) On 5 November 2009, the Company entered into a Sale and Purchase Agreement with Haewaytian Cake House, wherein the Company agreed to acquire and Haewaytian Cake House agreed to sell the entire issued and paid-up share capital of Haewaytian Food Industries Sdn. Bhd. comprising 250,000 shares for a total purchase consideration of RM130,000 which was satisfied entirely by the issuance of 650,000 new Oversea Shares;
- (xi) On 5 November 2009, the Company entered into a Sale and Purchase Agreement with Haewaytian Cake House, wherein the Company agreed to acquire and Haewaytian Cake House agreed to sell the entire issued and paid-up share capital of Restoran Oversea Confectioneries Sdn. Bhd. comprising 1,000 shares for a total purchase consideration of RM60,000 which was satisfied entirely by the issuance of 300,000 new Oversea Shares;
- (xii) On 5 November 2009, the Company entered into a Sale and Purchase Agreement with Yu Soo Chye @ Yee Soo Chye, Lee Pek Yoke, Khong Yik Kam, Lee Seng Fan, Yu Tack Tein, Yu Tack Yuen, and Yu Suat Yin, (collectively the "Tenshou Trading Vendors"), wherein the Company agreed to acquire and the Tenshou Trading Vendors agreed to sell the entire issued and paid-up share capital of Tenshou Trading Sdn. Bhd. comprising 500,002 shares for a total purchase consideration of RM7.00;
- (xiii) On 5 November 2009, the Company entered into a Sale and Purchase Agreement with Yu Soo Chye @ Yee Soo Chye, Lee Lim & Sons Sdn. Bhd., Lee Pek Yoke, and Khong Yik Kam, (collectively the "Haewaytian Trading Vendors"), wherein the Company agreed to acquire and the Haewaytian Trading Vendors agreed to sell the entire issued and paid-up share capital of Haewaytian Trading Sdn. Bhd. comprising 100,000 shares for a total purchase consideration of RM610,000 which was satisfied entirely by the issuance of 3.05 million new Oversea Shares; and
- (xiv) On 5 November 2009, the Company entered into a Sale and Purchase Agreement with Yu Soo Chye @ Yee Soo Chye, and Lee Pek Yoke, (collectively the "Oversea Holdings Vendors"), wherein the Company agreed to acquire and the Oversea Holdings Vendors agreed to sell the entire issued and paid-up share capital of Restoran Oversea Holdings Sdn. Bhd. comprising 2 shares for a total purchase consideration of RM2.00 which was satisfied in cash to the respective Oversea Holdings Vendors in proportion to their respective shareholdings in Oversea Holdings.

### 39. SIGNIFICANT EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

- (i) On 27 January 2010 and 28 January 2010, the Company obtained the approvals from Bursa Malaysia Securities Berhad ("Bursa Securities") and the Securities Commission, respectively for the Flotation Exercise comprising the following transactions:-
  - (a) public issue of 56,900,000 new ordinary shares of RM0.20 each in the Company at an offer price of RM0.23;

## Notes to the Financial Statements

for the Financial Year Ended 31 December 2009  
*cont'd*

### 39. SIGNIFICANT EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE *cont'd*

- (i) On 27 January 2010 and 28 January 2010, the Company obtained the approvals from Bursa Malaysia Securities Berhad ("Bursa Securities") and the Securities Commission, respectively for the Flotation Exercise comprising the following transactions:- *cont'd*
    - (b) offer for sale by the offerors of 9,500,000 ordinary shares of RM0.20 each in the Company by way of private placement to identified investors at an offer price of RM0.23; and
- (The Public Issue and Offer For Sale are collectively referred to as the "IPO")
- (c) the listing of and quotation for the entire enlarged issued and paid-up share capital of the Company comprising 245,000,000 ordinary shares of RM0.20 each on the ACE Market of Bursa Securities.
- (ii) On 22 February 2010, the Company and the Placement Agent entered into a placement agreement for the placement of 44,900,000 new ordinary shares of RM0.20 each under the IPO; and
  - (iii) On 22 February 2010, the Company and Offerors entered into an underwriting agreement with the Underwriter for the underwriting of 21,500,000 Issue Shares under the IPO.

### 40. COMPARATIVE FIGURES

No comparative figures of the Group are available as this is the first set of consolidated financial statements prepared by the Company.

The comparative figures of the Company are in respect of the financial year ended 31 December 2008.

## List of Properties held by the Group

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)	Cost (RM'000)	Net Book Value As at 31-12-2009 (RM'000)	Date of Acquisition	Year of last revaluation
Haewaytian Cake House Sdn. Bhd.	Lot 13, Jalan Utarid U5/16, Seksyen U5, 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	86 years (11.12.2096)	7	84,066	58,330	6,770	6,830	30/06/2003	2008
Restoran Oversea (Imbi) Sdn. Bhd.	H-0-07& H-1-07 (Lot H-07) Pusat Perdagangan, Kuchai, No. 2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur	2-storey shop office/property investment	Commercial/ Building	Freehold	-	2	1,430	2,487	775.5	1,227	21/02/2006	2008
Restoran Oversea (Imbi) Sdn. Bhd.	H-0-08& H-1-08 (Lot H-08) Pusat Perdagangan, Kuchai, No. 2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur	2-storey shop office/property investment	Commercial/ Building	Freehold	-	2	1,430	2,487	775.5	1,227	21/02/2006	2008

## List of Properties

held by the Group  
cont'd

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)	Cost (RM'000)	Net Book Value As at 31-12-2009 (RM'000)	Date of Acquisition	Year of last revaluation
Restoran Oversea (Imbi) Sdn. Bhd.	H-0-09& H-1-09 (Lot H-09) Pusat Perdagangan Kuchai, No. 2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur	2-storey shop office/property investment	Commercial/ Building	Freehold	-	2	1,430	2,487	749	1,200	21/02/2006	2008
Restoran Oversea (Imbi) Sdn. Bhd.	H-0-103 H-1-10, (Lot H-10) Pusat Perdagangan Kuchai, No. 2, Jln 1/127, Off Jln Kuchai Lama, 58200 Kuala Lumpur	2-storey shop office/property investment	Commercial/ Building	Freehold	-	2	2,379	3,983	1,516	2000	21/02/2006	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	-	2	1,430	2,487	708.5	1,227	21/02/2006	2008

## List of Properties

held by the Group  
cont'd

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)	Cost (RM'000)	Net Book Value As at 31-12-2009 (RM'000)	Date of Acquisition	Year of last revaluation
Haewaytian Restaurant Sdn. Bhd.	No. 28 Jln Datoh 30000, Ipoh, Perak	Restaurant	Commercial/ Building	Freehold	-	2	25,764	27,185	8,866	8,821	23/8/2002 (Note 1)	2008
Haewaytian Restaurant Sdn. Bhd.	No. 57, Jln Seenivasagam 30450 Ipoh, Perak	Restaurant, storage facilities and staff hostel	Commercial/ Building	Leasehold 99 years	68 years (20.12.2078)	31	1900	4800	384	395	16/5/1985	2008
Restoran Oversea (Jaya 1) Sdn. Bhd.	No. 477, Jln 5/46, Section 5, 46000, P.J.Selangor	Accommodation	Residential/ Building	Freehold	-	40	1,700	2400	218	350	30/11/1998	2008
Restoran Oversea (Subang Parade) Sdn. Bhd.	No. 29, Jln SS 15/2B, 47500 Subang Jaya, Selangor	Hostel	Residential/ Building	Freehold	-	31	2,560	1,524	340	388	10/09/1997	2008

Notes: -

- 1) The land was purchased in 2002 and the construction of the building was completed in 2009.
- 2) Other disclosure on land and buildings owned by the Group are immaterial to disclose individually.

## Analysis of Shareholdings

as at 30 April 2010

<b>Authorised Share Capital</b>	:	RM100,000,000.00
<b>Issued and Fully Paid-up Capital</b>	:	RM49,000,000.00
<b>Class of Shares</b>	:	Ordinary shares of RM0.20 each
<b>Voting Rights</b>	:	One vote per ordinary share
<b>Number of Shareholders</b>	:	1,463

### ANALYSIS OF SHAREHOLDINGS AS AT 30 APRIL 2010

Holdings	No. of Holders	Total Shareholdings	%
Less than 100	2	100	0.00
100 - 1,000	53	39,800	0.02
1,001 - 10,000	584	3,815,100	1.56
10,001 - 100,000	742	26,702,910	10.90
100,001 to less than 5% of issued shares	79	60,543,869	24.71
5% and above of issued shares	3	153,898,221	62.82
	<b>1,463</b>	<b>245,000,000</b>	<b>100.00</b>

### LIST OF 30 LARGEST SHAREHOLDERS REGISTERED AS AT 30 APRIL 2010

(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	82,644,270	33.73
2	Lee Lim & Sons Sdn. Bhd.	50,898,358	20.77
3	Lee Pek Yoke	20,355,593	8.31
4	Khong Yik Kam	9,752,438	3.98
5	Kwan Sia Hock	9,417,493	3.84
6	Lee Seng Fan	5,868,496	2.40
7	HLB Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Chen Khai Voon)	4,195,000	1.71
8	Proactive Approach Sdn. Bhd.	3,620,000	1.48
9	BHLB Trustee Berhad (Exempt An for Phillip Capital Management Sdn. Bhd.)	2,079,000	0.85
10	Phang Kok Woei	2,000,000	0.82
11	OSK Nominees (Tempatan) Sdn. Berhad (Pledged Securities Account for Lim Yan Hai)	1,400,000	0.57
12	Wong Weng Tien	1,350,000	0.55
13	Yap Fong Yi	1,200,000	0.49
14	Soong Poh Choo	800,000	0.33
15	Yap Wai Fun	800,000	0.33



## Analysis of Shareholdings

as at 30 April 2010

cont'd

### LIST OF 30 LARGEST SHAREHOLDERS REGISTERED AS AT 30 APRIL 2010

(without aggregating the securities from different securities accounts belonging to the same person) cont'd

No.	Name	No. of Shares Held	%
16	ECML Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Lau Chee Boon)	700,000	0.29
17	CIMSEC Nominees (Tempatan) Sdn. Bhd. (CIMB Bank for Chiang Kok Loong)	640,000	0.26
18	Tan Kong Seng	600,000	0.24
19	Yu Tack Tein	553,333	0.23
20	Chan Wu Lee Yun	520,000	0.21
21	Chan Hon Chaw	500,000	0.20
22	Andrew Lim Cheong Seng	500,000	0.20
23	Lee Seng Pun	500,000	0.20
24	Yap Chew Yoon	490,000	0.20
25	Tan Wei Chow	480,000	0.20
26	Leong Woon Ming	450,000	0.18
27	Kwan Soon Lin	430,000	0.18
28	Lee Siak Fai	420,000	0.17
29	Goh Siang Giang	400,000	0.16
30	Ch'ng Chee Wooi	400,000	0.16
<b>TOTAL</b>		203,963,981	83.24

### LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 30 APRIL 2010

Name of Substantial Shareholders	Direct Interest	No. of Shares Held		%
		%	Indirect Interest	
Yu Soo Chye @ Yee Soo Chye	82,644,270	33.73	-	-
Lee Lim & Sons Sdn Bhd	50,898,358	20.77	-	-
Lee Pek Yoke	20,355,593	8.31	-	-
Lee Seng Fan	5,868,496	2.40	61,397,796 *	25.06
Lee Seng Pun	500,000	0.20	66,766,292 *	27.25
Lee Pek Chan	30,000	0.01	16,318,934 #	6.67
Lee Pek Ling	18,000	0.01	16,335,934 #	6.67
Lee Sow Kam	100,000	0.04	16,267,937 #	6.64

\* Deemed interested by virtue of his substantial shareholdings in Lee Lim & Sons Sdn. Bhd. which in turn is a major shareholder of the Company and the shareholdings of his family members pursuant to Section 6A of the Companies Act, 1965.

# Deemed interested in the shares held by her family members pursuant to Section 6A of the Companies Act, 1965.

**Analysis of Shareholdings**

as at 30 April 2010

*cont'd***DIRECTORS' SHAREHOLDINGS AS AT 30 APRIL 2010***(Based on the Register of Directors' Shareholdings)*

Name of Directors	Direct Interest	No. of Shares Held		
		%	Indirect Interest	%
Yu Soo Chye @ Yee Soo Chye	82,644,270	33.73	-	-
Lee Pek Yoke	20,355,593	8.31	-	-
Khong Yik Kam	9,752,438	3.98	300,000 <sup>#</sup>	0.12
Lee Seng Fan	5,868,496	2.40	61,397,796 <sup>##</sup>	25.06
Koong Lin Loong	100,000	0.04	-	-
Chiam Soon Hock	100,000	0.04	-	-
Yau Ming Teck	-	-	-	-

<sup>#</sup> Deemed interested in the shares held by his family members pursuant to Section 6A of the Companies Act, 1965.

<sup>##</sup> Deemed interested by virtue of his substantial shareholdings in Lee Lim & Sons Sdn. Bhd. which in turn is a major shareholder of the Company and the shareholdings of his family members pursuant to Section 6A of the Companies Act, 1965.

## Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the Fifteenth Annual General Meeting 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 Friday, 18 June 2010 at 10.00 a.m. for the following purposes:-

### AGENDA

1. To receive and adopt the audited financial statements for the year ended 31 December 2009 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 December 2009. **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) Mdm. Lee Pek Yoke **Resolution 4**
  - (iii) Mr. Khong Yik Kam **Resolution 5**
  - (iv) Mr. Lee Seng Fan **Resolution 6**
  - (v) Mr. Yau Ming Teck **Resolution 7**
  - (vi) Mr. Chiam Soon Hock **Resolution 8**
  - (vii) Mr. Koong Lin Loong **Resolution 9**
4. To re-appoint Messrs. Crowe Horwath as Auditors and to authorise the Directors to fix their remuneration. **Resolution 10**
5. As Special Business, to consider and if thought fit, to pass the following resolutions as Ordinary Resolutions and Special Resolution:
  - (i) Proposed 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, 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 annual general meeting of the Company."

**Resolution 11**
  - (ii) Proposed Amendment to the Articles of Association of the Company. (Special Resolution)

"THAT the existing Article 155 be deleted in its entirety and that the following new Article 155 be adopted:

New Article 155

Mode of Payment

## Notice of Annual General Meeting

*cont'd*

Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or paid via electronic transfer of remittance to the account provided by the holder who is named on the Register of Member and/or Record of Depositors. Every such cheque or warrant or electronic transfer of remittance shall be made payable to the order of the person to whom it is sent or remitted, and the payment of any such cheque or warrant or electronic transfer of remittance shall operate as a good discharge to the Company in respect of the dividend, interest or other money payable in cash represented thereby notwithstanding that it may subsequently appear that the same has been stolen or that the endorsement thereon, or the instruction for the electronic transfer of remittance, has been forged. Every such cheque or warrant or electronic transfer of remittance shall be sent or remitted at the risk of the person entitled to the money thereby represented."

### **Resolution 12**

- (iii) Proposed Shareholders' Ratification for Recurrent Related Party Transactions of a Revenue of Trading Nature ("Proposed Shareholders' Ratification") (Ordinary Resolution)

"THAT all the recurrent related party transactions entered into by the Company and its subsidiaries with the related parties, as set out in Section 2.2 of the Circular To Shareholders dated 24 May 2010, from the listing date of the Company on 1 April 2010, up to the date of the Fifteenth Annual General Meeting, which were undertaken in the ordinary course of business, on arms length basis, on normal commercial terms which were not more favourable to the related party than those generally available to the public and were not detrimental to the minority shareholders of the Company, be hereby approved and ratified.

And That all the actions taken and the execution of all necessary documents by the Directors of the Company as they had considered expedient or deemed fit in the interest of the Company, be hereby approved and ratified."

### **Resolution 13**

- (iv) Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate") (Ordinary Resolution)

"That subject to the provisions of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be hereby given to the Company and /or its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.2 of the Circular To Shareholders dated 24 May 2010, provided that such transactions are necessary for the day-to-day operations; and undertaken in the ordinary course of business, on arms length basis, on normal commercial terms which are not more favourable to the related party than those generally available to the public and are not detrimental to the minority shareholders of the Company.

That such approval shall continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which the Proposed Shareholders' Mandate is passed, at which time it will lapse unless the authority is renewed by a resolution passed at the next AGM;
- (ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 143(1) of the Companies Act ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or is revoked or varied by resolution passed by shareholders in a general meeting, whichever is earlier;

## Notice of Annual General Meeting

cont'd

And That the Directors of the Company be hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate."

### Resolution 14

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

By Order Of The Board

**NG BEE LIAN**  
**TAN ENK PURN**  
Company Secretaries

Shah Alam  
24 May 2010

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 Lot 13, Jalan Utarid U5/16, Seksyen U5, Kawasan Perindustrian "Mah Sing Integrated" 40150 Shah Alam, Selangor, 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 Central Depositories Act, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
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.

### Explanatory Notes on Special Business

#### Ordinary Resolution No. 11

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

*The Company continues to consider opportunities to broaden its earnings potential. The proposed Ordinary Resolution No. 11, 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 (10) per centum 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 Annual General Meeting 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 Annual General Meeting.*

## Notice of Annual General Meeting

cont'd

**Special Resolution No. 12**

*Proposed Amendment to the Articles of Association of the Company.*

*The proposed Special Resolution is to amend the Company's Articles of Association in line with the amendments in the Listing Requirements for ACE Market of the Bursa Malaysia Securities Berhad in relation to eDividend.*

**Ordinary Resolution No. 13**

*Proposed Shareholders' Ratification*

*If, passed, will ratify all the recurrent related party transactions entered/to be entered into by the Company and its subsidiaries from 1 April 2010, being the listing date of the Company on the ACE Market of Bursa Securities Malaysia Berhad, to the date of the Fifteenth Annual General Meeting. The details of all these recurrent related party transactions are set out in the Circular To Shareholders dated 24 May 2010 which is dispatched together with the Annual Report.*

**Ordinary Resolution No. 14**

*Proposed Shareholders' Mandate*

*If passed, will benefit the Company by facilitating entry by members of the Group into transactions with Related Party specified in Section 2.2 of the Circular To Shareholders dated 24 May 2010 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 enhance the Group's ability to pursue business opportunities which are time-sensitive in nature in a more expeditious manner.*

## Statement Accompanying Notice of Annual General Meeting

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

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

Mr. Yu Soo Chye @ Yee Soo Chye  
Mdm. Lee Pek Yoke  
Mr. Khong Yik Kam  
Mr. Lee Seng Fan  
Mr. Yau Ming Teck  
Mr. Chiam Soon Hock  
Mr. Koong Lin Loong

The shareholdings of the Directors standing for re-election in the Company are disclosed in the Directors' Report under Directors' Interest of this Annual Report and under Directors' Profile on page 32 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 : 18 June 2010 at 10.00 a.m.

## Implementation of Electronic Dividend Payment (eDividend)

Electronic Dividend Payment or eDividend refers to the payment of cash dividends by a listed issuer to its shareholders by directly crediting the shareholders' cash dividend entitlements into their respective bank accounts.

In tabling the Federal Budget 2010, the Prime Minister announced that all listed issuers are required to offer eDividend services to their shareholders. The Securities Commission's subsequent press release stated that shareholders are given a one-year grace period to provide their bank account information to Bursa Malaysia Depository Sdn. Bhd. (Bursa Depository) (as the repository of such information) and that eDividend will be implemented in the third quarter 2010.

The main objectives of implementing eDividend are, amongst others, to promote greater efficiency of the dividend payment and to put the Malaysian market on par with practices in other regional markets in relation to receipt of dividend proceeds by shareholders.

### BENEFITS OF eDIVIDEND

eDividend extends to all companies listed on Bursa Malaysia Securities Berhad ("listed issuers") and provides, amongst others, faster access to your cash dividends, eliminates the inconvenience of having to deposit the dividend cheques and problems such as misplaced, lost or expired cheques, and unauthorized deposit of dividend cheques.

For those shareholders who have previously opted for direct crediting of dividend entitlement via GIRO Service with the Company, you will still need to register for eDividend to enjoy the following additional benefits:-

- (a) the convenience of a one-off registration for entitlement to eDividend from all listed issuers; and
- (b) the option to consolidate the dividends from all your Central Depository System ("CDS") accounts into one bank account for better account management.

### REGISTRATION FOR eDIVIDEND

Registration for eDividend will commence on 19 April 2010 for a period of 1 year until 18 April 2011, at no cost to the shareholders. If you register after the 1 year period, an administrative charge will be imposed.

To register for eDividend, you are required to provide to Bursa Malaysia Depository Sdn Bhd ("Bursa Depository") through your stock broker, your bank account number and other information by completing the prescribed form. This form can be obtained in due course from your stock broker's office where your CDS account is maintained, or downloaded from Bursa Malaysia's website at <http://www.bursamalaysia.com>.

You need to submit to your stock broker's office where your CDS account is maintained, the duly completed prescribed form and the following for registration:-

- (a) Individual depositor: Copy of identification documents i.e. NRIC, Passport, Authority Card or other acceptable identification documents. Original documents must be produced for your stock broker's verification;  
Corporate depositor: Certified true copy of the Certificate of Incorporation/Certificate of Registration; and
- (b) Copy of your bank statement/bank savings book/details of your bank account obtained from your banks website that has been certified by your bank/copy of letter from your bank confirming your bank account particulars. For individuals, original documents must be produced for your stock broker's verification. For corporate entities, a certified true copy is to be submitted.

If the CDS account is held in the name of a nominee, the nominee will register for the eDividend.

If you are not able to be present at your stock broker's office to submit the prescribed form and supporting documents, please ensure that the signing of the prescribed form and the supporting documents have been witnessed by an acceptable witness specified by Bursa Depository. In this regard, an acceptable witness includes an Authorised Officer of your stock broker, a Dealer's Representative, a notary public and an Authorised Officer of the Malaysian Embassy/High Commission.



## Implementation of Electronic Dividend Payment (eDividend)

*cont'd*

### NOTIFICATION OF eDIVIDEND PAYMENT AFTER REGISTRATION

You are encouraged to provide in the prescribed form to Bursa Depository both your mobile phone number and e-mail address, if any. This is to enable the Company to issue electronic notification to you either via e-mail or sms, at the discretion of the Company, once the Company has paid the cash dividend out of its account. Please note that if you provide only your mobile phone number, you may only be notified of the cash dividend payment when you receive your dividend warrant or tax certificate.

### ADDITIONAL INFORMATION FOR SHAREHOLDERS

Your savings or current account, must be an active bank account, maintained with a local bank under your name or in the case of a joint account, has your name as one of the account holders. It must also be a bank account with a financial institution that is a member of the Malaysian Electronic Payment System Inter-Bank GIRO (IBG) set out below, which can be found on this website: [http://meps.com.my/faq/interbank\\_giro.asp?id=2#answer](http://meps.com.my/faq/interbank_giro.asp?id=2#answer)

Your bank account particulars and other related information is protected under the Securities Industry (Central Depositories) Act 1991 which strictly prohibits the disclosure of such information to any person unless you expressly authorise the disclosure in writing. For eDividend purpose, you will be authorizing disclosure of your bank account particulars and other related information to persons necessary to facilitate the eDividend such as the Company, the share registrar and the appointed paying banks.

Once you have registered for eDividend, any cash dividend entitlement of which the books closure date is announced by the Company on or after 1 September 2010, shall be paid to you via eDividend.

We look forward to a successful implementation of eDividend through your active participation, and to serving you better as our valued shareholders.

Thank you.

Yours faithfully,  
OVERSEA ENTERPRISE BERHAD  
(Formerly known as Restoran Oversea Corporation Sdn. Bhd.)

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



海外天集团有限公司

OVERSEA ENTERPRISE BERHAD (317155-U)  
(Formerly known as RESTORAN OVERSEA CORPORATION SDN. BHD.)  
(Incorporated in Malaysia)

PROXY FORM

I/We \_\_\_\_\_ NRIC No. \_\_\_\_\_

of \_\_\_\_\_

being a member(s) of Oversea Enterprise Berhad (Formerly known as Restoran Oversea Corporation Sdn. Bhd.)

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 Fifteenth 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 Friday, 18 June 2010 at 10.00 a.m. or at any adjournment thereof:

RESOLUTIONS	FOR	AGAINST
1. To receive and adopt the audited Financial Statements for the year ended 31 December 2009 and the Reports of the Directors and Auditors thereon.		
2. To approve the payment of Directors' Fees for the financial year ended 31 December 2009.		
3. To re-elect Mr. Yu Soo Chye @ Yee Soo Chye as Director		
4. To re-elect Mdm. Lee Pek Yoke as Director		
5. To re-elect Mr. Khong Yik Kam as Director		
6. To re-elect Mr. Lee Seng Fan as Director		
7. To re-elect Mr. Yau Ming Teck as Director		
8. To re-elect Mr. Chiam Soon Hock as Director		
9. To re-elect Mr. Koong Lin Loong as Director		
10. To re-appoint Messrs. Crowe Horwath as Auditors		
11. To approve Proposed Authority to issue shares pursuant to Section 132D of the Companies Act, 1965 (Ordinary Resolution)		
12. To approve Proposed Amendments to the Articles of Association of the Company (Special Resolution)		
13. To approve Proposed Shareholders' Ratification on Recurrent Related Party Transactions (Ordinary Resolution)		
14. To approve Proposed Shareholders' Mandate on Recurrent Related Party Transactions (Ordinary 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 \_\_\_\_\_ 2010

<b>Number of Ordinary Shares held</b>	
---------------------------------------	--

.....  
Signature

NOTES:

- 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 Lot 13, Jalan Utarid U5/16, Seksyen U5, Kawasan Perindustrian "Mah Sing Integrated", 40150 Shah Alam, Selangor, 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).
- 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.
- Where a Member is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- 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.

Fold This Flap For Sealing

Then Fold Here

STAMP

The Company Secretary

**OVERSEA ENTERPRISE BERHAD** (317155-U)  
(Formerly known as RESTORAN OVERSEA CORPORATION SDN. BHD.)  
(Incorporated in Malaysia)

Lot 13, Jalan Utarid U5/16, Seksyen U5  
Kawasan Perindustrian "Mah Sing Integrated"  
40150 Shah Alam  
Selangor Darul Ehsan  
Malaysia.

1<sup>st</sup> Fold Here