



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

D-3-1 & D-3A-1, Seri Gembira Avenue
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OVERSEA ENTERPRISE BERHAD (317155-U)

ANNUAL REPORT 2015

海外天



ANNUAL REPORT

OVERSEA ENTERPRISE BERHAD
(Company No. 317155-U)

CONTENTS

Corporate Profile	...02
Corporate Diary	...03
Group Corporate Structure	...05
Corporate Information	...06
Financial Highlights	...07
Chairman's Statement	...08
Sustainability and Corporate Social Responsibility	...10
Board of Directors' Profile	...12
Statement of Corporate Governance	...16
Audit Committee Report	...27
Remuneration Committee Report	...32
Nominating Committee Report	...34
Statement on Risk Management and Internal Control	...36
Other Information	...38
Financial Statements	...40
Ten Largest Properties	...112
Analysis of Shareholdings	...113
Notice of Annual General Meeting	...115
Statement Accompanying Notice of Annual General Meeting	...120
Proxy Form	

CORPORATE PROFILE

**OVERSEA
ENTERPRISE BERHAD
IS INCORPORATED AND
DOMICILED IN MALAYSIA,
AND IT HAS BEEN LISTED
ON THE ACE MARKET OF
BURSA MALAYSIA
SECURITIES BERHAD
SINCE 1 APRIL 2010.**

The Group started out in 1970's as a partnership business between Mr. Yu Soo Chye @ Yee Soo Chye and an independent third party. Together they founded the first "Restoran Oversea" in Jalan Imbi, Kuala Lumpur. To date the Group's operation of food service outlets entails a chain of Chinese restaurants with a total of six (6) Chinese restaurants, four (4) outlets in Klang Valley and two (2) outlets in Ipoh offering home cooked Cantonese themed cuisines. In addition to the chain of Chinese restaurants, the Group has ventured into the operation of Dim Sum and Café. The Dim Sum outlet located at Sri Petaling was opened in 2005, with the intention to target Dim Sum connoisseur. The first Café offering Hong Kong styled food was opened in 2004 in Pandan Indah, Kuala Lumpur under the brand name of "Tsim Tung". In February 2012, a new café concept offering Ipoh homeland authentic cuisines was opened at Wan Chai, Hong Kong. Thereafter in December 2014, a second outlet under the brand name of "Tsim Tung" was opened at Setiawalk, Puchong. Subsequent in January 2015, a new bakery and café outlet under the brand name of "Alter Ego 1892" was opened in Taipei City, Taiwan.

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

Our business model besides the operation of food service outlets, also includes the expansion into the manufacturing of confectioneries particularly moon cake since 1986. In 1995, a moon cake manufacturing facility in Sungai Buloh with built-up area of approximately 20,000 square feet was built. Subsequently in 2002, we moved to a new manufacturing facility in Shah Alam, Selangor with a total built-up area of 58,330 square feet. As part of the Group's strategy to expand its portfolio of in-house manufactured products, we also ventured into the production of egg rolls in 1999. Our manufacturing concern has exported to various countries including the United States, Australia, New Zealand, Indonesia and the Netherlands.

CORPORATE DIARY

2014

4 Apr

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

23 May

Announcement of the unaudited consolidated results for the financial period ended 31 March 2014.

27 Jun

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

31 Jul

Release of the audited consolidated results for the financial year ended 31 March 2014.

8 Aug

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

8 Aug

Announcement in relation to the proposed share buy-back of up to ten percent (10%) of the issued and paid-up share capital of the Company.

12 Aug

Notice of the Nineteenth Annual General Meeting to the shareholders.

13 Aug

Release of Annual Report 2014.

13 Aug

Release circular to shareholders in relation to (i) Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature; and (ii) Proposed shareholders' mandate for new recurrent related party transaction of a revenue or trading nature and (iii) Proposed share buy-back of up to ten percent (10%) of the issued and paid up share capital of the Company.

26 Aug

Announcement of the unaudited consolidated results for the financial period ended 30 June 2014.

9 Oct

Announcement in relation to the incorporation of Taiwan Haewaytian Limited, a wholly-owned subsidiary of Restoran Oversea JV (International) Sdn. Bhd., which in turn is a wholly-owned subsidiary of the Company.

18 Nov

Announcement of the unaudited consolidated results of the financial period ended 30 September 2014.

21 Nov

Announcement in relation to the declaration of an interim dividend.

CORPORATE DIARY

cont'd

2015

5 Feb

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

5 Feb

Announcement in relation to the proposed special Bumiputera issue of 35,000,000 new ordinary shares of RM0.20 each in the Company to Bumiputera investors to be identified and/or approved by the Ministry of International Trade and Industry.

16 Feb

Announcement of the unaudited consolidated results of the financial period ended 31 December 2014.

1 Apr

Announcement in relation to the acquisition of the remaining entire 35% equity interest in Rich Tastes (Centrepont) Sdn. Bhd. from the JV partners, by Restoran Oversea JV (International) Sdn. Bhd., a wholly-owned subsidiary of the Company.

17 Apr

Announcement in relation to the approval granted by the Equity Compliance Unit of Securities Commission Malaysia on the application for the proposed special Bumiputera issue of 35,000,000 new ordinary shares of RM0.20 each in the Company to Bumiputera investors and extension of time of twelve (12) months of up to 31 March 2016 was given for the Company to comply with the equity condition imposed pursuant to the listing requirements of the ACE Market of Bursa Malaysia Securities Berhad.

21 May

Announcement of the unaudited consolidated results of the financial period ended 31 March 2015.

11 Jun

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

18 Jun

Announcement in relation to the proposed renewal of the shareholders' mandate for recurrent related party transactions of a revenue or trading nature and proposed renewal of the authority for share buy-back of up to ten percent (10%) of the issued and paid up share capital of the Company.

GROUP CORPORATE **STRUCTURE**OPERATION
OF A CHAIN
OF CHINESE
RESTAURANTS

- 100%** Restoran Oversea (Imbi) Sdn. Bhd.
- 100%** Restoran Oversea (PJ) Sdn. Bhd.
- 100%** Restoran Oversea (Subang Parade) Sdn. Bhd.
- 100%** Restoran Oversea (Bandar Baru Sri Petaling) Sdn. Bhd.
- 100%** Oversea Training Academy Sdn. Bhd.
(Formerly known as Restoran Oversea (Jaya 1) Sdn. Bhd.)
- 100%** Haewaytian Restaurant Sdn. Bhd.

OPERATION
OF CAFÉ

- 100%** Restoran Tsim Tung Sdn. Bhd.
- 100%** Restoran Oversea Hong Kong Café Sdn. Bhd.*
- 100%** Ipoh Group Limited (Registered in Hong Kong) *
- 100%** Rich Tastes (Centrepont) Sdn. Bhd.**
- 100%** Taiwan Haewaytian Limited (Registered in Taiwan) *
- 51%** Tunas Citarasa Sdn. Bhd.**
- 30.1%** Burger Foundry Australia Pty Ltd (Registered in Australia) ***

OPERATION OF
DIM SUM
OUTLET

- 100%** Restoran Oversea Dian Xin (Sri Petaling) Sdn. Bhd.

MANUFACTURING
OF MOONCAKES
AND OTHER
BAKED
PRODUCTS

- 100%** Haewaytian Cake House Sdn. Bhd.
- 100%** Restoran Oversea Confectioneries Sdn. Bhd.

TRADING

- 100%** Haewaytian Food Industries Sdn. Bhd.
- 100%** Haewaytian Trading Sdn. Bhd.
- 100%** Tenshou International Sdn. Bhd.

OWNER OF
TRADEMARKS

- 100%** Restoran Oversea Holdings Sdn. Bhd.

INVESTMENT
HOLDING

- 100%** Restoran Oversea JV (International) Sdn. Bhd.

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

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

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

The equity interest was increased from 35% to 100% with effect from 1 April 2015.

CORPORATE INFORMATION

BOARD OF DIRECTORS

YU SOO CHYE @ YEE SOO CHYE

Chairman/Group Managing Director

LEE PEK YOKE

Executive Director

KHONG YIK KAM

Executive Director

LEE SENG FAN

Executive Director

KOONG LIN LOONG

Independent Non-Executive Director

CHIAM SOON HOCK

Independent Non-Executive Director

YAU MING TECK

Independent Non-Executive Director

YU TACK TEIN

Executive Director

YU SUAT YIN

(Alternate Director to Lee Pek Yoke)

SECRETARY

Ng Bee Lian (MA/CSA 7041392)

AUDIT COMMITTEE

Koong Lin Loong - *Chairman*
Yau Ming Teck
Chiam Soon Hock

REMUNERATION COMMITTEE

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

NOMINATING COMMITTEE

Yau Ming Teck - *Chairman*
Koong Lin Loong
Chiam Soon Hock

INVESTMENT COMMITTEE

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

REGISTERED OFFICE AND HEAD OFFICE

D-3-1 & D-3A-1
Seri Gembira Avenue
Jalan Senang Ria
Taman Gembira
58200 Kuala Lumpur
Tel. No. : 03-7972 9683
Fax No. : 03-7972 7757
Website : www.oversea.com.my

PRINCIPAL BANKERS

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

AUDITORS

Crowe Horwath (AF 1018)
Kuala Lumpur Office
Level 16, Tower C
Megan Tower II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel. No. : 03-2166 9999
Fax No. : 03-2788 9998

SHARE REGISTRAR

Symphony Share
Registrars Sdn. Bhd.
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 AND STOCK CODE

ACE Market of Bursa Malaysia
Securities, OVERSEA

Stock Code - 0153

FINANCIAL HIGHLIGHTS

The following table sets out the summary of the Statement of Comprehensive Income for the financial years/period ended 31 December 2010, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015.

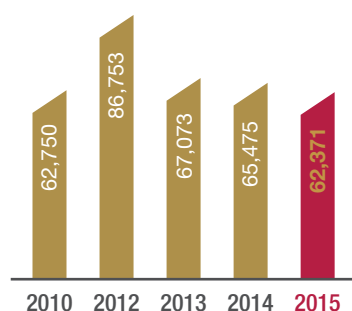
Period/Year Ended	Revenue RM'000	Profit/ (Loss) Before Taxation RM'000	Profit/ (Loss) After Taxation RM'000
31 December 2010	62,750	483 [@]	(324) [@]
31 March 2012 [^]	86,753	3,328	1,633
31 March 2013	67,073	(3,650)	(4,510)
31 March 2014	65,475	5,141	3,349
31 March 2015	62,371	1,725	541

Notes:

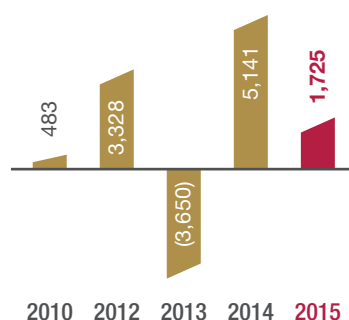
[@] Inclusive of expenses incurred pursuant to our Listing exercise amounting to approximately RM614,000 for the financial year ended 31 December 2010 which was recognized in accordance with FRSIC Consensus 13.

[^] The financial year end of Oversea Enterprise Berhad and its subsidiaries was changed from 31 December to 31 March. As a result, consolidated audited financial statement of Oversea Enterprise Berhad and its subsidiaries for the financial period ended 31 March 2012 cover a 15 months period as compared to the 12 months period ended 31 December 2010, 31 March 2013, 31 March 2014 and 31 March 2015.

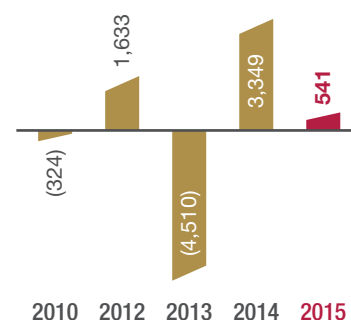
**REVENUE
(RM'000)**



**PROFIT/(LOSS) BEFORE TAXATION
(RM'000)**



**PROFIT/(LOSS) AFTER TAXATION
(RM'000)**



Dear Shareholders,

On behalf of the Board of Directors, I hereby bring you the Annual Report and audited financial statements of Oversea Enterprise Berhad (Oversea or the Group) for the financial year ended 31 March 2015 (FY2015).



Chairman's Statement

OPERATIONS REVIEW

The Malaysian economy in the year under review was rather challenging for the food and beverage (F&B) sector. Consumers began to adopt a cautious approach to spending in preparation of the anticipated higher cost of living, brought on chiefly by the implementation of the Goods and Service Tax in April 2015.

In light of this, the Group's efforts on operations optimisation and enhancement of cost-efficiency in our "Restoran Oversea" outlets in the previous year were certainly timely in enabling us to face these strenuous circumstances.

Meanwhile, we streamlined our contemporary café segment to realign our focus on our core competencies. At the same time, we successfully rebranded our "Oversea Café" at Setiawalk, Puchong, to "Tsim Tung" to leverage on the popularity of the existing "Tsim Tung" concept café outlet in Pandan Indah, Cheras. The common brand allows for cost-efficiency in advertising and promotional initiatives, as well as stronger equity for "Tsim Tung".

FINANCIAL PERFORMANCE

These developments, coupled with the tougher operating environment, led to Oversea recording lower group revenue of RM62.4 million in the year under review, compared to RM65.5 million in the previous year.

The Group's restaurant segment remained the highest revenue contributor with 83.8% of total FY2015 revenue or RM52.3 million in sales, while the manufacturing segment made up the remaining 16.2% or RM10.1 million.

In addition to the dampened consumer demand, the Group faced higher operational costs including manpower, utilities and marketing. These factors, together with additional write-off of fixed assets from the closure of a concept café, losses absorbed from running a new concept café and overseas venture, resulted in reduced group profit before tax of RM1.7 million in FY2015 versus RM5.1 million previously.

Correspondingly, net profit was recorded at RM0.5 million in FY2015, as compared to RM3.5 million last year. Basic earnings per share in the year under review stood at 0.24 sen, from 1.41 sen a year ago.

CHAIRMAN'S STATEMENT

cont'd

Still, the Group sustained a robust balance sheet, with cash and cash equivalents being noted at RM18.2 million as at 31 March 2015, and total borrowings at RM1.6 million. The Group remained in net cash position at year-end.

DIVIDEND

The Board of Directors had declared an interim dividend of 0.3 sen per share in respect of FY2015. The dividend payout of RM0.7 million was paid to shareholders on 23 December 2014.

FUTURE OUTLOOK

Growth in the domestic F&B sector is largely anticipated to remain dampened in the current financial year, even as households maintain stringent spending habits post-GST. The ongoing uncertainty of the overall Malaysian economy is also expected to cast a pall on consumer expenditure.

Nevertheless, we at Oversea have undergone numerous economic cycles since our inception in the 1970s, and intend to leverage on our proven track record in the F&B business to weather this trying outlook.

Hence in the upcoming year, the Group will continue optimising our cost structure and enhancing operational efficiency, while implementing new advertising and promotional activities to attract more patrons to our restaurants and contemporary cafés.

We believe that this approach would not only garner the patronage of our loyal customers, but also increase our visibility to the new generation of patrons.

Furthermore, we intend to expand our range of manufacturing products to cater to wider markets. To this end, we will continue to innovate new products for the local and export markets. Also, the Group has incorporated a Taiwan-based wholly-owned subsidiary, namely Taiwan Haewaytian Limited in October 2014, in order to facilitate our entry into the Taiwan market.

We are optimistic that these strategies would place us on the right track of growth and sustainability for the long term.

ACKNOWLEDGEMENTS

I would like to take this opportunity to extend my gratitude to our customers, shareholders, business partners, sponsor and regulatory authorities for their support for the Group.

To my fellow Directors, key management and staff, my appreciation goes out to you for your continuous dedication and hard work throughout the year.

Thank you.

YU SOO CHYE @ YEE SOO CHYE

Chairman/Group Managing Director

SUSTAINABILITY AND **CORPORATE SOCIAL RESPONSIBILITY**

We recognise the importance of Corporate Social Responsibility (CSR) as an integral part of business to enhance stakeholder confidence and social accountability. Although the Group does not have a formal CSR policy but the Group endeavors to contribute to a sustainable and better future. During the year under review, the Group continued to undertake various corporate responsibility initiatives that created value in the areas of the environment, workplace and the community.

THE ENVIRONMENT

Whilst the Group continues to produce high quality products from its manufacturing division, the manufacturing company is fully committed to ensure that its operations remain environmental friendly and comply strictly with the applicable industry standard and regulations on environmental, made available the food safety HALAL certification for its moon cake and Good Manufacturing Practices (GMP) certification. Proper waste treatment facilities have been in place at its main factory to avoid environmental contamination from its production effluents.

THE WORKPLACE

Oversea recognizes that employees are vital contributors to the success of the Group. To order to create a motivated, skilled and effective workforce through which organizational goals are achieved, various training programs were provided to staffs to boost their career growth and to prepare themselves in compliance to the changing of the government regulations. During the year, the company also established an in-house training division training team, providing staff development programs which encourage its employees to participate on continued learning opportunities and encourages them to take a more active role in defining and executing their own career paths in line with its business expansion plans.

The Group also adopting performance measurement system which managers and employees could work together to plan, monitor and review an employee's work objectives and overall contribution to the organization. It also helps in providing on-going coaching and feedback to ensure that employees are meeting their objectives and career goals.



SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

cont'd



THE COMMUNITY

On 17 February 2015, in the spirit of the Chinese New Year celebration and in consideration of bringing additional festive cheers and reliefs to the unfortunates, a group of employees from the Head Office organized a charity outing to Rumah Sejahtera (Rumah Orang Tua), an old folks home located at Seri Kembangan. Ang Pow packets were given to all the old folks and also donation of food supplies and utilities for the home.

In addition, the Company also made donations in cash and goods to schools and associations and few unfortunate Nepal workers whose home have been affected by the earthquake of magnitude of 7.8 in Nepal in April 2015.



BOARD OF DIRECTORS' PROFILE

YU SOO CHYE @ YEE SOO CHYE

*Chairman / Group Managing Director
Malaysian | 70 years old*

Mr. Yu has approximately fifty-five (55) years of experience in the Chinese restaurant industry. As Group Managing Director and founder, he has been instrumental in the development, growth and success of our Group. He started his career in the early 1950s when he started working in the kitchen as a kitchen helper. In 1970s, he started his first Chinese restaurant operations under a partnership arrangement, namely Restoran Oversea in Jalan Imbi, Kuala Lumpur. Subsequently in 1983, he converted the partnership into a private limited company. Since then, he has established a chain of six (6) Chinese restaurants in Malaysia, which operates under the brand name of "Restoran Oversea" (海外天). In 1986, he initiated the manufacturing of moon cakes by setting up a small manufacturing facility located in Jalan Imbi, Kuala Lumpur. In 2004, he was also involved in the establishment of our first café in Kuala Lumpur under the brand name "Tsim Tung". Subsequently in 2005, he established our first "dim sum" outlet in Sri Petaling, Kuala Lumpur. In 2007, he obtained his Diploma of Membership from Les Amis d'Escoffier Society, Inc. for the meritorious service recognition for outstanding contributions to promote fine dining. He is currently the Chairman of Perak Ku Su Shin Chuan Hung, Deputy Chairman of World Association of Chinese Cuisine and Honoured Chairman of Wilayah Cooks' Friendly Association. He is also the Chief Judge of Malaysia Cuisine Championship and Deputy Judge of The 4th World Championship of Chinese Cuisine. He has extensive experience in the operation and management of food services outlets and he is currently responsible for the overall operations of the Group with emphasis on strategic business planning.

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

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

Mr. Yu attended six (6) Board Meetings held during the financial year ended 31 March 2015.

LEE PEK YOKE

*Executive Director
Malaysian | 61 years old*

Mdm. Lee was the co-founder of the partnership that started with the first "Restoran Oversea" (海外天) in Jalan Imbi, Kuala Lumpur in 1970s. Since then, she has assisted in the establishment of the chain of Chinese restaurants and has accumulated thirty-eight (38) years of experience in the Chinese restaurant industry. In 1986, together with our Group Managing Director, she was involved in the setting up of the manufacturing of moon cakes. She is currently responsible in overseeing the overall planning and management of our Group, including implementation of promotional programmes, menu management and customer services.

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

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

Mdm. Lee attended five (5) Board Meetings held during the financial year ended 31 March 2015.

KHONG YIK KAM

*Executive Director
Malaysian | 66 years old*

Mr. Khong started his career in 1968 when he joined United Engineering Group as a supervisor. He joined Oversea Group in 1985 and approximately thirty (30) 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, and uncle of Mr. Yu Tack Tein and Ms. Yu Suat Yin. He has no conflict of interest with the Company and no conviction for any offences over the past ten (10) years.

Mr. Khong attended all seven (7) Board Meetings held during the financial year ended 31 March 2015.

BOARD OF DIRECTORS' PROFILE

cont'd

LEE SENG FAN

Executive Director
Malaysian | 49 years old

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-nine (29) years of experience as a chef in the Chinese restaurant industry and is mainly responsible for the overall planning and management of the kitchen operations that oversees the cooking, quality control, cost control and personnel management.

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

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

Mr. Lee attended six (6) Board Meetings held during the financial year ended 31 March 2015.

YU TACK TEIN

Executive Director
Malaysian | 41 years old

Mr. Yu graduated in 1997 with a Bachelor of Engineering Degree from Loughborough University, United Kingdom. His career started in 1998 when he joined Seacera Tiles Bhd as Production Executive. Subsequently in 2001, he joined Oversea Group as the Business Development Manager. He has approximately fourteen (14) years of experience in the Chinese restaurant industry in Malaysia. He is mainly responsible for developing the Group's business and marketing plans and execution of strategies. He is also involved in new business development of the Group.

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

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

Mr. Yu attended six (6) Board Meetings held during the financial year ended 31 March 2015.

CHIAM SOON HOCK

Independent Non-Executive Director
Malaysian | 67 years old

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

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

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

Mr. Chiam attended all seven (7) Board Meetings held during the financial year ended 31 March 2015.

BOARD OF DIRECTORS' PROFILE

cont'd

YAU MING TECK

*Independent Non-Executive Director
Malaysian | 44 years old*

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 twenty (20) 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. Currently he is an Independent Non-Executive Director of UMS-Neiken Group Berhad.

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

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

Mr. Yau attended six (6) Board Meetings held during the financial year ended 31 March 2015.

KOONG LIN LOONG

*Independent Non-Executive Director
Malaysian | 51 years old*

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

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

He is the National Council Member of the Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM); Chairman of ACCCIM Small & Medium Enterprises (SMEs) and ACCCIM Taxation Task Force. He is the Council Member of Chartered Tax Institute of Malaysia (CTIM); the Member of Audit Committee Member of SME Corp, Ministry of International Trade and Industry of Malaysia.

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

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

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

He has attended all seven (7) Board Meetings during the financial year ended 31 March 2015.

BOARD OF DIRECTORS' PROFILE

cont'd

YU SUAT YIN

*Alternate Director to Mdm. Lee Pek Yoke, Executive Director
Malaysian | 40 years old*

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

Ms. Yu is currently the General Manager of the Restaurant Division and she is assisting Mdm. Lee Pek Yoke for the overall planning and management of the operations of the restaurants within the Group. Ms. Yu has accumulated sixteen (16) years of experience in managing the Chinese restaurant operation and recent years she also spent time assisting in the management of the kitchen. She is also involved in new business development of the Group.

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

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

Ms. Yu attended five (5) Board Meetings held during the financial year ended 31 March 2015.

STATEMENT OF CORPORATE GOVERNANCE

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

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

THE BOARD OF DIRECTORS

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

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

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

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

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

BOARD CHARTER

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

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

Whistle-Blowing Policy

The Board in its effort to enhance the standards of corporate governance, has put in place a Whistle-Blowing Policy to provide an avenue for employees, suppliers and stakeholders to report genuine concerns about malpractices, unethical behaviour or misconduct without fear of reprisal. Any concerns raised will be investigated and outcome of such investigation will be reported to the Board. Appropriate action will be taken to resolve the issue.

Board Balance

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

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

STATEMENT OF CORPORATE GOVERNANCE

cont'd

BOARD CHARTER *cont'd*

Board Balance *cont'd*

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

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

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

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

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

Board Gender Diversity Policies and Targets and the Measures

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

The Board will review the suitability and credibility of women candidates for the Board to have more women participation by year 2016.

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

Code of Conduct and Ethics for Directors

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

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

STATEMENT OF CORPORATE GOVERNANCE

cont'd

BOARD CHARTER *cont'd*

Duties and Responsibilities of the Board

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

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

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

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

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

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

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

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

Board Meetings and Supply of Information to the Board

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

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

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

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

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

STATEMENT OF CORPORATE GOVERNANCE

cont'd

BOARD CHARTER *cont'd*

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

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

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

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

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

The Board met seven (7) times during the financial year ended 31 March 2015. Additional meetings are held as and when required. The dates of the Board Meetings are as follows:

- i. 4 April 2014
- ii. 16 April 2014
- iii. 23 May 2014
- iv. 26 August 2014
- v. 22 September 2014
- vi. 17 November 2014
- vii. 16 February 2015

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

Name of Directors	Number of Board Meetings Held	Number of Board Meetings Attended
Yu Soo Chye @ Yee Soo Chye	7	6
Lee Pek Yoke	7	5
Lee Seng Fan	7	6
Khong Yik Kam	7	7
Yu Tack Tein	7	6
Koong Lin Loong	7	7
Chiam Soon Hock	7	7
Yau Ming Teck	7	6

Appointment to the Board

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

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

STATEMENT OF CORPORATE GOVERNANCE

cont'd

BOARD CHARTER *cont'd*

Re-Appointment and Re-Election of Directors

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

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

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

- i. Lee Pek Yoke
- ii. Khong Yik Kam

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

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

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

The Chairman/Group Managing Director, Mr. Yu Soo Chye @ Yee Soo Chye has attained the age of seventy (70) years old and has served the Board for more than five (5) years shall retire pursuant to Section 129(6) of the Companies Act, 1965 and has offered himself for re-appointment by the Board pursuant to the Companies Act, 1965.

The NC is satisfied that the abovementioned Director met the requirements set out above and has recommended to the Board of Directors for his re-appointment and re-election at the forthcoming AGM. The abovementioned Director has consented to serve as Director, if re-appointed/re-elected, by the shareholders at this forthcoming AGM.

The Board Committees

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

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

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

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

STATEMENT OF CORPORATE GOVERNANCE

cont'd

BOARD CHARTER *cont'd*

Audit Committee

The Audit Committee (AC) currently comprises of three (3) Independent Non-Executive Directors. The Committee meets not less than four (4) times a year and is governed by clearly defined terms of reference. During the financial year ended 31 March 2015, the Committee met six (6) times. Details of the composition of the AC and attendance of Members at the Meetings held are as follows:-

Members of the Audit Committee and Meeting Attendance

Membership Status	Name	Attendance
Chairman <i>Independent Non-Executive Director</i>	Koong Lin Loong	6/6
Member <i>Independent Non-Executive Director</i>	Chiam Soon Hock	5/6
Member <i>Independent Non-Executive Director</i>	Yau Ming Teck	4/6

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

The activities carried out by the AC during the year are set out under the AC Report on pages 27 to 31 on this Annual Report.

Nominating Committee

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

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

The salient terms of reference are as follows:-

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

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

During the financial year ended 31 March 2015, the Committee met once which was attended by all the members.

STATEMENT OF CORPORATE GOVERNANCE

cont'd

BOARD CHARTER *cont'd*

Remuneration Committee

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

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

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

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

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

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

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

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

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

DIRECTORS' REMUNERATION

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

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

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

Fees

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

Basic Salaries and Bonuses

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

STATEMENT OF CORPORATE GOVERNANCE

cont'd

DIRECTORS' REMUNERATION *cont'd*

The details of the remuneration paid/payable to the Directors for the financial year ended 31 March 2015 are as follows:-

Aggregate remuneration of Directors categorized into appropriate components:-

	Executive Directors RM	Non-Executive Directors RM
Directors' fees	-	108,000
Salaries and allowance	2,204,193	-
Other Emoluments	-	-
Total Directors' Remuneration	2,204,193	108,000

The number of Directors whose total remuneration (including allowance) all within the following bands for the financial year ended 31 March 2015 are as follows:-

	Executive Directors	Non-Executive Directors
Below RM50,000	-	3
RM50,000 to RM200,000	1	-
RM200,001 – RM300,000	2	-
RM300,001 – RM500,000	2	-
RM500,001 – RM700,000	-	-
RM700,001 – RM900,000	1	-

Investment Committee

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

The members of the IC are as follows:-

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

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

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

STATEMENT OF CORPORATE GOVERNANCE

cont'd

DIRECTORS' TRAINING AND EDUCATION

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

For the year ended 31 March 2015 and up to the date of report, the conferences, seminars and training programmes attended by the Directors are as follows:-

Name of Directors	Courses/seminars attended
Mr. Yu Soo Chye @ Yee Soo Chye	1. GST101 – The awakening seminar.
Mdm. Lee Pek Yoke	1. GST101 – The awakening seminar.
Mr. Khong Yik Kam	1. GST101 – The awakening seminar.
Mr. Lee Seng Fan	1. GST101 – The awakening seminar.
Mr. Koong Lin Loong	1. Audit Committee Conference 2014.
	2. Update of latest development in MFRSs and an overview of the MPERS- What's new in Financial Reporting in Malaysia?
	3. Briefing Session on Corporate Governance Guide: Towards Boardroom Excellence (2nd Edition) - An Update.
	4. Kursus Cukai Barang dan Perhidmatan (GST).
	5. Accounting for Construction Contracts, Property Development and Real Estate Activities and Borrowing Costs.
	6. National Tax Conference 2014.
	7. National GST Conference 2015.
Mr. Chiam Soon Hock	1. Audit committees – Increased expectations.
Mr. Yau Ming Teck	1. GST awareness.
Mr. Yu Tack Tein	
Ms. Yu Suat Yin Alternate Director to Mdm. Lee Pek Yoke	1. GST101 – The awakening seminar.
	2. Gain knowledge about concept, mechanism and treatment of GST.

ACCOUNTABILITY AND AUDIT

Financial Reporting

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

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

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

STATEMENT OF CORPORATE GOVERNANCE

cont'd

ACCOUNTABILITY AND AUDIT *cont'd*

Financial Reporting *cont'd*

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

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

RESPONSIBILITY STATEMENT BY THE BOARD OF DIRECTORS

The Directors are required by the Companies Act, 1965 to prepare financial statements for each year which give a true and fair view of the state of affairs of the Group and of the Company at end of the financial year and of their results and cash flow for the financial year then ended. In preparing these financial statements, the Directors have:-

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

The Directors are responsible for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the Companies Act, 1965.

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

Internal Controls

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

Relationship with External Auditors

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

Internal Audit

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

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

Relationship with Shareholders and Investors

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

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

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

STATEMENT OF CORPORATE GOVERNANCE

cont'd

RESPONSIBILITY STATEMENT BY THE BOARD OF DIRECTORS *cont'd*

Relationship with Shareholders and Investors *cont'd*

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

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

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

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

COMPLIANCE WITH BEST PRACTICES

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

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

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

This Statement on Corporate Governance is made in accordance with the resolution of the Board dated 22 July 2015.

AUDIT COMMITTEE REPORT

The Board of Directors is pleased to present the report of the Audit Committee for the financial year ended 31 March 2015.

MEMBERS

CHAIRMAN

Koong Lin Loong

Independent Non-Executive Director

Member of the Malaysian Institute of Accountants

MEMBERS

Yau Ming Teck

Independent Non-Executive Director

Chiam Soon Hock

Independent Non-Executive Director

MEMBERSHIP AND ATTENDANCE

Composition of Audit Committee	No. of Audit Committee Meetings Held	No. of Audit Committee Meetings Attended
Koong Lin Loong, <i>Chairman, Independent Non-Executive Director</i>	6	6
Yau Ming Teck, <i>Independent Non-Executive Director</i>	6	4
Chiam Soon Hock, <i>Independent Non-Executive Director</i>	6	5

The Audit Committee (AC) convened six (6) meetings during the financial year and save for Mr. Koong Lin Loong who attended all the six (6) meetings, the rest of the two (2) AC members attended five (5) and four (4) meetings, respectively. Upon invitation by the AC, the Directors, Internal Auditors, External Auditors and other members of the senior management attended all the meetings from time to time. The AC also met up with the External Auditors without the presence of the employees during the financial year ended 31 March 2015.

COMPOSITION

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

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

- i. the AC shall consist of at least three (3) directors;
- ii. all AC members must be Non-Executive Directors, with a majority of them being Independent Directors; and
- iii. at least one (1) of the members of the AC:
 - (a) must be a member of the Malaysian Institute of Accountants (MIA);
 - (b) if he/she is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years of working experience; and
 - (i) he/she must have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967; or

AUDIT COMMITTEE REPORT

cont'd

COMPOSITION *cont'd*

- (ii) he/she must be a member of one (1) of the associations of accountants specified in Part II of the First Schedule of the Accountants Act, 1967; or
 - (iii) he/she has a degree/master/doctorate in accounting and finance and at least three (3) years' post qualification experience in accounting or finance; or
 - (iv) is a member of a professional accountancy organisation which has been admitted as full members of the International Federation of Accountants and at least three (3) years post qualification in accounting or finance; or
 - (v) at least seven (7) years' experience being a Chief Executive Officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation;
- (c) fulfils such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad.

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

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

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

OBJECTIVES

The primary objectives of the AC are:

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

MEETINGS

- i. The AC shall convene a minimum of four (4) meetings a year, although additional meetings maybe called at any time at the AC Chairman's discretion or if requested by any AC member, the management, the External or Internal Auditors.
- ii. The Head of Finance and Head of Internal Audit, if any, shall be invited to attend the meetings, as the AC deems necessary. Other Board and representatives of the External Auditors may attend meetings upon the invitation of the AC.
- iii. The AC members shall meet with External Auditors without the presence of the Executive Board members at least twice a year.
- iv. The Chairman of the AC shall engage on a continuous basis with senior management such as the Chairman, Chief Executive Officer, Finance Director, the Head of Internal Control and the External Auditors in order to be kept informed of matters affecting the Company.

AUDIT COMMITTEE REPORT

cont'd

MEETINGS *cont'd*

- v. The quorum for each meeting shall be at least two (2) independent members.
- vi. The Company Secretary shall be the Secretary to the AC.
- vii. Minutes of each meeting will be circulated to each member of the AC and the AC Chairman shall report on each meeting to the Board.

TERMS OF REFERENCE

AUTHORITY

- i. The AC is authorized by the Board with the authority to investigate any matter within its terms of reference and shall have unlimited access to both the Internal and External Auditors, as well as the employees of the Group. All employees are directed to co-operate with any request made by the Committee.
- ii. The Committee shall have unlimited access to any records, information and documents relevant to its activities, to the Internal and External Auditors, and to the senior management of the Group.
- iii. The Committee shall, at the Company's expenses, have the authority to obtain independent legal or other professional advice as it considers necessary.
- iv. 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.
- v. 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.
- vi. 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:

- i. 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;
- ii. 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;
- iii. to review the annual audited financial statements of the Group and quarterly results of the Group and before submission to the Board of Directors, focusing particularly on:
 - (a) public announcements of results and dividend payment;
 - (b) any changes in accounting policies and practices;
 - (c) major judgmental areas;
 - (d) significant adjustments resulting from the audit;
 - (e) the going-concern assumptions;
 - (f) compliance with accounting standards; and
 - (g) compliance with stock exchange and legal requirements.
- iv. 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);

AUDIT COMMITTEE REPORT

cont'd

DUTIES AND RESPONSIBILITIES *cont'd*

- v. 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;
- vi. 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;
- vii. to review and evaluate the adequacy and effectiveness of the Group's accounting policies, procedures and internal controls;
- viii. 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;
- ix. 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;
- x. to keep under review the effectiveness of internal control system and in particular, review External Auditors' management letter and management's response;
- xi. 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
- xii. to carry out such other functions and consider other topics, as may be agreed upon by the Board.

REPORTING PROCEDURES

The AC is authorized to regulate its own procedure 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.

SUMMARY OF ACTIVITIES

In line with the terms of reference of the AC, the following activities were carried out by the Committee during the financial year ended 31 March 2015 under review in accordance with its functions and duties:

Internal Audit

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

Financial Results

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

AUDIT COMMITTEE REPORT

cont'd

SUMMARY OF ACTIVITIES *cont'd*

External Audit

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

Related Party Transactions

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

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's internal audit function is outsourced to an independent consultant to assist the AC and the cost incurred for the internal audit function in respect of the financial year ended 31 March 2015 was about RM48,000. The function which is independent of the activities and operations conducts independent, regular and systematic reviews of the key controls and processes in the operating units and assess compliance with the established policies and procedures. The internal audit function reports directly to the AC and assists the Board in monitoring the internal controls and mitigate the risks.

The scope of the internal audit plan covers the risk management, control and governing processes, and audit of the Group's operations. The activities of the internal audit for the financial year ended 31 March 2015 under review include the following:

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

For the financial year ended 31 March 2015, a total of four (4) audit reports were issued and presented to the AC with the recommended corrective actions acted upon.

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

REMUNERATION COMMITTEE REPORT

The Remuneration Committee comprises of the following directors:-

CHIAM SOON HOCK

Chairman

Independent Non-Executive Director

YU SOO CHYE @ YEE SOO CHYE

Member

Group Managing Director

Yau Ming Teck

Member

Independent Non-Executive Director

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

1. Objectives

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

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

2. Size and Composition

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

3. Meetings and Procedures

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

4. Secretary

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

5. Duties and Responsibilities

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

REMUNERATION COMMITTEE REPORT

cont'd

5. Duties and Responsibilities *cont'd*

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

6. Circular Resolution

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

During the financial year ended 31 March 2015, one (1) meeting was held, which was attended by all members of the RC.

NOMINATING COMMITTEE REPORT

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

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

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

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

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

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

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

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

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

NOMINATING COMMITTEE REPORT

cont'd

For the financial year ended 31 March 2015, the Committee members met once and the composition of the NC and frequency of meetings of the Committee are as follows:

Members of the Nominating Committee and Meeting Attendance

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

The NC had undertaken the following activities during the financial year ended 31 March 2015:-

- i. reviewed and assessed the mix of skills, expertise, composition, size and experience of the Board, including the core-competencies of both Executive and Non-Executive Directors;
- ii. considered the aspects of succession planning and boardroom diversity including gender diversity;
- iii. training courses for Directors and other qualities of the Board, including core-competencies which Non-Executive Directors should bring to the Board;
- iv. reviewed the Self Assessment Form of the Directors retiring pursuant to Articles 85 and 92 of the Company's Articles of Association and submitted their recommendation for re-election at the Annual General Meeting; and
- v. reviewed the criteria to be used in the assessment of the Board as a whole, the Board Committees and individual Directors.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant to Paragraph 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (Listing Requirements), the Board of Directors (Board) is pleased to provide the following statement on the state of risk management and internal control of the Group, which had been prepared in accordance with the “Statement of Risk Management and Internal Control: Guidance for Directors of Public Listed Companies” (Risk Management and Internal Control Guidance).

BOARD RESPONSIBILITY

The Board of Directors is responsible for the adequacy and effectiveness of the Group’s risk management and internal control system. The Board recognises the importance of good corporate governance and is committed to maintaining a sound system of internal control and risk management. This includes the establishment of an appropriate control environment and risk management framework, processes and structures and continually reviewing the adequacy and integrity of the said systems to safeguard shareholders’ investment and the Group’s assets. The Board is pleased to provide the following statement, which outlines the nature and scope of risk management and internal control of the Group during the year.

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

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

The implementation of the risk management and internal control system within the Group inclusive of design, operation, identification, assessment, mitigation and control risks, are operated with the assistance of management throughout the year. The Board has received assurance from the Group Managing Director and the Group Finance Manager that the Group’s risk management and internal control system is operating adequately and effectively in all material aspects, based on the risk management and internal control system of the Group.

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

KEY ELEMENTS OF INTERNAL CONTROL

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

KEY ELEMENTS OF INTERNAL CONTROL *cont'd*

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

Risk Management Process

The Board regards risk management as an integral part of business operations. For the year under review, the Risk Management Committee (RMC) is assisted by the senior management team from various divisions to effectively embed risk management and control into the corporate culture, processes and structures within the Group. The RMC has identified and reviewed the major business risk factors affecting the Group and derive risk management strategies to manage and mitigate the risks identified. The following factors were considered in the risk assessment:

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

INTERNAL AUDIT FUNCTION

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

Based on the Internal Auditors' report for the financial year ended 31 March 2015, there is a reasonable assurance that the Group's system of internal controls is generally adequate. Nevertheless, the internal control system will continue to be reviewed, added on or updated in line with changes in the operating environment.

The costs incurred for the internal audit function for the financial year ended 31 March 2015 were RM48,000.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the Listing Requirements, the External Auditors have reviewed this Risk Management and Internal Control Statement. Their review was performed in accordance with Recommended Practice Guide (RPG) 5 (revised): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysia Institute of Accountants. Based on their review, nothing has come to their attention that causes them to believe that this Statement is not prepared, in all material aspects, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Public Listed Companies to be set out, nor is factually incorrect.

CONCLUSION

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

This statement was made in accordance with a Board of Directors' resolution dated 22 July 2015.

OTHER INFORMATION

1. NON-AUDIT FEES

There was no non-audit fee paid/payable to the External Auditors and its affiliates for the financial year ended 31 March 2015.

2. REVALUATION POLICY ON LANDED PROPERTIES

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

3. SHARE BUY-BACK

The Company had purchased 4,047,100 shares during the financial year. The details of the shares retained as treasury shares during the financial year are as follows:-

	As at 01.04.2014	Purchase	Sold/ Cancelled/ Distributed	As at 31.03.2015
Number of Shares	0	4,047,100	0	4,047,100
At Cost (RM)	0	867,063	0	867,063
Average price per share (RM)	0	0.21	0	0.21

4. SANCTIONS AND/OR PENALTIES IMPOSED

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

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

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

6. MATERIAL CONTRACTS

During the financial year ended 31 March 2015, there were no material contracts entered into by the Company or its subsidiary companies involving Directors and major shareholders of the Company that have not been reflected in the financial statement for the year ended 31 March 2015.

7. VARIATION IN RESULTS

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

8. PROFIT ESTIMATE, FORECAST AND PROJECTION

There was no profit estimation, forecast and projection made or released by the Company during the financial year ended 31 March 2015.

9. UTILIZATION OF PROCEEDS

There was no corporate proposal involving the raising of funds during the financial year 2015.

OTHER INFORMATION

cont'd

10. PROFIT GUARANTEE

There was no profit guarantee given by the Company during the financial year ended 31 March 2015.

11. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

There was no exercise of options, warrants or convertible securities during the financial year ended 31 March 2015.

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

At the forthcoming Twentieth Annual General Meeting to be held on 24 August 2015, 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 31 July 2015 attached to this Annual Report.

FINANCIAL STATEMENTS



Directors' Report	...41
Statement by Directors	...46
Statutory Declaration	...46
Independent Auditors' Report	...47
Statements of Financial Position	...49
Statements of Profit or Loss and Other Comprehensive Income	...51
Statements of Changes in Equity	...52
Statements of Cash Flows	...55
Notes to the Financial Statements	...57

DIRECTORS' REPORT

The Directors of Oversea Enterprise Berhad have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2015.

PRINCIPAL ACTIVITIES

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

RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year	541,184	1,626,462
Attributable to:-		
Owners of the Company	592,391	1,626,462
Non-controlling interest	(51,207)	-
	541,184	1,626,462

DIVIDENDS

Since the end of the previous financial year, the Company: -

- a) paid a second single tier interim dividend of 0.3 sen per ordinary share amounting to RM735,000 in respect of the financial year ended 31 March 2014; and
- b) paid a single tier interim dividend of 0.3 sen per ordinary share amounting to RM722,861 in respect of the financial year ended 31 March 2015.

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

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year,

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

DIRECTORS' REPORT

cont'd

TREASURY SHARES

During the financial year, the Company purchased 4,047,100 (2014 - Nil) of its issued ordinary shares from the open market at market prices ranging from 20.5sen to 22.5sen (2014 - Nil) per share. The total consideration paid for the purchase including transaction costs amounted to RM867,063 (2014 - Nil). The shares purchased were retained as treasury shares in accordance with the requirement of Section 67A of the Companies Act 1965 and presented as a deduction from equity.

As at 31 March 2015, the Company held as treasury shares a total of 4,047,100 (2014 - Nil) of its 245,000,000 (2014 - 245,000,000) issued and paid-up ordinary shares. The treasury shares are held at a carrying amount of RM867,063 (2014 - Nil). The details are disclosed in Note 22.4 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

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

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables.

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

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

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

DIRECTORS' REPORT

cont'd

CONTINGENT AND OTHER LIABILITIES

The contingent liability is disclosed in Note 36 to the financial statements. At the date of this report, there does not exist:-

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

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

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

DIRECTORS

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

Yu Soo Chye @ Yee Soo Chye
 Lee Pek Yoke
 Khong Yik Kam
 Lee Seng Fan
 Yau Ming Teck
 Chiam Soon Hock
 Koong Lin Loong
 Yu Tack Tein
 Yu Suat Yin (*Alternate Director to Lee Pek Yoke*)

DIRECTORS' REPORT

cont'd

DIRECTORS' INTERESTS

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

	Number Of Ordinary Shares Of RM0.20 Each			
	At 1.4.2014	Bought	Sold	At 31.3.2015
<i>Direct Interests In The Company</i>				
Yu Soo Chye @ Yee Soo Chye	82,744,270	-	-	82,744,270
Lee Pek Yoke	20,445,593	15,000	-	20,460,593
Khong Yik Kam	9,456,338	-	(200,000)	9,256,338
Lee Seng Fan	5,868,496	-	-	5,868,496
Chiam Soon Hock	100,000	-	-	100,000
Koong Lin Loong	100,000	-	-	100,000
Yu Tack Tein	600,333	-	(300)	600,033
Yu Suat Yin	163,333	-	-	163,333
<i>Indirect Interests In The Company</i>				
Lee Seng Fan #	50,917,358	-	-	50,917,358
Khong Yik Kam ##	1,050,000	400,000	(100,000)	1,350,000
Yu Suat Yin ###	10,000	-	-	10,000

Notes:-

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

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

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 38 to the financial statements.

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

DIRECTORS' REPORT cont'd

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 40 to the financial statements.

SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are disclosed in Note 41 to the financial statements.

AUDITORS

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

Signed in accordance with a resolution of the directors dated 28 July 2015

Yu Soo Chye @ Yee Soo Chye

Khong Yik Kam

STATEMENT BY DIRECTORS

We, Yu Soo Chye @ Yee Soo Chye and Khong Yik Kam, being two of the directors of Oversea Enterprise Berhad, state that, in the opinion of the directors, the financial statements set out on pages 49 to 110 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 31 March 2015 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 42, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the directors dated 28 July 2015

Yu Soo Chye @ Yee Soo Chye

Khong Yik Kam

STATUTORY DECLARATION

I, Yu Soo Chye @ Yee Soo Chye, I/C No. 450307-08-5175, being the director primarily responsible for the financial management of Oversea Enterprise Berhad, do solemnly and sincerely declare that the financial statements set out on pages 49 to 110 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 28 July 2015

Yu Soo Chye @ Yee Soo Chye

Before me

Datin Hajah Raihela Wanchik (W-275)
Commissioner of Oaths

INDEPENDENT AUDITORS' REPORT

To the Members of Oversea Enterprise Berhad

(Incorporated in Malaysia) Company No: 317155-U

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Oversea Enterprise Berhad, which comprise the statements of financial position as at 31 March 2015 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 49 to 110.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 March 2015 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

INDEPENDENT AUDITORS' REPORT

To the Members of Oversea Enterprise Berhad

(Incorporated in Malaysia) Company No: 317155-U

cont'd

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 42 on page 111 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

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

Crowe Horwath

Firm No: AF 1018

Chartered Accountants

28 July 2015

Kuala Lumpur

Chin Kit Seong

Approval No: 3030/01/17 (J)

Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

At 31 March 2015

		The Group		The Company	
		2015	2014	2015	2014
	NOTE	RM	RM	RM	RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	45,829,805	45,829,805
Investment in an associate	6	841,179	854,443	-	-
Investment in joint venture	7	1	473,894	-	-
Property, plant and equipment	8	26,560,705	25,997,114	320,634	360,074
Investment properties	9	1,771,500	1,771,500	-	-
Other investments	10	213,635	256,180	-	-
Intangible asset	11	135,389	122,129	-	-
Long-term receivables	12	138,297	165,464	-	-
Deferred tax assets	13	318,353	193,608	-	-
		29,979,059	29,834,332	46,150,439	46,189,879
CURRENT ASSETS					
Inventories	14	4,043,008	3,486,174	-	-
Trade receivables	15	560,524	525,890	-	-
Other receivables, deposits and prepayments	16	2,677,098	2,851,182	166,034	133,457
Amount owing by subsidiaries	17	-	-	9,250,821	9,417,469
Amount owing by an associate	18	1,774,300	-	-	-
Amount owing by joint venture	19	944,597	-	-	-
Tax refundable		208,980	89,533	-	11,099
Deposits with licensed banks	20	12,983,324	17,579,426	1,095,667	559,969
Cash and bank balances		5,289,102	4,590,546	91,343	90,693
		28,480,933	29,122,751	10,603,865	10,212,687
TOTAL ASSETS		58,459,992	58,957,083	56,754,304	56,402,566

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

STATEMENTS OF FINANCIAL POSITION

At 31 March 2015

cont'd

		The Group		The Company	
		2015	2014	2015	2014
	NOTE	RM	RM	RM	RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	21	49,000,000	49,000,000	49,000,000	49,000,000
Reserves	22	68,901	1,864,148	646,831	1,345,293
Equity attributable to owners of the Company		49,068,901	50,864,148	49,646,831	50,345,293
Non-controlling interest		(161,478)	(110,271)	-	-
TOTAL EQUITY		48,907,423	50,753,877	49,646,831	50,345,293
NON-CURRENT LIABILITIES					
Long-term borrowings	23	1,177,015	399,940	-	-
Deferred tax liability	13	1,075,637	1,196,637	-	-
		2,252,652	1,596,577	-	-
CURRENT LIABILITIES					
Trade payables	26	4,479,630	3,511,618	-	-
Other payables and accruals		2,328,707	2,345,710	246,475	167,478
Amount owing to subsidiaries	17	-	-	6,850,880	5,889,795
Short-term borrowings	27	433,081	424,472	-	-
Provision for taxation		58,499	324,829	10,118	-
		7,299,917	6,606,629	7,107,473	6,057,273
TOTAL LIABILITIES		9,552,569	8,203,206	7,107,473	6,057,273
TOTAL EQUITY AND LIABILITIES		58,459,992	58,957,083	56,754,304	56,402,566

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Year ended 31 March 2015

	NOTE	The Group		The Company	
		2015 RM	2014 RM	2015 RM	2014 RM
REVENUE	28	62,370,508	65,475,341	2,500,000	3,300,000
COST OF SALES		(25,317,648)	(26,613,736)	-	-
GROSS PROFIT		37,052,860	38,861,605	2,500,000	3,300,000
OTHER INCOME		5,067,295	5,197,153	150,168	576,762
		42,120,155	44,058,758	2,650,168	3,876,762
SELLING AND DISTRIBUTION EXPENSES		(26,934,479)	(27,204,494)	(123,200)	(247,491)
ADMINISTRATIVE EXPENSES		(12,883,847)	(11,443,487)	(856,532)	(1,907,424)
FINANCE COSTS		(90,163)	(106,341)	-	-
SHARE OF RESULT IN AN ASSOCIATE, NET OF TAX	6	(13,264)	(44,377)	-	-
SHARE OF RESULT IN JOINT VENTURE, NET OF TAX	7	(473,893)	(119,132)	-	-
PROFIT BEFORE TAXATION	29	1,724,509	5,140,927	1,670,436	1,721,847
INCOME TAX EXPENSE	30	(1,183,325)	(1,791,467)	(43,974)	(13,759)
PROFIT AFTER TAXATION		541,184	3,349,460	1,626,462	1,708,088
OTHER COMPREHENSIVE INCOME:					
Items that will be reclassified subsequently to profit or loss:					
- fair value changes of available-for-sale financial assets		(42,545)	30,055	-	-
- transfer to profit or loss upon disposal of available-for-sale financial assets		-	(248,569)	-	-
- foreign currency translation		(20,169)	601	-	-
		(62,714)	(217,913)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		478,470	3,131,547	1,626,462	1,708,088
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		592,391	3,460,174	1,626,462	1,708,088
Non-controlling interest		(51,207)	(110,714)	-	-
		541,184	3,349,460	1,626,462	1,708,088
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		529,677	3,242,261	1,626,462	1,708,088
Non-controlling interest		(51,207)	(110,714)	-	-
		478,470	3,131,547	1,626,462	1,708,088
EARNINGS PER SHARE(SEN):	31				
- Basic		0.24	1.41	-	-
- Diluted		N/A	N/A	-	-

Note:-

N/A - Not Applicable.

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2015

The Group	NOTE	← Non-Distributable →				Distributable		Non-Controlling Interest	Total Equity
		Share Capital	Share Premium	Fair Value Reserve	Foreign Exchange Translation Reserve	Retained Profits/ (Accumulated Losses)	Attributable To Owners Of The Company		
		RM	RM	RM	RM	RM	RM	RM	RM
Balance at 1.4.2013		49,000,000	1,038,157	251,856	(4,902)	(1,928,224)	48,356,887	443	48,357,330
Profit after taxation		-	-	-	-	3,460,174	3,460,174	(110,714)	3,349,460
Other comprehensive income/ (expenses):									
- gain on fair value changes of available-for-sale financial assets		-	-	30,055	-	-	30,055	-	30,055
- transfer to profit or loss upon disposal of available-for-sale financial assets		-	-	(248,569)	-	-	(248,569)	-	(248,569)
- foreign currency translation		-	-	-	601	-	601	-	601
Total comprehensive income for the financial year		-	-	(218,514)	601	3,460,174	3,242,261	(110,714)	3,131,547
Transaction with owners of the Company:									
- Dividend paid	32	-	-	-	-	(735,000)	(735,000)	-	(735,000)
Balance at 31.3.2014		49,000,000	1,038,157	33,342	(4,301)	796,950	50,864,148	(110,271)	50,753,877

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2015

cont'd

The Group	NOTE	Non-Distributable					Distributable			Total Equity
		Share Capital	Share Premium	Fair Value Reserve	Foreign Exchange Translation Reserve	Treasury Shares	Retained Profits/ (Accumulated Losses)	Attributable To Owners Of The Company	Non-Controlling Interest	
		RM	RM	RM	RM	RM	RM	RM	RM	RM
Balance at 1.4.2014		49,000,000	1,038,157	33,342	(4,301)	-	796,950	50,864,148	(110,271)	50,753,877
Profit after taxation		-	-	-	-	-	592,391	592,391	(51,207)	541,184
Other comprehensive income/(expenses):										
- loss on fair value changes of available-for-sale financial assets		-	-	(42,545)	-	-	-	(42,545)	-	(42,545)
- foreign currency translation		-	-	-	(20,169)	-	-	(20,169)	-	(20,169)
Total comprehensive income for the financial year		-	-	(42,545)	(20,169)	-	592,391	529,677	(51,207)	478,470
Transactions with owners of the Company:										
- Treasury shares acquired	22.4	-	-	-	-	(867,063)	-	(867,063)	-	(867,063)
- Dividends paid	32	-	-	-	-	-	(1,457,861)	(1,457,861)	-	(1,457,861)
Total transactions with owners of the Company		-	-	-	-	(867,063)	(1,457,861)	(2,324,924)	-	(2,324,924)
Balance at 31.3.2015		49,000,000	1,038,157	(9,203)	(24,470)	(867,063)	(68,520)	49,068,901	(161,478)	48,907,423

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2015

cont'd

The Company	NOTE	Non-Distributable			Distributable	Total
		Share Capital	Share Premium	Treasury Shares	Retained Profits/ (Accumulated Losses)	
		RM	RM	RM	RM	RM
Balance at 1.4.2013		49,000,000	1,038,157	-	(665,952)	49,372,205
Profit after taxation/Total comprehensive income for the financial year		-	-	-	1,708,088	1,708,088
Transaction with owners of the Company:						
- Dividend paid	32	-	-	-	(735,000)	(735,000)
Balance at 31.3.2014/1.4.2014		49,000,000	1,038,157	-	307,136	50,345,293
Profit after taxation/Total comprehensive income for the financial year		-	-	-	1,626,462	1,626,462
Transaction with owners of the Company:						
- Treasury shares acquired	22.4	-	-	(867,063)	-	(867,063)
- Dividends paid	32	-	-	-	(1,457,861)	(1,457,861)
Total transactions with owners of the Company		-	-	(867,063)	(1,457,861)	(2,324,924)
Balance at 31.3.2015		49,000,000	1,038,157	(867,063)	475,737	49,646,831

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

STATEMENTS OF CASH FLOWS

For the financial year ended 31 March 2015

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
Profit before taxation	1,724,509	5,140,927	1,670,436	1,721,847
Adjustments for:-				
Amortisation of intangible asset	51,086	45,670	-	-
Bad debts written off:				
- trade and other receivables	-	9,376	-	-
Depreciation of property, plant and equipment	2,585,750	2,759,427	63,206	44,206
Impairment loss:				
- investments in subsidiaries	-	-	-	400,000
- trade receivables	-	41,013	-	-
- amount owing by subsidiaries	-	-	-	965,000
Interest expense	90,163	93,920	-	-
Property, plant and equipment written off	656,891	84,536	154,102	-
Share of loss in an associate, net of income tax expense	13,264	44,377	-	-
Share of loss in joint venture, net of income tax expense	473,893	119,132	-	-
Dividend income	-	-	(2,500,000)	(3,300,000)
Accretion of long-term receivables	(12,933)	(5,734)	-	-
Gain on disposal of:				
- property, plant and equipment	(21,653)	(11,999)	-	-
- other investments	-	(248,484)	-	-
Interest income	(468,739)	(382,187)	(35,568)	(15,848)
Operating profit/(loss) before working capital changes	5,092,231	7,689,974	(647,824)	(184,795)
(Increase)/Decrease in inventories	(556,834)	461,082	-	-
Decrease/(Increase) in trade and other receivables	179,550	493,939	(32,577)	213,630
Increase/(Decrease) in trade and other payables	951,009	(928,284)	78,997	34,972
CASH FROM/(FOR) OPERATIONS	5,665,956	7,716,711	(601,404)	63,807
Income tax (paid)/refunded	(1,814,848)	278,491	(22,757)	(14,858)
Interest paid	-	(18,762)	-	-
NET CASH FROM/(FOR) OPERATING ACTIVITIES CARRIED FORWARD	3,851,108	7,976,440	(624,161)	48,949

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

STATEMENTS OF CASH FLOWS

For the financial year ended 31 March 2015

cont'd

	NOTE	The Group		The Company	
		2015 RM	2014 RM	2015 RM	2014 RM
NET CASH FROM/(FOR) OPERATING ACTIVITIES BROUGHT FORWARD		3,851,108	7,976,440	(624,161)	48,949
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Repayment from subsidiaries		-	-	166,648	849,936
Dividend received		-	-	2,500,000	3,300,000
Interest received		468,739	382,187	35,568	15,848
Additional investments in subsidiaries		-	-	-	(9,389,795)
Investment in an associate		-	(898,820)	-	-
Advances to jointly controlled entity		(944,597)	-	-	-
Advances to associate		(1,774,300)	-	-	-
(Placement)/withdrawal of deposits pledged with licensed banks		(192,538)	136,503	-	-
Proceeds from disposal of:					
- investment properties		-	150,000	-	-
- property, plant and equipment		27,060	79,901	-	-
- other investments		-	581,836	-	-
Purchase of property, plant and equipment		(3,811,639)	(2,020,513)	(177,868)	(404,280)
Purchase of intangible asset		(64,346)	-	-	-
Purchase of other investments		-	(74,000)	-	-
Purchase of treasury shares		(867,063)	-	(867,063)	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(7,158,684)	(1,662,906)	1,657,285	(5,628,291)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Advances from subsidiaries		-	-	961,085	5,889,795
Dividends paid		(1,457,861)	(735,000)	(1,457,861)	(735,000)
Interest paid		(90,163)	(75,158)	-	-
Repayment of hire purchase obligations		(29,313)	(53,365)	-	-
Drawdown of term loans		1,232,000	-	-	-
Repayment of term loans		(417,003)	(425,462)	-	-
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(762,340)	(1,288,985)	(496,776)	5,154,795
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(4,069,916)	5,024,549	536,348	(424,547)
EFFECT OF FOREIGN EXCHANGE TRANSLATION		(20,168)	714	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		21,946,703	16,921,440	650,662	1,075,209
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	33	17,856,619	21,946,703	1,187,010	650,662

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office, which is also the principal place of business, is at D-3-1 & D-3A-1, Seri Gembira Avenue, Jalan Senang Ria, Taman Gembira, 58200 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 28 July 2015.

2. PRINCIPAL ACTIVITIES

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

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

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

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

Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities

Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets

Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting

IC Interpretation 21 Levies

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

3. BASIS OF PREPARATION *cont'd*

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

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2017
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities – Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 101: Presentation of Financial Statements – Disclosure Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants	1 January 2016
Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions	1 July 2014
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application except as follows:-

- (a) MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces the existing guidance in MFRS 139 and introduces a revised guidance on the classification and measurement of financial instruments, including a single forward-looking 'expected loss' impairment model for calculating impairment on financial assets, and a new approach to hedge accounting. Under this MFRS 9, the classification of financial assets is driven by cash flow characteristics and the business model in which a financial asset is held. The adoption of MFRS 9 will result in a change in accounting policy. The Group is currently assessing the financial impact of adopting MFRS 9.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Critical Accounting Estimates And Judgements

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

(a) Depreciation of Property, Plant and Equipment

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

4.1 Critical Accounting Estimates And Judgements *cont'd*

(b) Income Taxes

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

(c) Revaluation of Properties

Certain properties of the Group are reported at valuation which is based on valuations performed by independent professional valuers.

The independent professional valuers have exercised judgement in determining discount rates, estimates of future cash flows, capitalisation rate, terminal year value, market freehold rental and other factors used in the valuation process. Also, judgement has been applied in estimating prices for less readily observable external parameters. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting valuation estimates.

(d) Impairment of Non-financial Assets

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

(e) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(f) Impairment of Trade and Other Receivables

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

4.1 Critical Accounting Estimates And Judgements *cont'd*

(h) Classification of Leasehold Land

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

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

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

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

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

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

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

4.2 Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

4.2 Basis of Consolidation *cont'd*

(a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(b) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

(c) Changes in Ownership Interests in Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a jointly venture.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

4.3 Functional and Foreign Currencies

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(b) Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss except for differences arising from the transaction of available-for-sale equity instruments which are recognised in other comprehensive income.

(c) Foreign Operations

Assets and liabilities of foreign operations are translated to RM at the rates of exchange ruling at the end of the reporting period. Revenues and expenses of foreign operations are translated at exchange rates ruling at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity under translation reserve. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income relating to that particular foreign operation is reclassified from equity to profit or loss.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

4.4 Investments in Subsidiaries

Investments in subsidiaries are initially stated at cost in the statement of financial position of the Company and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that their carrying values may not be recoverable. The cost of investments includes transaction costs.

On the disposal of the investments in subsidiaries the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4.5 Investments In Associates

An associate is an entity in which the Group has a long-term equity interest and where it exercises significant influence over the financial and operating policies.

The investment in an associate is accounted for in the consolidated statement of financial position using the equity method, based on the financial statements of the associate made up to the end of the reporting period. The Group's share of the post acquisition profits and other comprehensive income of the associate is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's interest in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post-acquisition retained profits and reserves. The cost of the investment includes transaction costs.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

4.5 Investments In Associates *cont'd*

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation.

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

When the Group ceases to have significant influence over an associate and the retained interest in the former associate is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 139. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that associate to profit or loss when the equity method is discontinued. However, the Group will continue to use the equity method if the dilution does not result in a loss of significant influence or when an investment in a joint venture becomes an investment in an associate. Under such changes in ownership interest, the retained investment is not remeasured to fair value but a proportionate share of the amounts previously recognised in other comprehensive income of the associate will be reclassified to profit or loss where appropriate. All dilution gains or losses arising in investments in associates are recognised in profit or loss.

4.6 Joint Arrangements

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

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

A joint venture is a joint arrangement whereby the Group has rights only to the net assets of the arrangement. The investment in a joint venture is accounted for in the consolidated statement of financial position using the equity method, based on the financial statements of the joint venture made up to the end of the reporting period. The Group's share of the post acquisition profits and other comprehensive income of the joint venture is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, up to the effective date when the investment ceases to be a joint venture or when the investment is classified as held for sale. The Group's interest in the joint venture is carried in the consolidated statement of financial position at cost plus the Group's share of the post-acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in a joint venture, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation.

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

4.7 Financial Instruments

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

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

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

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

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

Financial asset at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

- *Held-to-maturity Investments*

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

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after reporting date which are classified as current assets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

4.7 Financial Instruments *cont'd*

(a) Financial Assets *cont'd*

- *Loans and Receivables Financial Assets*

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

Loan and receivables financial assets are classified as current assets, except for those having settlement dates later than 12 months after the reporting date which are classified as non-current assets.

- *Available-for-sale Financial Assets*

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

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

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

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

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realized within 12 months after the reporting date.

(b) Financial Liabilities

All financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

4.7 Financial Instruments *cont'd*

(c) Equity Instruments

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

(i) Ordinary shares

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

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

(ii) Treasury shares

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity. Where such shares are subsequently sold or reissued, any consideration received, net of any direct costs, is included in equity.

(d) Derecognition

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

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

4.8 Property, Plant and Equipment

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

Depreciation is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Buildings	2%
Long leasehold land	Over the lease periods
Plant and machinery	20%
Motor vehicles	20%
Renovation, furniture and fittings	10 - 20%
Equipment and electrical installation	10 - 20%

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

4.8 Property, Plant and Equipment *cont'd*

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the assets is recognised in profit or loss.

4.9 Investment Properties

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

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

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

4.10 Intangible Assets

An intangible asset shall be recognised if, and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and that the cost of the asset can be measured reliably. An entity shall assess the probability of the expected future economic benefits using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset. An intangible asset shall be measured initially at cost.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful lives or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of comprehensive income in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

4.10 Intangible Assets *cont'd*

(a) Trademarks

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

4.11 Impairment

(a) Impairment of Financial Assets

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

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

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

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

(b) Impairment of Non-Financial Assets

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

An impairment loss is recognised in profit or loss.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

4.12 Assets under Hire Purchase

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

4.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis, and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs necessary to make the sale.

4.14 Borrowing Costs

Borrowing costs, directly attributable to the acquisition and construction or production of a qualifying asset are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

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

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

4.15 Income Taxes

Income tax for the year comprises current and deferred tax.

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

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

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

4.15 Income Taxes *cont'd*

Where investment properties are carried at their fair value, the amount of deferred tax recognised is measured using the tax rates that would apply on the sale of those assets.

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

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

4.16 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less.

4.17 Provisions

Provisions are recognised when the Group has a present obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The unwinding of the discount is recognized as interest expense in profit or loss.

4.18 Employee Benefits

(a) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

4.19 Related Parties

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

- (a) A person or a close member of that person's family is related to a reporting entity if that person:-
 - (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

4.19 Related Parties *cont'd*

(b) An entity is related to a reporting entity if any of the following conditions applies:-

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

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

4.20 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

4.21 Revenue and Other Income

(a) Sale of Food and Beverage

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

(b) Service Fee Income

Service fee income represents service charge to customers at the Group's restaurants and is recognised at the point of sales.

(c) Sale of Goods

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

(d) Interest Income

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

4.21 Revenue and Other Income *cont'd*

(e) Rental Income

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

(f) Dividend Income

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

4.22 Operating Segments

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

4.23 Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

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

Level 3: Inputs are unobservable inputs for the asset or liability.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2015 RM	2014 RM
Unquoted shares, at cost:-		
At 1 April	47,109,805	37,720,010
Addition during the financial year	-	9,389,795
At 31 March	47,109,805	47,109,805
Accumulated impairment losses	(1,280,000)	(1,280,000)
	45,829,805	45,829,805
Accumulated impairment losses:-		
At 1 April	(1,280,000)	(880,000)
Addition during the financial year	-	(400,000)
At 31 March	(1,280,000)	(1,280,000)

The details of the subsidiaries are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2015 %	2014 %	
Restoran Oversea (Imbi) Sdn. Bhd.	Malaysia	100	100	Restaurant operator.
Restoran Oversea (P.J.) Sdn. Bhd.	Malaysia	100	100	Restaurant operator.
Restoran Oversea (Subang Parade) Sdn. Bhd.	Malaysia	100	100	Restaurant operator.
Restoran Oversea (Bandar Baru Sri Petaling) Sdn. Bhd.	Malaysia	100	100	Restaurant operator.
Oversea Training Academy Sdn. Bhd. (formerly known as Restoran Oversea (Jaya 1) Sdn. Bhd.) ^	Malaysia	100	100	Restaurant operator.
Haewaytian Restaurant Sdn. Bhd.	Malaysia	100	100	Restaurant operator.
Restoran Oversea Dian Xin (Sri Petaling) Sdn. Bhd.	Malaysia	100	100	Restaurant operator.
Restoran Tsim Tung Sdn. Bhd.	Malaysia	100	100	Restaurant operator.
Haewaytian Cake House Sdn. Bhd.	Malaysia	100	100	Manufacturer and wholesaler of confectioneries.
Haewaytian Food Industries Sdn. Bhd.	Malaysia	100	100	Distributor of food products.
Restoran Oversea Confectioneries Sdn. Bhd.	Malaysia	100	100	Manufacturer and wholesaler of confectioneries.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

5. INVESTMENTS IN SUBSIDIARIES *cont'd*

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2015 %	2014 %	
Tenshou International Sdn. Bhd.	Malaysia	100	100	Retailer of foodstuff.
Haewaytian Trading Sdn. Bhd.	Malaysia	100	100	Distributing general products.
Restoran Oversea Holdings Sdn. Bhd.	Malaysia	100	100	Investment holding.
Restoran Oversea JV (International) Sdn. Bhd.	Malaysia	100	100	Investment holding.
Ipoh Group Limited # *	Hong Kong	100	100	Restaurant and cafe operator.
Restoran Oversea Hong Kong Cafe Sdn. Bhd. *	Malaysia	100	100	Restaurant and cafe operator.
Taiwan Haewaytian Limited # * ^^	Taiwan	100	-	Bakery and café operator.
Rich Tastes (Centrepont) Sdn. Bhd. ^*	Malaysia	65	65	Restaurant and cafe operator.

Notes:-

^ - The subsidiary has ceased its business operations.

- Not audited by Messrs. Crowe Horwath.

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

^^ - The subsidiary was incorporated during the current financial year as disclosed in Note 38 to the financial statements.

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

	The Group			
	Loss Allocated to NCI		Accumulated NCI	
	2015 RM	2014 RM	2015 RM	2014 RM
Rich Tastes (Centrepont) Sdn. Bhd.	(51,207)	(110,714)	(161,478)	(110,271)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

5. INVESTMENTS IN SUBSIDIARIES *cont'd*

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

	Rich Tastes (Centrepont) Sdn. Bhd.	
	2015	2014
	RM	RM
<u>At 31 March</u>		
Non-current assets	83,596	641,616
Current assets	131,858	194,918
Current liabilities	(875,400)	(1,350,175)
Net (liabilities)/assets	(659,946)	(513,641)
<u>Financial year ended 31 March</u>		
Revenue	65,069	1,030,080
Loss after taxation/Total comprehensive expenses for the financial year	(146,305)	(516,328)
Net cash from/(for) operating activities	218,149	(303,784)
Net cash from investing activities	5,043	61,838
Net cash (for)/from financing activities	(190,546)	226,684

5.1 Impairment Loss For Investments In Subsidiaries

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

	The Company	
	2015	2014
	RM	RM
Restoran Oversea JV (International) Sdn. Bhd.	-	400,000

6. INVESTMENT IN AN ASSOCIATE

	The Group	
	2015	2014
	RM	RM
Unquoted shares, at cost	898,820	898,820
Share of post-acquisition loss	(57,641)	(44,377)
	841,179	854,443

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

6. INVESTMENT IN AN ASSOCIATE *cont'd*

The details of associate are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activity
		2015 %	2014 %	
Burger Foundry Australia Pty. Ltd.	Australia	30.1	30.1	Restaurant operator.

The statutory financial year end of Burger Foundry Australia Pty. Ltd. is 30 June 2015. The share of results in the associate is based on the unaudited financial statements for the 12 months ended 31 March 2015.

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

	Burger Foundry Australia Pty. Ltd.	
	2015 RM	2014 RM
<u>At 31 March</u>		
Non-current assets	2,503,723	200,038
Current assets	2,815,121	2,758,008
Current liabilities	(2,614,804)	(92,716)
Net assets	2,704,040	2,865,330
<u>Financial year ended 31 March</u>		
Revenue	3,137,816	795,418
Loss after taxation/Total comprehensive expenses for the financial year	(125,206)	(152,365)
Group's share of loss after taxation/Total comprehensive expenses for the financial year	(13,264)	(44,377)
<u>Reconciliation of net assets to carrying amount</u>		
Group's share of net assets	849,200	862,464
Goodwill	(8,021)	(8,021)
Carrying amount of the Group's interests in this associate	841,179	854,443

7. INVESTMENT IN JOINT VENTURE

	The Group	
	2015 RM	2014 RM
Unquoted shares, at cost:-	675,750	675,750
Share of post-acquisition loss	(675,749)	(201,856)
	1	473,894

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

7. INVESTMENT IN JOINT VENTURE *cont'd*

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

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activity
		2015 %	2014 %	
Tunas Citarasa Sdn. Bhd.	Malaysia	51%	51%	Cafe operator.

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

	Tunas Citarasa Sdn. Bhd.	
	2015 RM	2014 RM
<u>At 31 March</u>		
Non-current assets	628,695	302,104
Current assets	300,272	833,794
Current liabilities	(991,155)	(206,693)
Net (liabilities)/assets	(62,188)	929,205
<u>Financial year ended 31 March</u>		
Revenue	602,594	746,779
Loss after taxation/Total comprehensive expenses for the financial year	(991,393)	(233,592)
Group's share of loss after taxation/Total comprehensive expenses for the financial year	(473,893)	(119,132)
<u>Reconciliation of net assets to carrying amount</u>		
Group's share of net assets	1	473,894
Goodwill	-	-
Carrying amount of the Group's interests in this joint venture	1	473,894

The Group has not recognised losses relating to Tunas Citarasa Sdn Bhd, where its share of losses exceeds the Group's interest in this joint venture. The Group's cumulative share of unrecognised losses at the end of the reporting period was RM 31,717 (2014 – Nil), of which RM 31,717 (2014-Nil) was the share of the current financial year's losses. The Group has no obligation in respect of these losses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

8. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.4.2014 RM	Additions RM	Disposals RM	Write-offs RM	Depreciation Charge RM	At 31.3.2015 RM
Net Book Value						
Freehold land	2,618,988	-	-	-	-	2,618,988
Freehold buildings	6,345,498	-	-	-	(139,755)	6,205,743
Long leasehold land	2,598,863	-	-	-	(34,528)	2,564,335
Long leasehold buildings	5,193,037	1,933,431	-	-	(84,279)	7,042,189
Plant and machinery	810,626	545,413	(1)	-	(346,014)	1,010,024
Motor vehicles	963,953	93,854	-	-	(269,731)	788,076
Renovation, furniture and fittings	4,947,178	326,170	-	(391,778)	(1,059,503)	3,822,067
Equipment and electrical installation	2,518,971	912,771	(5,406)	(265,113)	(651,940)	2,509,283
	25,997,114	3,811,639	(5,407)	(656,891)	(2,585,750)	26,560,705

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

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

The Group	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
At 31.3.2015			
Freehold land	2,618,988	-	2,618,988
Freehold buildings	6,987,742	(781,999)	6,205,743
Long leasehold land	2,854,460	(290,125)	2,564,335
Long leasehold buildings	7,460,914	(418,725)	7,042,189
Plant and machinery	8,540,823	(7,530,799)	1,010,024
Motor vehicles	3,217,109	(2,429,033)	788,076
Renovation, furniture and fittings	18,025,558	(14,203,491)	3,822,067
Equipment and electrical installation	11,867,896	(9,358,613)	2,509,283
	61,573,490	(35,012,785)	26,560,705

At 31.3.2014			
Freehold land	2,618,988	-	2,618,988
Freehold buildings	6,987,742	(642,244)	6,345,498
Long leasehold land	2,854,460	(255,597)	2,598,863
Long leasehold buildings	5,527,483	(334,446)	5,193,037
Plant and machinery	8,042,206	(7,231,580)	810,626
Motor vehicles	3,123,253	(2,159,300)	963,953
Renovation, furniture and fittings	18,441,169	(13,493,991)	4,947,178
Equipment and electrical installation	12,655,985	(10,137,014)	2,518,971
	60,251,286	(34,254,172)	25,997,114

The Company	At 1.4.2014 RM	Additions RM	Write-offs RM	Depreciation Charge RM	At 31.3.2015 RM
Net Book Value					
Renovation, furniture and fittings	126,808	132,884	(103,170)	(14,098)	142,424
Equipment and electrical installation	233,266	44,984	(50,932)	(49,108)	178,210
	360,074	177,868	(154,102)	(63,206)	320,634

The Company	At 1.4.2013 RM	Additions RM	Depreciation Charge RM	At 31.3.2014 RM
Net Book Value				
Renovation, furniture and fittings	-	138,409	(11,601)	126,808
Equipment and electrical installation	-	265,871	(32,605)	233,266
	-	404,280	(44,206)	360,074

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

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

The Company	At cost RM	Accumulated Depreciation RM	Net Book Value RM
At 31.3.2015			
Renovation, furniture and fittings	146,239	(3,815)	142,424
Equipment and electrical installation	248,269	(70,059)	178,210
	394,508	(73,874)	320,634
At 31.3.2014			
Renovation, furniture and fittings	138,409	(11,601)	126,808
Equipment and electrical installation	265,871	(32,605)	233,266
	404,280	(44,206)	360,074

The net book value of the property, plant and equipment which have been pledged to licensed banks as security for banking facilities granted to the Group are as follows:-

	The Group	
	2015 RM	2014 RM
Freehold land	2,053,988	2,053,988
Long leasehold land	164,966	1,980,711
Buildings	8,183,500	10,720,412
	10,402,454	14,755,111

Included in the property, plant and equipment are motor vehicles with a total net book value of RM44,841 (2014 - RM138,390) which were acquired under hire purchase terms.

The leasehold land is amortised over 70 years.

9. INVESTMENT PROPERTIES

	The Group	
	2015 RM	2014 RM
At 1 April	1,771,500	1,921,500
Disposal during the financial year	-	(150,000)
At 31 March	1,771,500	1,771,500
Investment properties comprise the following:-		
At fair value:-		
Freehold land and buildings	1,771,500	1,771,500

The fair value of the investment properties belong to level 2 of the fair value hierarchy. The level 2 fair value has been derived by marking the investment properties to their respective market values adjusted for prevailing market conditions at the end of the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

9. INVESTMENT PROPERTIES *cont'd*

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

	Fair Value Hierarchy			Total
	Level 1 RM	Level 2 RM	Level 3 RM	Fair Value RM
At 31.3.2015/2014				
Shoplot	-	1,200,000	-	1,200,000
Terrace house	-	350,000	-	350,000
Condominium	-	195,000	-	195,000
Carpark	-	26,500	-	26,500
	-	1,771,500	-	1,771,500

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

10. OTHER INVESTMENTS

	The Group	
	2015 RM	2014 RM
At 1 April	256,180	734,046
Acquisition during the financial year	-	74,000
Disposal during the financial year	-	(581,921)
Fair value adjustment (Note 22.2)	(42,545)	30,055
At 31 March	213,635	256,180
Other investments comprise the following:-		
At fair value:-		
Quoted shares in Malaysia	64,500	74,250
Quoted shares outside Malaysia	41,365	74,160
Investments in quoted shares	105,865	148,410
Golf club membership	107,770	107,770
	213,635	256,180
Market value of quoted shares	105,865	148,410

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

11. INTANGIBLE ASSET

	The Group	
	2015	2014
	RM	RM
Trademark, at cost:-		
At 1 April	305,933	305,933
Addition during the financial year	64,346	-
At 31 March	370,279	305,933
Amortisation of intangible asset	(234,890)	(183,804)
	135,389	122,129
Amortisation of intangible asset:-		
At 1 April	(183,804)	(138,134)
Amortisation during the financial year	(51,086)	(45,670)
At 31 March	(234,890)	(183,804)

12. LONG-TERM RECEIVABLES

Long-term receivables comprise staff loans as follows:-

	The Group	
	2015	2014
	RM	RM
Minimum staff loan repayments:		
- within one year	108,714	97,100
- within two to five years	150,451	173,270
- more than 5 years	25,830	37,830
	284,995	308,200
Less: Prepaid operating expenses	(37,984)	(45,636)
	247,011	262,564

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

12. LONG-TERM RECEIVABLES *cont'd*

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

	The Group	
	2015	2014
	RM	RM
Current (Note 16):		
- within one year	108,714	97,100
Non-current:		
- within two to five years	122,114	142,548
- more than 5 years	16,183	22,916
	138,297	165,464
	247,011	262,564
Prepaid operating expenses:-		
At 1 April	(45,636)	(29,969)
Addition during the financial year	(5,281)	(21,401)
Accretion of long-term receivables	12,933	5,734
Recognised in profit or loss during the financial year	7,652	(15,667)
At 31 March	(37,984)	(45,636)

The staff loans are unsecured, interest-free and to be settled in cash. The staff loans are recognised initially at fair value. The difference between the fair value and the nominal loan amount represents payment for services to be rendered during the period of the loan and is recorded as part of prepaid operating expenses.

13. DEFERRED TAX ASSETS/(LIABILITY)

	The Group	
	2015	2014
	RM	RM
At 1 April	(1,003,029)	(968,396)
Recognised in profit or loss during the financial year (Note 30)	245,745	(34,520)
Translation difference	-	(113)
At 31 March	(757,284)	(1,003,029)
Presented as follows:-		
Deferred tax assets	318,353	193,608
Deferred tax liability	(1,075,637)	(1,196,637)
	(757,284)	(1,003,029)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

13. DEFERRED TAX ASSETS/(LIABILITY) *cont'd*

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

	The Group	
	2015	2014
	RM	RM
Deferred tax assets:-		
Allowance for impairment losses	-	40,000
Unutilised tax losses	336,804	193,300
	336,804	233,300
Deferred tax liability:-		
Accelerated capital allowances over depreciation	(1,094,088)	(1,236,329)
	(757,284)	(1,003,029)

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

	The Group	
	2015	2014
	RM	RM
Unabsorbed capital allowances	918,636	536,967
Unutilised tax losses	1,565,422	1,164,027
	2,484,058	1,700,994

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

14. INVENTORIES

	The Group	
	2015	2014
	RM	RM
At Cost:-		
Food	3,567,185	2,995,976
Beverage	200,884	133,527
Raw materials	39,730	93,883
Packing materials	231,955	254,556
Finished goods	3,254	8,232
	4,043,008	3,486,174

None of the inventories is carried at net realisable value.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

14. INVENTORIES *cont'd*

	The Group	
	2015	2014
	RM	RM
Recognised in profit or loss		
Inventories recognised as cost of sales	22,617,230	24,184,871

15. TRADE RECEIVABLES

	The Group	
	2015	2014
	RM	RM
Trade receivables	1,207,973	1,173,339
Allowance for impairment losses	(647,449)	(647,449)
	560,524	525,890
Allowance for impairment losses:-		
At 1 April	(647,449)	(606,436)
Addition during the financial year	-	(41,013)
At 31 March	(647,449)	(647,449)

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

16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Other receivables	178,049	115,119	-	-
Deposits	2,057,665	2,349,634	150,500	118,722
Prepayments	441,384	386,429	15,534	14,735
	2,677,098	2,851,182	166,034	133,457

Included in the other receivables are staff loans of RM108,714 (2014 - RM97,100) as disclosed in Note 12 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

17. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	The Company	
	2015	2014
	RM	RM
Amount owing by subsidiaries:-		
Non-trade balances	10,215,821	10,382,469
Allowance for impairment losses	(965,000)	(965,000)
	9,250,821	9,417,469
Allowance for impairment losses:-		
At 1 April	(965,000)	-
Addition during the financial year	-	(965,000)
At 31 March	(965,000)	(965,000)
Amount owing to subsidiaries:-		
Non-trade balances	(6,850,880)	(5,889,795)

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

18. AMOUNT OWING BY AN ASSOCIATE

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

19. AMOUNT OWING BY JOINT VENTURE

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

20. DEPOSITS WITH LICENSED BANKS

The deposits with licensed banks bore effective interest rates ranging from 2.00% to 3.70% (2014 - 2.00% to 3.70%) per annum at the end of the reporting period. The deposits have maturity periods ranging from 1 to 12 months (2014 - 1 to 12 months).

The deposits of RM415,807 (2014 - RM223,269) at the end of the reporting period were pledged to licensed banks as security for banking facilities granted to the Group.

The deposits of RM222,225 (2014 - RM215,122) at the end of the reporting period were held in trust for the Group by a director. The deposits will be transferred to the Group at a time to be directed by the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

21. SHARE CAPITAL

	The Company			
	2015	2014	2015	2014
	Number of Shares		RM	RM
Ordinary shares of RM0.20 each:-				
Authorised	500,000,000	500,000,000	100,000,000	100,000,000
Issued And Fully Paid-up	245,000,000	245,000,000	49,000,000	49,000,000

22. RESERVES

Reserves comprise the following:-

	Note	The Group		The Company	
		2015	2014	2015	2014
		RM	RM	RM	RM
Share premium	22.1	1,038,157	1,038,157	1,038,157	1,038,157
Fair value reserve	22.2	(9,203)	33,342	-	-
Foreign exchange translation reserve	22.3	(24,470)	(4,301)	-	-
Treasury reserve	22.4	(867,063)	-	(867,063)	-
(Accumulated losses)/Retained profits	22.5	(68,520)	796,950	475,737	307,136
		68,901	1,864,148	646,831	1,345,293

22.1 Share Premium

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

22.2 Fair Value Reserve

	The Group	
	2015	2014
	RM	RM
At 1 April	33,342	251,856
Fair value (loss)/gain on investment in quoted shares (Note10)	(42,545)	30,055
Reversal upon disposal of investment in quoted shares	-	(248,569)
At 31 March	(9,203)	33,342

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

22.3 Foreign Exchange Translation Reserve

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

22. RESERVES *cont'd*

22.4 Treasury Shares

	The Group/ The Company	
	2015	2014
	RM	RM
At 1 January	-	-
Share buy-back during the financial year	867,063	-
At 31 December	867,063	-

The amount relates to the acquisition cost of treasury shares.

At the annual general meeting held on 8 September 2014, the shareholders of the Company approved the Company's plan to repurchase its own shares. The directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company purchased its own ordinary shares from the open market under the share buy-back programme. Details are as follows:-

Date	Price Per Share RM	Number of Shares	Total Consideration RM
Balance at 1 April 2014	-	-	-
September 2014	0.21 - 0.225	100,000	21,200
October 2014	0.205 - 0.225	3,939,800	844,330
November 2014	0.21	7,300	1,533
At 31 March 2015		4,047,100	867,063

The total shares purchased under the share buy-back program were financed by internally generated funds. The shares purchased were retained as treasury shares in accordance with Section 67A of the Companies Act 1965 and are presented as a deduction from shareholders' equity.

22.5 Retained Profits

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

23. LONG-TERM BORROWINGS

	The Group	
	2015	2014
	RM	RM
Hire purchase payables (Note 24)	5,595	28,150
Term loans (Note 25)	1,171,420	371,790
	1,177,015	399,940

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015
cont'd

24. HIRE PURCHASE PAYABLES

	The Group	
	2015	2014
	RM	RM
Minimum hire purchase payments:		
- not later than one year	22,560	31,201
- later than one year and not later than five years	5,590	28,150
	28,150	59,351
Less: Future finance charges	(836)	(2,724)
Present value of hire purchase payables	27,314	56,627
Current (Note 27):		
- not later than one year	21,719	28,477
Non-current (Note 23):		
- later than one year and not later than five years	5,595	28,150
	27,314	56,627

The hire purchase payables bore effective interest rates ranging from 4.83% to 6.71% (2014 - 4.83% to 6.71%) per annum at the end of the reporting period.

25. TERM LOANS

	The Group	
	2015	2014
	RM	RM
Current (Note 27):		
- repayable within one year	411,362	395,995
Non-current (Note 23):		
- repayable between one and two years	38,351	371,790
- repayable between two and five years	126,847	-
- repayable after five years	1,006,222	-
	1,171,420	371,790
	1,582,782	767,785

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

25. 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	
				2015 RM	2014 RM
1	180	Note 1	28.1.2009	374,822	767,785
2	240	3,930	18.7.2014	603,964	-
3	240	3,930	18.7.2014	603,996	-
				1,582,782	767,785

The term loans bore effective interest rates ranging from 4.85% to 6.90% (2014 - 6.90%) per annum at the end of the reporting period and are secured by:-

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

Note:-

1. Term loan 1 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) RM36,364 from month 25 to month 120; and
- (iv) RM36,277 from month 121 to month 180.

26. TRADE PAYABLES

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

27. SHORT-TERM BORROWINGS

	The Group	
	2015 RM	2014 RM
Hire purchase payables (Note 24)	21,719	28,477
Term loans (Note 25)	411,362	395,995
	433,081	424,472

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

28. REVENUE

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Sale of food and beverage	52,324,961	54,129,431	-	-
Sale of moon cakes and other baked products	10,045,547	11,345,910	-	-
Dividend income	-	-	2,500,000	3,300,000
	62,370,508	65,475,341	2,500,000	3,300,000

29. PROFIT BEFORE TAXATION

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Profit before taxation is arrived at after charging/ (crediting):-				
Amortisation of intangible asset	51,086	45,670	-	-
Audit fee:				
- for the financial year	184,966	184,966	25,000	23,000
- underprovision in the previous financial year	18,500	20,089	17,000	1,000
Bad debts written off:				
- trade and other receivables	-	9,376	-	-
Depreciation of property, plant and equipment	2,585,750	2,759,427	63,206	44,206
Directors' fee	108,000	108,000	108,000	108,000
Directors' non-fee emoluments:				
- salaries, bonuses and allowances	2,005,714	1,944,727	-	-
- defined contribution plan	189,616	179,237	-	-
- other benefits	8,871	9,652	-	-
Impairment loss:				
- investments in subsidiaries	-	-	-	400,000
- trade receivables	-	41,013	-	-
- amount owing by subsidiaries	-	-	-	965,000
Interest expense:				
- bank overdrafts	-	18,762	-	-
- hire purchase	1,888	4,514	-	-
- term loans	88,275	70,644	-	-
Property, plant and equipment written off	656,891	84,536	154,102	-
Realised loss on foreign exchange	6,769	25,529	-	-
Rental of premises	4,549,026	4,610,536	-	126,000
Rental of plant and machineries	46,748	33,328	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

29. PROFIT BEFORE TAXATION *cont'd*

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Staff costs:				
- salaries, wages, bonuses and allowances*	18,853,873	18,529,581	-	-
- defined contribution plan	1,619,478	1,577,425	-	-
- other benefits	805,683	657,303	-	-
Accretion of long-term receivables	(12,933)	(5,734)	-	-
Gain on disposal of:				
- property, plant and equipment	(21,653)	(11,999)	-	-
- other investments	-	(248,484)	-	-
Interest income	(468,739)	(382,187)	(35,568)	(15,848)
Investment property:				
- rental income	(71,650)	(75,840)	-	-
- direct expenses for revenue generating properties	8,644	7,410	-	-
Rental income	-	(7,200)	-	-
Service fee income	(4,134,981)	(4,320,192)	-	-

Note:

* Included in the staff costs is an amount of prepaid operating expenses of RM5,281(2014 - RM21,401) as disclosed in Note 12 to the financial statements.

30. INCOME TAX EXPENSE

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Current tax:				
- for the financial year	1,316,690	1,762,580	39,200	3,526
- under/(over)provision in the previous financial year	112,380	(5,633)	4,774	10,233
	1,429,070	1,756,947	43,974	13,759
Deferred tax (Note 13):				
- relating to origination and reversal of temporary differences	(56,973)	1,520	-	-
- (over)/underprovision in the previous financial year	(188,772)	33,000	-	-
	(245,745)	34,520	-	-
	1,183,325	1,791,467	43,974	13,759

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

30. INCOME TAX EXPENSE *cont'd*

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Profit before taxation	1,724,509	5,140,927	1,670,436	1,721,847
Tax at the statutory tax rate of 25%	431,127	1,285,232	417,609	430,462
Tax effects of:-				
Non-taxable gains	-	(73,709)	(625,000)	(825,000)
Non-deductible expenses	847,768	648,990	246,591	398,064
Utilisation of reinvestment allowance	(214,944)	(182,538)	-	-
Deferred tax assets not recognised during the financial year	195,766	86,125	-	-
Under/(Over) provision in the previous financial year:				
- current tax	112,380	(5,633)	4,774	10,233
- deferred tax	(188,772)	33,000	-	-
Income tax expense for the financial year	1,183,325	1,791,467	43,974	13,759

31. EARNINGS PER SHARE

The earnings per share is calculated by dividing the Group's profit after taxation attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue excluding treasury shares during the financial year:-

	The Group	
	2015	2014
Profit after taxation attributable to owners of the Company (RM)	592,391	3,460,174
Weighted average number of ordinary shares in issue	243,111,796	245,000,000
Basic earnings per share (sen)	0.24	1.41

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

32. DIVIDENDS

	The Group/ The Company	
	2015 RM	2014 RM
First single tier interim dividend of 0.3 sen per ordinary share in respect of the financial year ended 31 March 2014	-	735,000
Second single tier interim dividend of 0.3 sen per ordinary share in respect of the financial year ended 31 March 2014	735,000	-
Single tier interim dividend of 0.3 sen per ordinary share in respect of the financial year ended 31 March 2015	722,861	-
	1,457,861	735,000

33. CASH AND CASH EQUIVALENTS

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

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Deposits with licensed banks (Note 20)	12,983,324	17,579,426	1,095,667	559,969
Cash and bank balances	5,289,102	4,590,546	91,343	90,693
	18,272,426	22,169,972	1,187,010	650,662
Less: Deposits pledged with licensed banks (Note 20)	(415,807)	(223,269)	-	-
	17,856,619	21,946,703	1,187,010	650,662

34. DIRECTORS' REMUNERATION

The aggregate amounts of emoluments received and receivable by the directors of the Group and the Company during the financial year are as follows:-

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Executive directors:				
- salaries and other emoluments	2,204,201	2,133,616	-	-
Non-executive directors:				
- fee	108,000	108,000	108,000	108,000
	2,312,201	2,241,616	108,000	108,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

34. DIRECTORS' REMUNERATION *cont'd*

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

	The Group		The Company	
	2015	2014	2015	2014
Executive directors:				
- RM150,001 – RM200,000	1	2	-	-
- RM200,001 – RM250,000	2	1	-	-
- RM250,001 – RM300,000	-	1	-	-
- RM300,001 – RM350,000	1	-	-	-
- RM350,001 – RM400,000	1	1	-	-
- RM400,001 – RM450,000	1	-	-	-
- RM450,001 – RM500,000	-	1	-	-
Non-executive directors:				
- Below RM50,000	3	3	3	3
	9	9	3	3

35. CAPITAL COMMITMENTS

	The Group	
	2015	2014
	RM	RM
Authorised but not contracted for:-		
Property, plant and equipment	-	2,235,000

36. CONTINGENT LIABILITY

	The Company	
	2015	2014
	RM	RM
Unsecured:-		
Corporate guarantee given to licensed banks for credit facilities granted to subsidiaries	1,998,590	1,086,293

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

37. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the key management personnel as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 3 main business segments as follows:-

- | | |
|--|---|
| (i) Restaurant segment | - involved in the business as restaurant operators. |
| (ii) Manufacturing segment | - involved in the manufacturing and wholesale of moon cake and other baked products. |
| (iii) Trading and investment holding segment | - involved in the trading of general and food products and providing corporate services and treasury functions. |

The key management personnel assesses the performance of the operating segments based on operating profit or loss which is measured differently from those disclosed in the consolidated financial statements.

Operating segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the operating segments are presented under unallocated items. Unallocated items comprise mainly corporate assets, liabilities and expenses. Income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are at arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfer between business segments. These segments are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

37. OPERATING SEGMENTS *cont'd*

37.1 Business Segments

	Restaurants RM	Manufacturing RM	Trading And Investment Holding RM	Elimination RM	The Group RM
The Group					
2015					
REVENUE:-					
External revenue	52,323,461	10,045,547	1,500	-	62,370,508
Inter-segment revenue	142,086	7,074,591	3,145,957	(10,362,634)	-
Total revenue	52,465,547	17,120,138	3,147,457	(10,362,634)	62,370,508
RESULTS					
Segment results	1,609,897	1,046,561	1,658,214	(2,500,000)	1,814,672
Finance costs	(90,073)	(90)	-	-	(90,163)
Profit before taxation					1,724,509
Income tax expense					(1,183,325)
Profit after taxation					541,184
ASSETS					
Segment assets	61,172,353	13,104,650	65,524,012	(81,868,356)	57,932,659
Unallocated assets	320,255	203,332	3,746		527,333
Total assets					58,459,992
LIABILITIES					
Segment liabilities	24,332,281	2,887,524	18,426,574	(37,227,946)	8,418,433
Unallocated liabilities	557,544	566,474	10,118		1,134,136
Total liabilities					9,552,569
OTHER SEGMENT ITEMS					
Amortisation of intangible asset	-	45,798	5,288	-	51,086
Capital expenditure:					
- Property, plant and equipment	3,050,593	643,847	184,667	(67,468)	3,811,639
Depreciation of property, plant and equipment	1,938,337	583,075	64,338	-	2,585,750
Property, plant and equipment written off	502,789	-	154,102	-	656,891

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

37. OPERATING SEGMENTS *cont'd*

37.1 Business Segments *cont'd*

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015
cont'd

37. OPERATING SEGMENTS *cont'd*

37.2 Geographical Segments

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

	Revenue		Non-Current Assets	
	2015 RM	2014 RM	2015 RM	2014 RM
Malaysia	60,448,450	63,928,229	29,339,027	29,573,412
Hong Kong	1,588,837	1,547,112	222,472	260,920
Taiwan	333,221	-	417,560	-
	62,370,508	65,475,341	29,979,059	29,834,332

37.3 Information About Major Customers

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

38. RELATED PARTY DISCLOSURES

38.1 Identities of Related Parties

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

38. RELATED PARTY DISCLOSURES *cont'd*

38.2 Related Party Transactions

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

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
(i) Subsidiaries				
Expenses paid on behalf of	-	-	-	310
Expenses paid by	-	-	1,723	1,527
Advances to	-	-	560,830	1,167,030
Advances from	-	-	-	6,889,795
Management fee received	-	-	113,400	560,914
Dividend received	-	-	2,500,000	3,300,000
(ii) Joint venture				
Expenses paid by	5,281	19,012	-	-
Expenses paid on behalf of	-	19,136	-	-
(iii) Related parties				
Rental expenses	1,205,700	1,069,200	-	-

38.3 Compensation of Key Management Personnel (Including Directors)

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Key management personnel (including directors)				
Short-term employee benefits	4,230,910	4,215,534	108,000	108,000

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

39. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk, liquidity risk and capital risk management. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

39.1 Financial Risk Management Policies

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

(a) Market Risk

(i) Foreign Currency Risk

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

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

	The Group	
	2015	2014
	RM	RM
<u>Deposits with licensed bank</u>		
Hong Kong Dollar	288,809	287,691

Foreign currency risk sensitivity analysis

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

	The Group	
	2015	2014
	Increase/ (Decrease)	Increase/ (Decrease)
	RM	RM
Effects on profit after taxation/equity		
Hong Kong Dollar:		
- strengthened by 5%	(10,830)	(10,788)
- weakened by 5%	10,830	10,788

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

39. FINANCIAL INSTRUMENTS *cont'd*

39.1 Financial Risk Management Policies *cont'd*

(a) Market Risk *cont'd*

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from its interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Exposure to interest rate risk

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

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Fixed rate instruments				
Deposits with licensed banks	12,983,324	17,579,426	1,095,667	559,969
Hire purchase payables	(27,314)	(48,076)	-	-
	12,956,010	17,531,350	1,095,667	559,969

	The Group	
	2015	2014
	RM	RM
Floating rate instruments		
Hire purchase payables	-	(8,551)
Term loans	(1,582,782)	(767,785)
	(1,582,782)	(776,336)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

39. FINANCIAL INSTRUMENTS *cont'd*

39.1 Financial Risk Management Policies *cont'd*

(a) Market Risk *cont'd*

(ii) Interest Rate Risk *cont'd*

Interest rate risk sensitivity analysis

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

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

	The Group	
	2015 Increase/ (Decrease) RM	2014 Increase/ (Decrease) RM
Effects on profit after taxation/equity		
Increase of 100 basis points	(11,871)	(5,823)
Decrease of 100 basis points	11,871	5,823

(iii) Equity Price Risk

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

Exposure to equity price risk

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

	The Group	
	2015 RM	2014 RM
Quoted shares in Malaysia	64,500	74,250
Quoted shares outside Malaysia	41,365	74,160
	105,865	148,410

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

39. FINANCIAL INSTRUMENTS *cont'd*

39.1 Financial Risk Management Policies *cont'd*

(a) Market Risk *cont'd*

(iii) Equity Price Risk *cont'd*

Equity price risk sensitivity analysis

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

	The Group	
	2015	2014
	Increase/ (Decrease) RM	Increase/ (Decrease) RM
Effects on equity		
Increase of 10%	10,586	14,841
Decrease of 10%	(10,586)	(14,841)

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis.

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

Credit risk concentration profile

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

Exposure to credit risk

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

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

	The Group	
	2015	2014
	RM	RM
Malaysia	552,634	524,310
Hong Kong	5,821	1,580
Taiwan	2,069	-
	560,524	525,890

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

39. FINANCIAL INSTRUMENTS *cont'd*

39.1 Financial Risk Management Policies *cont'd*

(b) Credit Risk *cont'd*

Ageing analysis

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

	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Value RM
The Group				
2015				
Not past due	286,386	-	-	286,386
Past due:				
- less than 3 months	20,185	-	-	20,185
- 3 to 6 months	123,720	-	-	123,720
- over 6 months	777,682	(647,449)	-	130,233
	1,207,973	(647,449)	-	560,524
2014				
Not past due	310,385	-	-	310,385
Past due:				
- less than 3 months	68,173	-	-	68,173
- 3 to 6 months	147,084	-	-	147,084
- over 6 months	647,697	(647,449)	-	248
	1,173,339	(647,449)	-	525,890

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

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

Trade receivables that are past due but not impaired

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

Trade receivables that are neither past due nor impaired

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

39. FINANCIAL INSTRUMENTS *cont'd*

39.1 Financial Risk Management Policies *cont'd*

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On Demand or Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
2015						
Trade payables	-	4,479,630	4,479,630	4,479,630	-	-
Other payables and accruals	-	2,328,707	2,328,707	2,328,707	-	-
Hire purchase payables	4.83 - 6.71	27,314	28,150	22,560	5,590	-
Term loans	4.85 - 6.90	1,582,782	2,279,291	482,245	377,280	1,419,766
		8,418,433	9,115,778	7,313,142	382,870	1,419,766
2014						
Trade payables	-	3,511,618	3,511,618	3,511,618	-	-
Other payables and accruals	-	2,345,710	2,345,710	2,345,710	-	-
Hire purchase payables	4.83 - 6.71	56,627	59,351	31,201	28,150	-
Term loans	6.90	767,785	820,921	436,368	384,553	-
		6,681,740	6,737,600	6,324,897	412,703	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

39. FINANCIAL INSTRUMENTS *cont'd*

39.1 Financial Risk Management Policies *cont'd*

(c) Liquidity Risk *cont'd*

The Company	Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On Demand Or Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
2015						
Other payables and accruals	-	246,475	246,475	246,475	-	-
Amount owing to subsidiaries	-	6,850,880	6,850,880	6,850,880	-	-
		7,097,355	7,097,355	7,097,355	-	-
2014						
Other payables and accruals	-	167,478	167,478	167,478	-	-
Amount owing to subsidiaries	-	5,889,795	5,889,795	5,889,795	-	-
		6,057,273	6,057,273	6,057,273	-	-

39.2 Capital Risk Management

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

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

The debt-to-equity ratio of the Group at the end of the reporting period is not presented as its cash and cash equivalents exceeded the total debts.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

39. FINANCIAL INSTRUMENTS *cont'd*

39.3 Classification Of Financial Instruments

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Financial assets				
<u>Available-for-sale financial assets</u>				
Other investments, at fair value	213,635	256,180	-	-
<u>Loans and receivables financial assets</u>				
Trade receivables	560,524	525,890	-	-
Other receivables, deposits and staff loans	2,374,011	2,630,217	150,500	118,722
Amount owing by subsidiaries	-	-	9,250,821	9,417,469
Amount owing by an associate	1,774,300	-	-	-
Amount owing by joint venture	944,597	-	-	-
Deposits with licensed banks	12,983,324	17,579,426	1,095,667	559,969
Cash and bank balances	5,289,102	4,590,546	91,343	90,693
	23,925,858	25,326,079	10,588,331	10,186,853
Financial liabilities				
<u>Other financial liabilities</u>				
Trade payables	4,479,630	3,511,618	-	-
Other payables and accruals	2,328,707	2,345,710	246,475	167,478
Amount owing to subsidiaries	-	-	6,850,880	5,889,795
Hire purchase payables	27,314	56,627	-	-
Term loans	1,582,782	767,785	-	-
	8,418,433	6,681,740	7,097,355	6,057,273

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

39. FINANCIAL INSTRUMENTS *cont'd*

39.4 Fair Value Information

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

The Group	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
2015								
<u>Financial Assets</u>								
Other investments	213,635	-	-	-	-	-	213,635	213,635
<u>Financial Liabilities</u>								
Hire purchase payables	-	-	-	-	27,109	-	27,109	27,314
Term loans	-	-	-	-	1,582,782	-	1,582,782	1,582,782
2014								
<u>Financial Assets</u>								
Other investments	256,180	-	-	-	-	-	256,180	256,180
<u>Financial Liabilities</u>								
Hire purchase payables	-	-	-	-	56,627	-	56,627	56,627
Term loans	-	-	-	-	767,785	-	767,785	767,785

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

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

	The Group	
	2015	2014
Hire purchase payables	4.83% - 6.71%	4.83% - 6.71%
Term loans	4.85% - 6.90%	6.90%

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

40. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

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

- (a) On 8 October 2014, Restoran Oversea JV (International) Sdn. Bhd. ("OJV") had incorporated a wholly-owned subsidiary in Taiwan, namely Taiwan Haewaytian Limited ("THL"). THL was incorporated in Taiwan on 8 October 2014 under the Company Act of Taiwan with fully paid up capital of NT\$1,000,000.00 which is equivalent to RM118,500. THL is a wholly-owned subsidiary of OJV. On 7 January 2015, THL commenced its business operations as a bakery cum café outlet.
- (b) On 31 December 2014, one of the outlets of Tunas Citarasa Sdn. Bhd., a joint venture ceased its operations at Tropicana City Mall.

41. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

- (a) On 1 April 2015, OJV, a wholly-owned subsidiary of the Company had acquired the remaining entire 35% equity interest in Rich Tastes (Centerpoint) Sdn. Bhd. ("RTC") from the joint venture partners comprising 115,500 ordinary shares of RM1.00 each fully paid-up for a total cash consideration of RM2.00. As a result of the acquisition of the entire 35% equity interest from the joint venture partners, RTC became a wholly-owned subsidiary of OJV.
- (b) On 17 April 2015, RHB Investment Bank Berhad had on behalf of the Board of Directors of the Company announced that the Equity Compliance Unit of Securities Commission Malaysia had, vide its letter dated 16 April 2015, approved the Company's application on the following:-
 - (i) the Proposed Special Bumiputera Issue; and
 - (ii) extension of time of twelve (12) months of up to 31 March 2016 for the Company to comply with the equity condition imposed pursuant to the Company's listing on the ACE Market of Bursa Malaysia Securities Berhad.

The Company intends to undertake a special Bumiputera Issue of 35,000,000 new ordinary shares of RM0.20 each in Oversea to Bumiputera investors to be identified and/or approved by the Ministry of International Trade and Industry.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

cont'd

42. SUPPLEMENTARY INFORMATION - DISCLOSURE OF REALISED AND UNREALISED PROFITS/(LOSSES)

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

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Total retained profits:				
- realised	30,378,753	30,566,829	475,737	307,136
- unrealised	757,284	1,003,029	-	-
	31,136,037	31,569,858	475,737	307,136
Total share of losses of joint venture:				
- realised	(675,749)	(201,856)	-	-
Total share of losses of an associate:				
- realised	(57,641)	(44,377)	-	-
	30,402,647	31,323,625	-	-
Less: Consolidation adjustments	(30,471,167)	(30,526,675)	-	-
	(68,520)	796,950	475,737	307,136

TEN LARGEST PROPERTIES HELD BY THE GROUP

As at 31 March 2015

Registered owner	Location	Existing Use	Type of Land	Tenure	Remaining Lease Period (Expiry Date)	Age of Property	Land Area (sq ft)	Built-up area (sq ft)	Net Book Value As at 31.03.2015 (RM'000)	Date of Acquisition	Year of last revaluation
Haewaytian Restaurant Sdn. Bhd	No. 28, Jalan Dato, 30000, Ipoh, Perak	Restaurant	Commercial/ Building	Freehold	-	7	25,764	27,185	8,124	23.08.2002	2008
Haewaytian Cake House Sdn. Bhd.	Lot 13, Jalan Utarid U5/16, Seksyen U5, Kawasan Perindustrian "Mah Sing Integrated", 40150 Shah Alam, Selangor	2-storey detached warehouse cum factory with 1-storey office attached warehouse, factory cum office	Industrial Land/ Building	Leasehold 99 years	81 years (11.12.2096)	12	84,066	58,330	6,415	30.06.2003	2008
Restoran Oversea (PJ) Sdn. Bhd.	H-0-02 & H-1-02 (Lot H-02) Pusat Perdagangan Kuchai, No. 2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur	2-storey shop office/ property investment	Commercial/ Building	Freehold	-	7	1,430	2,487	1,227	21.02.2006	2008
Restoran Tsim Tung Sdn. Bhd.	No. 18, Jalan Pandan Indah 4/6, Pandan Indah, 55100 Kuala Lumpur	Restaurant	Commercial/ Building	Leasehold 99 years	78 Years (06.06.2093)	19	1,302	1,080	957	27.06.2014	NIL
Restoran Tsim Tung Sdn. Bhd.	No. 20, Jalan Pandan Indah 4/6, Pandan Indah, 55100 Kuala Lumpur	Restaurant	Commercial/ Building	Leasehold 99 years	78 Years (06.06.2093)	19	1,302	1,080	957	27.06.2014	NIL
Restoran Oversea (Subang Parade) Sdn. Bhd.	No. 29, Jalan SS 15/2B, 47500 Subang Jaya, Selangor	Hostel	Residential/ Building	Freehold	-	36	2,560	1,524	381	10.09.1997	2008
Haewaytian Restaurant Sdn. Bhd.	No. 57, Jalan Seenivasagam, 30450 Ipoh, Perak	Restaurant, storage facilities and staff hostel	Commercial/ Building	Leasehold 99 years	63 years (20.12.2078)	36	1,900	4,800	365	16.05.1985	2008
Oversea Training Academy Sdn. Bhd. (Formerly known as Restoran Oversea (Jaya 1) Sdn. Bhd.)	No. 477, Jalan 5/46, Section 5, 46000 Petaling Jaya, Selangor	2-storey townhouse/ Rented out to a private entity	Residential/ Building	Freehold	-	45	1,700	2,400	350	30.11.1998	2008
Restoran Oversea (PJ) Sdn. Bhd.	No. 31, Jalan U5/28, Bandar Pinggiran Subang, Seksyen U5, 40150 Shah Alam, Selangor	1½ storey terrace/factory, store room	Industrial Land/ Building	Leasehold 99 years	81 years (11.12.2096)	15	3003	3180	324	27.07.2005	2008
Restoran Oversea (Subang Parade) Sdn. Bhd.	No. 4, Jalan SS15/3A, Subang Jaya, 47500 Petaling Jaya, Selangor	Hostel	Residential/ Building	Freehold	-	36	1,760	1,818	319	24.07.1997	2008

Note:-

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

ANALYSIS OF SHAREHOLDINGS

As at 15 July 2015

Authorised Share Capital	:	RM100,000,000.00
Issued and Fully Paid-up Capital	:	RM49,000,000.00
Class of Shares	:	Ordinary shares of RM0.20 each
Voting Rights	:	One vote per share
Number of Shareholders	:	1,164

ANALYSIS OF SHAREHOLDINGS AS AT 15 JULY 2015

Holdings	No. of Holders	Total Shareholdings	%
Less than 100	58	2,159	0.00
100 - 1,000	172	86,961	0.04
1,001 - 10,000	332	2,062,800	0.86
10,001 - 100,000	502	20,459,000	8.49
100,001 to less than 5% of issued shares	97	64,238,759	26.66
5% and above of issued shares	3	154,103,221	63.95
	1,164	240,952,900	100.00

LIST OF 30 LARGEST SHAREHOLDERS REGISTERED AS AT 15 JULY 2015

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

No.	Name	No. of Shares Held	%
1	Yu Soo Chye @ Yee Soo Chye	82,744,270	34.34
2	Lee Lim & Sons Sdn. Bhd.	50,898,358	21.12
3	Lee Pek Yoke	20,460,593	8.49
4	Khong Yik Kam	9,256,338	3.84
5	Kwan Sia Hock	8,647,493	3.59
6	Ting Sii Liong	7,270,000	3.02
7	Lee Seng Fan	5,868,496	2.44
8	Chen Khai Voon	3,000,000	1.25
9	Affin Hwang Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Yeoh Eng Kong) (M02)	2,008,800	0.83
10	Cimsec Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Nicholas Lim Wee Kwan) (SBULOH-CL)	1,780,000	0.74
11	Public Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Nicholas Lim Wee Kwan) (E-KPG)	1,233,800	0.51
12	Kok Chee Mun	1,000,600	0.42
13	Cheah Tuck Sheng	1,000,000	0.42
14	Chiang Kooi Fong	1,000,000	0.42
15	Affin Hwang Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Yong Kwet On)	900,000	0.37
16	Rurug Juang Realty Sdn. Bhd.	750,000	0.31
17	Yu Tack Tein	600,033	0.25
18	Lee Seng Pun	580,500	0.24
19	Chia Liang Chuan	524,100	0.22
20	Jimmy Lim Thaw Chay	500,000	0.21
21	Leow Chiew Peng	500,000	0.21

ANALYSIS OF SHAREHOLDINGS

As at 15 July 2015

cont'd

LIST OF 30 LARGEST SHAREHOLDERS REGISTERED AS AT 15 JULY 2015 *cont'd*

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

No.	Name	No. of Shares Held	%
22	Public Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Wong Siew Oon) (E-BCG/KPR)	500,000	0.21
23	RHB Capital Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Low Choon Chong)	500,000	0.21
24	Maybank Securities Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Chong Kok An) (REM 130)	493,700	0.20
25	Wong Ling Wah	455,200	0.19
26	Thing Pha Hua	450,000	0.19
27	Maybank Securities Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Foong Poh Mei) (REM 609-Margin)	435,000	0.18
28	Maybank Securities Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Hon Bee Bee) (REM 108-Margin)	417,100	0.17
29	Khong Huey Hoong	400,000	0.17
30	Goh Siang Giang	390,000	0.16
Total		204,564,381	84.92

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 15 JULY 2015

Name of Substantial Shareholders	Direct Interest	%	No. of Shares Held	
			Indirect Interest	%
Yu Soo Chye @ Yee Soo Chye	82,744,270	34.34	-	-
Lee Lim & Sons Sdn Bhd	50,898,358	21.12	-	-
Lee Pek Yoke	20,460,593	8.49	-	-

DIRECTORS' SHAREHOLDINGS AS AT 15 JULY 2015

(Based on the Register of Directors' Shareholdings)

Name of Directors	Direct Interest	%	No. of Shares Held	
			Indirect Interest	%
Yu Soo Chye @ Yee Soo Chye	82,744,270	34.34	-	-
Lee Pek Yoke	20,460,593	8.49	-	-
Khong Yik Kam	9,256,338	3.84	1,350,000 #	0.56
Lee Seng Fan	5,868,496	2.44	50,917,35 ##	21.13
Yu Tack Tein	600,033	0.25	-	-
Koong Lin Loong	100,000	0.04	-	-
Chiam Soon Hock	100,000	0.04	-	-
Yau Ming Teck	-	-	-	-
Yu Suat Yin (Alternate Director to Lee Pek Yoke)	163,333	-	10,000 ###	-

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

Deemed interested by virtue of his substantial shareholdings in Lee Lim & Sons Sdn. Bhd. which in turn is a substantial shareholder of the Company pursuant to Section 6A of the Companies Act, 1965 as well as the shareholdings of his spouse pursuant to Section 134(12)(c) of the Companies Act, 1965.

Deemed interested by virtue of the shareholdings of her spouse in the Company pursuant to section 134(12)(c) of the Companies Act, 1965.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twentieth Annual General Meeting (AGM) of the Company will be held at Restoran Oversea Bandar Baru Sri Petaling, No. 62-66, Jalan 1/149D, Bandar Baru Sri Petaling, 57000 Kuala Lumpur on Monday, 24 August 2015 at 11.00 a.m. for the following purposes:-

A G E N D A

1. To receive and adopt the audited financial statements for the financial year ended 31 March 2015 together with the Reports of the Directors and Auditors thereon. **(Resolution 1)**
2. To approve the payment of Directors' fee for the financial year ended 31 March 2015. **(Resolution 2)**
3. To re-elect the following Directors retiring pursuant to Article 85 of the Company's Articles of Association:
 - (i) Mdm. Lee Pek Yoke **(Resolution 3)**
 - (ii) Mr. Khong Yik Kam **(Resolution 4)**
4. To consider and if thought fit, to pass the following resolution in accordance with Section 129(6) of the Companies Act, 1965:

"THAT Mr. Yu Soo Chye @ Yee Soo Chye, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting."

(Resolution 5)
5. To re-appoint Messrs. Crowe Horwath as Auditors and to authorise the Directors to fix their remuneration. **(Resolution 6)**
6. As Special Business, to consider and if thought fit, to pass the following resolutions as Ordinary Resolutions:
 - I Proposed Renewal of Authority to issue shares pursuant to Section 132D of the Companies Act, 1965

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

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

"THAT subject to the provisions of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature with the related parties (Recurrent Related Party Transactions) as set out in Section 2.2 of Part A of the Circular To Shareholders dated 31 July 2015 (Circular) subject further to the followings:-

(Resolution 8)

NOTICE OF ANNUAL GENERAL MEETING

cont'd

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

whichever is earlier;

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

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

III Proposed Renewal of Authority to purchase its own shares by the Company

"THAT subject always to the Companies Act, 1965 (Act), the provisions of the Memorandum and Articles of Association of the Company and the Listing Requirements of the Bursa Malaysia Securities Berhad (Listing Requirements) and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorized, to the extent permitted by law, to buy-back and/or hold such amount of ordinary shares of RM0.20 each in the Company (Shares) and to take all such steps as are necessary (including the opening and maintaining of a certain depositories account under the Securities Industry (Central Depositories) Act, 1991) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments of any) as may be imposed by the relevant authorities from time to time and to do all such acts and things in the best interests of the Company subject further to the following:-

(Resolution 9)

NOTICE OF ANNUAL GENERAL MEETING

cont'd

- (a) the aggregate number of ordinary shares of RM0.20 each in the Company which may be purchased and/or held by the Company shall not exceed ten percent (10%) of the issued and paid-up share capital of the Company as quoted on Bursa Securities as at the point of purchase;
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing the shares shall be backed by an equivalent amount of retained profits and/or share premium of the Company; and
- (c) the authority conferred by this resolution will commence immediately upon passing of this ordinary resolution and will continue to be in force until:-
 - (i) the conclusion of the next AGM of the Company following the general meeting at which this resolution was passed at which time it shall lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
 - (ii) the expiration of the period within which the next AGM is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extensions as may be allowed pursuant to Section 143(2) of the Act); or
 - (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first.

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

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

- IV Proposed Special Bumiputera Issue of 35,000,000 New Ordinary Shares of RM0.20 each in Oversea (Oversea Share(s)) to Bumiputera Investors to be Identified and/or approved by the Ministry of International Trade and Industry (MITI) (Proposed Special Bumiputera Issue)

(Resolution 10)

“THAT, subject to the approvals of all relevant authorities and/or parties (where required) being obtained, approval be and is hereby given to the Company to issue and allot 35,000,000 new Oversea Shares (Special Issue Share(s)) representing not less than twelve point five percent (12.50%) of the enlarged issued and paid-up share capital of Oversea (Bumiputera Equity Condition) (including 4,047,100 Oversea Shares held as treasury shares as at 15 July 2015) i.e. after the Proposed Special Bumiputera Issue, at an issue price to be determined later in the manner set out in Section 2.3 of the Circular to the Company’s shareholders dated 31 July 2015 payable in full upon application by the Bumiputera investors to be identified and/or approved by the MITI;

NOTICE OF ANNUAL GENERAL MEETING

cont'd

THAT, the Special Issue Shares shall, upon allotment and issue, rank pari passu in all respects with the then existing Oversea Shares except that the Special Issue Shares will not be entitled to any rights, allotments, dividends and/ or any other distributions that may be declared, made or paid where the entitlement date precedes the date of allotment of the said Special Issue Shares;

AND THAT, the Board be and is hereby authorised to do all such acts and things as may be required and to execute all necessary documents to give full effect to the Proposed Special Bumiputera Issue with full power to assent to any conditions, modifications, variations and/or amendments in any manner as may be required or permitted by the relevant authorities and to deal with all matters relating thereto and to take all steps and actions in any manner as they may deem necessary and expedient to finalise, implement and give full effect to the Proposed Special Bumiputera Issue.”

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

By Order of The Board

NG BEE LIAN

Company Secretary

Kuala Lumpur

31 July 2015

Notes:

1. A proxy may but need not be a member of the Company or a qualified legal practitioner or an approved company auditor or a person approved by the Registrar and the provisions of Sections 149(1)(b) and 149(1)(c) of the Companies Act, 1965 shall not apply to the Company.

To be valid, the Proxy Form duly completed, must be deposited at the Registered Office of the Company at D-3-1 & D-3A-1, Seri Gembira Avenue, Jalan Senang Ria, Taman Gembira, 58200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting Provided That in the event the member(s) duly executes the Proxy Form but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, Provided Always that the rest of the Proxy Form, other than the particulars of the proxy have been duly completed by the member(s).

2. A member shall be entitled to appoint two (2) or more proxies to attend and vote at the same meeting and the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds which is credited with ordinary shares of the Company.
4. If the appointor is a corporation, the Proxy Form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.
5. Only members whose name appear in the Record of Depositors as at 19 August 2015 (at least three (3) market days before the AGM date) will be entitled to attend and vote at the meeting.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominees may appoint in respect of each omnibus account it holds.

NOTICE OF ANNUAL GENERAL MEETING

cont'd

Explanatory Notes on Special Business

Ordinary Resolution No. 7

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

The Company continues to consider the opportunities to broaden its earnings potential. The proposed Ordinary Resolution No. 6, if granted, will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding current and/or future investment project(s), working capital and/or acquisitions.

In order to avoid any delay and costs involved in convening a general meeting to approve such issue of share, it is thus considered appropriate that the Directors be empowered to issue shares in the Company, up to any amount not exceeding in total ten per centum (10%) of the issued share capital of the Company for the time being, for such purposes. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company. The general mandate sought for issue of securities is a new mandate which the Company wish to seek from its shareholders at this AGM. No shares have been issued and allotted by the Company since obtaining the said authority from its shareholders at the last Annual General Meeting held on 8 September 2014.

Ordinary Resolution 8

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

If passed, will benefit the Company and / or its subsidiaries by facilitating entry by members of the Group into transactions with Related Party specified in Section 2.2 of Part A of the Circular To Shareholders dated 31 July 2015 in the ordinary course of the Group's business on commercial terms, in a timely manner and will enable the Group to continue to carry out recurrent related party transactions necessary for the Group's day-to-day operations and undertaken at arms' length and on terms not to the detriment of the minority shareholders of the Company.

Ordinary Resolution 9

Proposed Renewal of authority to purchase its own shares

The proposed resolution No. 8, if passed, will provide the mandate for the Company to buy back its own shares up to a limit of ten percent (10%) of the issued and paid up share capital of the Company.

For further information on proposed resolution No. 8, please refer to the Circular to Shareholders dated 31 July 2015 accompanying the Company's Annual Report for the financial year ended 31 March 2015.

Ordinary Resolution 10

Proposed Special Bumiputera Issue

The Proposed Special Bumiputera Issue is undertaken for the Company to comply with the Bumiputera Equity Condition and the funds raised for working capital purposes are incidental to the Proposed Special Bumiputera Issue.

For further information on proposed resolution No. 10, please refer to the Circular to Shareholders dated 31 July 2015 accompanying the Company's Annual Report for the financial year ended 31 March 2015.

STATEMENT ACCOMPANYING NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

CONTENTS OF STATEMENT ACCOMPANYING NOTICE OF TWENTIETH ANNUAL GENERAL MEETING OF OVERSEA ENTERPRISE BERHAD

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

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

Mdm. Lee Pek Yoke
Mr. Khong Yik Kam

The shareholdings of the Directors standing for re-election in the Company are disclosed in the Directors' Report under Directors' Interest on page 44 of this Annual Report and under Directors' Profile on page 12 in this Annual Report.

2. Director who is standing for re-appointment pursuant to Section 129(6) of the Companies Act, 1965 at the Twentieth Annual General Meeting of the company:-

Mr. Yu Soo Chye @ Yee Soo Chye

The shareholdings of the Director standing for re-appointment in the company is disclosed in the Directors' Report under Directors' Interest on page 44 of this Annual Report and under Directors' Profile on page 12 in this Annual Report.

3. Annual General Meeting of Oversea Enterprise Berhad

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

Date and Time : Monday, 24 August 2015 at 11.00 a.m.



海外天集团有限公司
OVERSEA ENTERPRISE BERHAD (317155-U)
(Incorporated in Malaysia)

PROXY FORM

I/We _____ NRIC No./Passport No./Company No. _____

of _____

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

_____ of _____

_____ or failing him/her

_____ of _____

or failing him/her the Chairman of the meeting as my/our proxy to attend and vote on my/our behalf at the Twentieth Annual General Meeting of the Company to be held at Restoran Oversea Bandar Baru Sri Petaling, No. 62-66, Jalan 1/149D, Bandar Baru Sri Petaling, 57000 Kuala Lumpur on Monday, 24 August 2015 at 11.00 a.m. or at any adjournment thereof:

RESOLUTIONS		FOR	AGAINST
1.	To receive and adopt the Audited Financial Statements for the financial year ended 31 March 2015 and the Reports of the Directors and Auditors thereon.		
2.	To approve the payment of Directors' fees for the financial year ended 31 March 2015.		
3.	To re-elect Mdm. Lee Pek Yoke as Director.		
4.	To re-elect Mr. Khong Yik Kam as Director.		
5.	To approve the re-appointment of Mr. Yu Soo Chye @ Yee Soo Chye as Director.		
6.	To re-appoint Messrs. Crowe Horwath as Auditors.		
7.	To approve the Proposed Renewal of Authority to issue shares pursuant to Section 132D of the Companies Act, 1965.		
8.	To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		
9.	To approve the Proposed Renewal of Authority to purchase its own shares.		
10.	To approve the Proposed Special Bumiputera Issue of 35,000,000 new ordinary shares.		

(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 _____ 2015

Number of Ordinary
Shares held

Signature

NOTES:

1. A proxy may but need not be a member of the Company or a qualified legal practitioner or an approved company auditor or a person approved by the Registrar and the provisions of Sections 149(1)(b) and 149(1)(c) of the Companies Act, 1965 shall not apply to the Company.
To be valid, the Proxy Form duly completed, must be deposited at the Registered Office of the Company at D-3-1 & D-3A-1, Seri Gembira Avenue, Jalan Senang Ria, Taman Gembira, 58200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting Provided That in the event the member(s) duly executes the Proxy Form but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, Provided Always that the rest of the Proxy Form, other than the particulars of the proxy have been duly completed by the member(s).
2. A member shall be entitled to appoint two (2) or more proxies to attend and vote at the same meeting and the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds which is credited with ordinary shares of the Company.
4. If the appointor is a corporation, the Proxy Form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.
5. Only members whose name appear in the Record of Depositors as at 19 August 2015 (at least three (3) market days before AGM date) will be entitled to attend and vote at the meeting.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominees may appoint in respect of each omnibus account it holds.

Fold This Flap For Sealing

Then Fold Here

STAMP

The Company Secretary

OVERSEA ENTERPRISE BERHAD (317155-U)

D-3-1 & D-3A-1,
Seri Gembira Avenue,
Jalan Senang Ria,
Taman Gembira,
58200 Kuala Lumpur

1st Fold Here