海外天集团有限公司

OVERSEA ENTERPRISE BERHAD

(Company No. 317155-U)

B-01-06, B-02-06 & B-03-06, Endah Promenade,
No. 5, Jalan 3/149E,
Bandar Baru Sri Petaling, 57000 Kuala Lumpur.
Tel: 03-9054 9683 Fax: 03-9054 9883

Website: www.oversea.com.my
Facebook: http://www.facebook.com/oversea.com.my
Email: info@oversea.com.my

OVERSEA ENTERPRISE BERHAD (317155-U)

Annual Report 2013

海外天

annual report 2013

CONTENTS

2 Corporate Profile
3 Corporate Diary
4 Corporate Structure
5 Corporate Information
6 Financial Highlights
7 Chairman's Statement
9 Corporate Social Responsibility
10 Board of Directors' Profile
13 Statement of Corporate Governance
23 Audit Committee Report
28 Remuneration Committee Report
30 Nominating Committee Report
32 Statement on Risk Management & Internal Control
34 Other Information
37 Financial Statements
106 List of Properties
107 Analysis of Shareholdings
109 Notice of Annual General Meeting
112 Statement Accompanying Notice of Eighteenth Annual General Meeting
113 Appendix 1
Proxy Form

Corporate Profile

Oversea Enterprise Berhad is incorporated and domiciled in Malaysia, and 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 Café and Dim Sum outlet. The first café offering Hong Kong styled food was opened in 2004 in Pandan Indah, Kuala Lumpur under the brand name of "Tsim Tung". In February 2012, a new café concept offering Ipoh homeland authentic cuisines was opened at Wan Chai, Hong Kong. Thereafter in June 2012, another new Malaysian authentic café under the brand name of "Otak-Otak Place" commenced operations in Tropicana City Mall, Petaling Jaya. Finally towards the end of 2012, two (2) café outlets with the brand name of "Oversea Café" were opened at Setiawalk, Puchong and Centrepoint, Bandar Utama. As for the Dim Sum outlet, in 2005, we continued our strategy to target new market segments by opening our first "dim sum" outlet in Sri Petaling, Kuala Lumpur.

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 "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 cakes 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 62,535 square feet. As part of the Group's strategy to expand its portfolio of in-house manufactured products, we have 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

17 Apr 2012 Announcement in relation to the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature.

4 May 2012 Announcement in relation to the appointment of Mr. Yu Tack Tein as alternate director to Mdm Lee Pek Yoke.

18 May 2012 Announcement in relation to the signing of the Joint Venture cum Shareholders Agreement between Restoran Oversea JV (Singapore) Sdn. Bhd., Regal Effect Sdn. Bhd. and Tunas Citarasa Sdn. Bhd.

25 May 2012 Announcement of the unaudited consolidated results for the financial period ended 31 March 2012.

19 Jul 2012 Announcement relation to the increase of issued and paid-up share capital of Tunas Citarasa Sdn. Bhd., a subsidiary of Restoran Oversea JV (Singapore) Sdn. Bhd., which in turn is a wholly-owned subsidiary of the Company from RM2.00 to RM1,325,000 through the allotment and issuance of 1,324,998 ordinary shares for a total consideration of RM1,324,998. The said 1,324,998 ordinary shares were issued to Restoran Oversea JV (Singapore) Sdn. Bhd. and Regal Effect Sdn. Bhd. according to the shareholding proportion of 675,749 ordinary shares and 649,249 ordinary shares respectively.

8 Aug 2012 Notice of the Seventeenth Annual General Meeting to the shareholders.

9 Aug 2012 Circular to Shareholders in relation to the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature.

22 Aug 2012 Announcement of the unaudited consolidated results for the financial period ended 30 June 2012.

29 Aug 2012 Announcement in relation to the incorporation of Restoran Oversea Hong Kong Cafe Sdn. Bhd., a wholly-owned subsidiary of Restoran Oversea JV (Singapore) Sdn. Bhd. which in turn is a wholly-owned subsidiary of the Company.

4 Sep 2012 Announcement in relation to the issuance of the addendum to the Circular To Shareholders of the Company dated 9 August 2012 in relation to the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature (Amended announcement).

5 Sep 2012 Seventeenth Annual General Meeting.

1 Oct 2012 Announcement in relation to the change of name of Restoran Oversea JV (Singapore) Sdn. Bhd. a wholly-owned subsidiary of the Company, to the name of Restoran Oversea JV (International) Sdn. Bhd.

22 Oct 2012 Announcement in relation to the declaration of an interim dividend.

25 Oct 2012 Notice of book closure.

1 Nov 2012 Amended announcement to the announcement on the declaration of an interim dividend.

2 Nov 2012 Amended announcement to the notice of book closure.

2 Nov 2012 Announcement in relation to the acquisition of 65% equity interest in Rich Tastes (Centrepoint) Sdn. Bhd. by Restoran Oversea JV (International) Sdn. Bhd. *(Formerly known as Restoran Oversea JV (Singapore) Sdn. Bhd.)*, a wholly-owned subsidiary of the Company.

19 Nov 2012 Announcement in relation to the increase in the issued and paid-up share capital of Restoran Oversea Hong Kong Cafe Sdn. Bhd., a wholly-owned subsidiary of Restoran Oversea JV (International) Sdn. Bhd. *(Formerly known as Restoran Oversea JV (Singapore) Sdn. Bhd.)*, which is in turn is a wholly-owned subsidiary of the Company from RM2.00 to RM100,000 through the allotment and issuance of RM99,998 ordinary shares to Restoran Oversea JV (International) Sdn. Bhd.

26 Nov 2012 Announcement of the unaudited consolidated results for the financial period ended 30 September 2012.

21 Jan 2013 Announcement relation to the disposal by Haewaytian Cake House Sdn. Bhd., a wholly-owned subsidiary of the Company three (3) units of retail units.

27 Feb 2013 Announcement of the unaudited consolidated results for the financial period ended 31 December 2012.

19 Mar 2013 Announcement in relation to the disposal of investment in Grand Ocean Restaurant Pte. Ltd. by Restoran Oversea JV (International) Sdn. Bhd., a wholly-owned subsidiary of the Company.

4 Apr 2013 Announcement in relation to the change of registered address of the Company.

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

Corporate Structure

OVERSEA ENTERPRISE BERHAD
and its principal subsidiaries and joint venture company

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%** 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 Cafe Sdn. Bhd. #
- **100%** Ipoh Group Limited *(Registered in Hong Kong)* #
- **65%** Rich Tastes (Centrepoint) Sdn. Bhd. #
- **51%** Tunas Citarasa Sdn. Bhd. *

Operation of Dim Sum Outlet

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

Manufacturing of Moon Cakes 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. *(Formerly known as Restoran Oversea JV (Singapore) Sdn. Bhd.)*

 # Subsidiaries of Restoran Oversea JV (International) Sdn. Bhd. (Formerly known as Restoran Oversea JV (Singapore) Sdn. Bhd.)
** Jointly controlled entity with effect from 18 May 2012 as disclosed in Note 41 to the Financial Statements.*

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
Alternate Director to Lee Pek Yoke

AUDIT COMMITTEE

Koong Lin Loong - Chairman
Yau Ming Teck
Chiam Soon Hock

REMUNERATION COMMITTEE

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

NOMINATING COMMITTEE

Yau Ming Teck - Chairman
Koong Lin Loong
Chiam Soon Hock

SPONSOR

RHB Investment Bank Berhad
Level 12, Tower 3
RHB Centre, Jalan Tun Razak
50400 Kuala Lumpur
Tel. No. : 03-9280 5278
Fax No. : 03-9287 4770

REGISTERED OFFICE

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

PRINCIPAL BANKERS

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

AUDITORS

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

SHARE REGISTRARS

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

COMPANY SECRETARY

Ng Bee Lian (MAICSA 7041392)

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia
Securities Berhad

STOCK CODE

Oversea / 0153

WEBSITE ADDRESS

www.oversea.com.my

INVESTOR RELATION

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

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

Financial Highlights

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

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

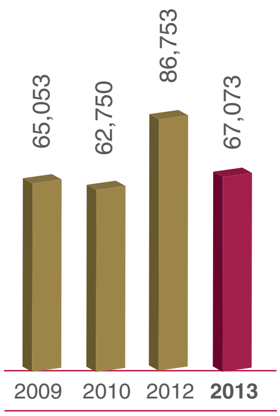
Notes:

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

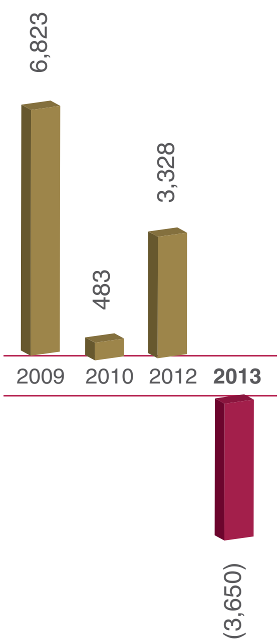
* *The proforma consolidated result are prepared for illustrative purposes only and are prepared based on the audited financial statements of Oversea Enterprise Berhad and its subsidiaries for the financial year under review. The proforma consolidated result for the financial year under review have been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

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

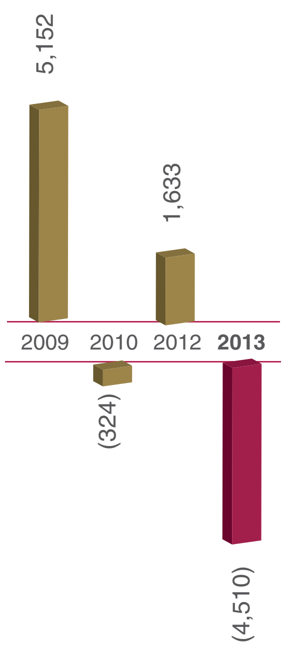
REVENUE
(RM'000)



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



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



Chairman's Statement

On behalf of the Board, I present to you the Annual Report and the audited financial statements of Oversea Enterprise Berhad and of the Group for the financial year ended 31 March 2013 (FY2013).

INTRODUCTION

The Group faced a very challenging year in FY2013. As a result of stiff competition, the segment results from restaurant operations were much lower compared to that in the previous financial period. In addition, the Group's investment arm, Restoran Oversea JV (International) Sdn Bhd, incurred substantial waiver of debts arising from the disposal of Grand Ocean Restaurant Pte. Ltd. which eroded the Group's bottom line. The Group had also discontinued its operations for Restoran Oversea (Jaya 1) Sdn Bhd during the FY2013, resulting in an impairment of its fixed assets, which further aggravated the Group's bottom line.

RESULTS

Given the recent market conditions, the loss on disposal of Grand Ocean Restaurant Pte. Ltd. coupled with the impairment loss from discontinued operations for Restoran Oversea (Jaya 1) Sdn Bhd, our Group's results were negatively affected. While the disposal of Grand Ocean Restaurant Pte. Ltd. and discontinued operations for Restoran Oversea (Jaya 1) Sdn Bhd were immediate efforts taken to assist the Group in improving its bottom line for the coming financial years whilst providing cash flow for its short term working capital requirements, the Group suffered a loss after tax for FY2013 of approximately RM4.51 million as compared to a net profit after tax for the preceding 15 months period ended 31 March 2012 of approximately RM1.63 million.

This translates into a loss per share of approximately 1.80 sen for FY2013 against earnings per share of 0.67 sen in the previous financial period. Shareholders' fund declined to RM48.36 million as at 31 March 2013 compared against RM53.35 million as at 31 March 2012, reflecting a drop of 9.4%. Net assets per share reduced to RM0.20 as at end of 31 March 2013 as compared to RM0.22 in the previous financial period. However, overall gross profit margin of the Group for FY2013 had improved to 59.5% from 56.9% in the previous financial period.

Chairman's Statement
Cont'd

OUTLOOK AND PROSPECTS

With the competition increasing over time, mitigating factors such as production efficiency and cost competitiveness remains vital to maintain a sustainable and successful operation. The coming year will prove even more challenging for the manufacturing division as the Minimum Wages Order 2012 of RM900.00 per month came into effect on 1 January 2013. We estimate a 30% to 35% increase in cost of worker wages for our manufacturing operations. It is likely that the cost impact will also be built into and across our entire supply chain and further affecting our earnings. Therefore it is even vital to emphasise on increasing productivity while maintaining low overheads.

In this respect, we have taken and shall take further actions to increase automation to reduce dependency on manpower. Flexibility is also very important to the business of our Group. For instance, our moon cake manufacturing operation that carries the OVERSEA brand has been subject to stiff competition. Henceforth, we are doubling our efforts to develop more Original Equipment Manufacturer (OEM) customer base through our existing business channels to negate competition and reduce our dependency on our house brand alone.

Over the years, we have built a strong foundation for the Group. Despite the dip in performance in FY2013, we remain steadfast and positive about the industry and the business we are in even though we expect demand to remain weak and competition to remain keen in 2014. In spite of the fact that the FY2013 was not promising, we believe that with the correct focus and strategy, we will be able to mitigate these challenges in 2014.

We remain mindful of the escalating cost and shall be committed to increase profitability as evident by the Group's improvement in gross profit margin. In addition, we will continue to focus on new product innovation as well as improving cost competitiveness to improve sales and profit.

CORPORATE DEVELOPMENTS

2013 also corresponds with the year the Group has embarked on expansion of the new café concept, particularly in Centrepoint, Bandar Utama and Setiawalk, Puchong. We view the new expansion of café as complementing our existing grand themed Chinese restaurants and shall cater for the younger generations.

DIVIDEND

Our Company had on 20 December 2012 paid a single tier interim dividend of 0.3 sen per ordinary share amounting to RM735,000 for FY2013. The Directors do not recommend the payment of any final dividend for the current financial year.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to thank our customers, shareholders, business partners, our sponsor and government authorities for their support over the years.

Our sincere appreciation also to the management and employees of the Group, especially those who have worked hard to see us through the many challenges during the year.

Lastly, I wish to thank my fellow colleagues on the Board as I am truly appreciative of your guidance and advice.

Thank you.

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

Corporate Social Responsibility






Oversea Enterprise Berhad acknowledges that it is an ongoing commitment for the Group in fostering Corporate Social Responsibility (CSR) activities for a sustainable business operation. The CSR emphasised by the Company is broadly divided into three (3) areas, namely the Social Community, Environment, Health and Safety, Human Resource Development and Welfare.

SOCIAL COMMUNITY

We encourage our employees to participate in CSR initiatives as well as community projects, which the Company has embarked on to instil a greater sense of social awareness. During the Mid-Autumn Festival season, a group of voluntary employees from the head office paid a visit to the Lovely Disabled Home to share with the special children our moon cakes including the provision of a luncheon for them. We could sense their appreciation towards our effort and our genuine concern. Besides, the Company also made donations in cash and goods to other unfortunate people and associations.

ENVIRONMENT, HEALTH AND SAFETY

At the production plant, we continue to ensure strict compliance with the environmental laws governing the production operations in areas relating to treatment of waste water, operational safety, environmental standards and emission standards. As a restaurant operator and manufacturer of food products, we always ensure that new employees are given the necessary vaccination and enrolment in a certified food handling course. The Group also adopts environmentally friendly practices such as recycle and reuse and reduce of paper, encourage the use of electronic mail and conserve energy at workplace.

HUMAN RESOURCE DEVELOPMENT AND WELFARE

The Company believes that continuous learning and human capital development will result in better performance of the employees by building up greater confidence amongst the employees. Various external and practical in-house training programmes were provided and conducted to ensure they are equipped with the appropriate skills and knowledge to grow and prosper together with the Company. The Company also ensures that its employees are adequately provided for in the event of illness or personal accidents with medical benefits and insurance coverage.

Board of Directors' Profile

YU SOO CHYE @ YEE SOO CHYE

Chairman / Group Managing Director
68 years old, Malaysian

Mr. Yu has approximately fifty three (53) years of experience in the Chinese restaurant industry. As Group Managing Director and founder, he has been instrumental in the development, growth and success of our Group. He started his career in the early 1950s when he started working in the kitchen as a kitchen helper. In 1970s, he started his first Chinese restaurant operations under a partnership arrangement, namely Restoran Oversea in Jalan Imbi, Kuala Lumpur. Subsequently in 1983, he converted the partnership into a private limited company. Since then, he has established a chain of six (6) Chinese restaurants in Malaysia, which operates under the brand name of "Restoran Oversea" (海外天). In 1986, he initiated the manufacturing of moon cakes by setting up a small manufacturing facility located in Jalan Imbi, Kuala Lumpur. In 2004, he was also involved in the establishment of our first café in Kuala Lumpur under the brand name "Tsim Tung". Subsequently in 2005, he established our first "dim sum" outlet in Sri Petaling, Kuala Lumpur. In 2007, he obtained his Diploma of Membership from Les Amis d'Escoffer Society, Inc. for the meritorious service recognition for outstanding contributions to promote fine dining. He is currently the Honoured Chairman of Perak Ku Su Shin Chuan Hung, Deputy Chairman of various associations including World Association of Chinese Cuisine, Wilayah Cooks' Friendly Association, The Malaysia Selangor and Federal Territory Ku Su Shin Choong Hung Restaurant Association and The Selangor and Federal Territory Restaurant Keepers' Association. He is also the Chief Judge of Malaysia Cuisine Championship and Deputy Judge of The 4th World Championship of Chinese Cuisine. He has extensive experience in the operation and management of food services outlets and he is currently responsible for the overall operations of the Group with emphasis on strategic business planning.

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

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

Mr. Yu attended all five (5) Board Meetings held during the financial year ended 31 March 2013. He has no conflict of interest with the Group and has not been convicted any offences within the past ten (10) years.

LEE PEK YOKE

Executive Director
59 years old, Malaysian

Mdm. Lee was the co-founder of the partnership that started with the first "Restoran Oversea" (海外天) in Jalan Imbi, Kuala Lumpur in 1970s. Since then, she has assisted in the establishment of the chain of Chinese restaurants and has accumulated thirty six (36) 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 our Board on 6 November 2009.

She is the spouse of Mr. Yu Soo Chye @ Yee Soo Chye, parent to Mr. Yu Tack Tein and sister-in-law of Mr. Khong Yik Kam. She is also the sister of Mr. Lee Seng Fan.

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

KHONG YIK KAM

Executive Director
64 years old, Malaysian

Mr. Khong started his career in 1968 when he joined United Engineering Group as a supervisor. He joined Oversea Group in 1985. He has approximately twenty eight (28) 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.

He attended all five (5) Board Meetings during the financial year ended 31 March 2013 and has no conflict of interest with the Group and has not been convicted any offences within the past ten (10) years.

Board of Directors' Profile
Cont'd

LEE SENG FAN

Executive Director
47 years old, Malaysian

Mr. Lee started his career in 1986 when he joined Oversea Group as a chef and is currently the Chief Chef of our Group. He has twenty seven (27) 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.

He attended four (4) Board Meetings during the financial year ended 31 March 2013 and has no conflict of interest with the group and has not been convicted any offences within the past ten (10) years.

KOONG LIN LOONG

Independent Non-Executive Director
49 years old, Malaysian

Mr. Koong is qualified as a Chartered Management Accountant in the United Kingdom; a member of the Malaysian Institute of Accountants; Certified Practising Accountants Australia; Chartered Tax Institute of Malaysia; Associate Member of the Malaysian Association of Company Secretaries, the Institute of Internal Auditors Malaysia and Kampuchea Institute of Certified Public Accountants and Auditors. Mr. Koong has extensive cross-border experiences in various industries which include internal audit and control, feasibility study for Malaysian Listed Corporations and Hong Kong joint venture assignments in China. Currently, amongst others, he is the National Council Member of the Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM) and Chairman of its Small and Medium Enterprises (SMEs); Audit Committee Member of SME Corp, Ministry of International Trade and Industry of Malaysia, member of Franchise Advisory Board, Ministry of Domestic Trade, Cooperative and Consumerisme and Executive Council Member of the Negeri Sembilan Chinese Chamber of Commerce and Industry (NSCCCI).

Mr. Koong is the Managing Partner of REANDA LLKG INTERNATIONAL, Chartered Accountants and Executive Director of K-Konsult Taxation Sdn. Bhd. and its group of companies. He is also 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.

He attended all five (5) Board Meetings during the financial year ended 31 March 2013 and has no conflict of interest with the group and has not been convicted any offences within the past ten (10) years.

CHIAM SOON HOCK

Independent Non-Executive Director
65 years old, Malaysian

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

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

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

He attended all five (5) Board Meetings held during the financial year ended 31 March 2013 and has no conflict of interest with the Group and has not been convicted any offences within the past ten (10) years.

Board of Directors' Profile
Cont'd

YAU MING TECK

Independent Non-Executive Director
42 years old, Malaysian

Mr. Yau graduated with an Economics Degree from Monash University, Melbourne in 1993. Currently, he is a qualified Certified Practicing 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 eighteen (18) 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.

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

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

He attended all five (5) Board Meetings held during the financial year ended 31 March 2013 and has no conflict of interest with the Group and has not been convicted any offences with the past ten (10) years.

YU TACK TEIN

Alternate Director to Mdm. Lee Pek Yoke, Executive Director
39 years old, Malaysian

Mr. Yu graduated in 1997 with a Bachelor of Engineering Degree from Loughborough University, United Kingdom. His career started in 1998 when he joined Seacera Tiles Bhd as Production Executive. Subsequently in 2001, he joined Oversea Group as the Business Development Manager. He has approximately twelve (12) 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 for the Group.

He was appointed to the Board as Alternate Director to Executive Director Mdm. Lee Pek Yoke on 4 May 2012.

Mr. Yu is the son of Mr. Yu Soo Chye @ Yee Soo Chye and Mdm. Lee Pek Yoke, nephew of Mr. Khong Yik Kam and Mr. Lee Seng Fan.

Mr. Yu attended all five (5) Board Meetings held during the financial year ended 31 March 2013 and has no conflict of interest with the Group and has not convicted any offences within the past ten (10) years.

Statement of Corporate Governance

The Board of Directors of Oversea Enterprise Berhad (the Board) remains committed to the best practices and principles of good corporate governance as set out in the Malaysian Code on Corporate Governance (the 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 discharging 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 their 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 constant 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 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 (the Charter) is to set out the roles and responsibilities of the Board of Directors. The Board is guided by the 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 Charter also outlines the processes and procedures for the Board and their committees to be effective and efficient. The Board will regularly review the Charter to ensure it remains consistent with the Board's objectives and responsibilities and all the relevant standards of corporate governance.

Board Balance

The Board consists of seven (7) members; comprising three (3) Independent Non-Executive Directors, four (4) 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 10 to 12.

The Board comprises members with a wide range of business, financial and technical service background. The size of the Board is optimum given the scope, size and complexity of the Group's operations. The composition of Board is well balanced with an effective mix of three (3) Independent Non-Executive Directors and four (4) Executive Directors.

Statement of Corporate Governance
Cont'd

THE BOARD OF DIRECTORS *cont'd*

Board Balance *cont'd*

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

The Independent Non-Executive Directors do not engage in the day-to-day management of the Company and do not participate in any business dealings and are not involved in any other matters with the Company. This ensures that the Independent Non-Executive Directors remain free from 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 the 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 seven (7) 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 30% by year 2016 and the progress towards this goal will be monitored and assessed in year 2013.

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 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 and 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

THE BOARD OF DIRECTORS *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 polices 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 Company. 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 scrunity 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 Non-Executive 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 Audit Committee (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 of ensuring 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

THE BOARD OF DIRECTORS *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 the Board meetings, of any significant issues noted by the AC which requires the Board's attention and approval for implementation.

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

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

The Board met five (5) times during the financial year ended 31 March 2013. Additional meetings are held as and when required. The dates of the Board Meetings are as follows:

i. 21 May 2012
ii. 22 August 2012
iii. 22 October 2012
iv. 26 November 2012
v. 25 February 2013

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

Name	Number of Board Meetings Held	Number of Board Meetings Attended
Yu Soo Chye @ Yee Soo Chye	5	5
Lee Pek Yoke *(Attended by Alternate Director, Yu Tack Tein)	5	0*
Lee Seng Fan	5	4
Khong Yik Kam	5	5
Koong Lin Loong	5	5
Chiam Soon Hock	5	5
Yau Ming Teck	5	5
Yu Tack Tein, Alternate Director to Lee Pek Yoke	5	5

Appointment to the Board

The proposed appointment of a new member to the Board will be deliberated on by the full Board based upon a report, prepared by the Nominating Committee 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

THE BOARD OF DIRECTORS *cont'd*

Re-Appointment and Re-Election of Directors

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

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

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

The Independent Non-Executive Directors, namely Mr. Koong Lin Loong and Mr. Chiam Soon Hock are due to retire pursuant to Article 85 of the Articles of the Company at the forthcoming AGM and will be recommended for re-election by the Board pursuant to the Articles.

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 forthcoming AGM. All the abovementioned Directors have consented to serve as Directors, if elected, by the shareholders at this forthcoming AGM.

THE BOARD COMMITTEES

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

The functions and terms of reference of the 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

Audit Committee

The Audit Committee 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. In the financial year ended 31 March 2013, the Committee met five (5) times. Details of the composition of the Audit Committee and attendance of Members at Meetings held are as follows:-

Members of the Audit Committee and Meeting Attendance

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

Statement of Corporate Governance
Cont'd

THE BOARD COMMITTEES *cont'd*

Audit Committee *cont'd*

Meetings are to be held as and when necessary. The quorum for each meeting is two (2). The minutes of the Audit Committee 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 Audit Committee during the year are set out under the Audit Committee Report on pages 23 to 27 in this Annual Report.

Nominating Committee

The Nominating Committee consists of three (3) Independent Non-Executive Directors and the members of the Nominating Committee 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 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 Committees as a whole, the contribution, competencies, commitment and performance by each director and the Board's various Committees;
iv. To review management's proposals for the appointment, dismissal, transfer, promotion of senior executives;
v. To facilitate achievement of board gender diversity policies, targets and measures to achieve it; and
vi. To carry out the annual assessment of the independence of the Independent Directors.

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

In the financial year ended 31 March 2013, the Committee met once which was attended by all the members.

Remuneration Committee

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

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

The Remuneration Committee 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 Remuneration Committee is responsible for recommending the remuneration framework for Directors, the remuneration packages of Executive Directors to the Board as well a to review and deliberate on the quantum of Directors' fee.

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

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

Statement of Corporate Governance
Cont'd

THE BOARD COMMITTEES *cont'd*

Remuneration Committee *cont'd*

The policy practiced on Directors' remuneration by the Remuneration Committee 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 Remuneration Committee 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.

Investment Committee

The Investment Committee consists of one (1) Executive Director and three (3) management staff.

The members of the Investment Committee are as follows:-

i. Yu Soo Chye @ Yee Soo Chye (Chairman)
ii. Yu Tack Tein
iii. Yap Teck Beng
iv. Ng Fong Lan

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

DIRECTORS' 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 Remuneration Committee 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 2013 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	1,806,907	-
Other Emoluments	-	-
Total Directors' Remuneration	**1,806,907**	**108,000**

The number of Directors whose total remuneration (including attendance allowance) all within the following bands for the financial year ended 31 March 2013 are as follows:-

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

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 2013 and up to the date of report, the conferences, seminars and training programmes attended by certain of the Directors were in respect of the following areas:-

i. Budget 2013 – Highlights on tax changes and its implications on business.
ii. Advanced practical accounting principles and practices.
iii. Governance, Risk Management and Compliance: What Directors Should Know.
iv. National Tax Conference 2012.
v. Workshop on Insights to Malaysia's First Transfer Pricing Litigation.

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 balance, 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.

Statement of Corporate Governance
Cont'd

ACCOUNTABILITY AND AUDIT *cont'd*

Financial Reporting *cont'd*

Early announcements of the quarterly results and issuance of Annual Report to Bursa Securities 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 Audit Committee to oversee the financial reporting process and the quality of the financial reporting of the Group. The Audit Committee 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.

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

The Statement of Responsibility by Directors in respect of the preparation of the annual audited financial statements is set out on page 32 of the Annual Report.

RESPONSIBILITY STATEMENT BY THE BOARD OF DIRECTORS

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

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

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

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

Internal Controls

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

Relationship with External Auditors

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

Internal Audit

The Group has outsourced an Internal Auditor which assists the Audit Committee 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 Audit Committee and its findings and recommendations are communicated to the Board.

Statement of Corporate Governance
Cont'd

RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS

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

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

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

The Group has also established a website (www.oversea.com.my) to which shareholders can access information related to the Group. Investors and members of the public who wish to assess corporate and financial information that is made public such as the quarterly announcement of the financial results of the Group, announcements and disclosures made pursuant to the disclosure requirement of Bursa Malaysia ACE Market 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 of Directors dated 30 July 2013.

Audit Committee Report

The Board of Directors is pleased to present the report of the Audit Committee for the financial year ended 31 March 2013.

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, *Chairman, Independent Non-Executive Director*	5	5
Yau Ming Teck, *Independent Non-Executive Director*	5	4
Chiam Soon Hock, *Independent Non-Executive Director*	5	5

The Audit Committee (AC) convened five (5) meetings during the financial year and save for Mr. Yau Ming Teck who had attended four (4) of the meetings, the rest of the AC members have attended all the five (5) meetings. Upon invitation by the AC, the Directors, Internal Auditors, External Auditors and other members of the senior management attended all the meetings from time to time. The AC also met up with the External Auditors without the presence of the employees during the financial year ended 31 March 2013.

COMPOSITION

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

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

- the AC shall consist of not less than three (3) members;
- all AC members must be Non-Executive Directors, with a majority of them being Independent Directors; and
- at least one (1) of the members of the AC:
  - (a) must be a member of the Malaysian Institute of Accountants (MIA); or
  - (b) if he/she is not a member of the MIA, he/she 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 or 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 Securities.

The members of the AC shall elect the Chairman from among themselves 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 the 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, if any, Finance Director, the Head of Internal Control and the External Auditors in order to be kept informed of matters affecting the Company.

(v) The quorum for each meeting shall be at least two (2) independent members.

(vi) The Company Secretary shall be the Secretary to the AC.

(vii) Minutes of each meeting will be circulated to each member of the AC and the AC Chairman shall report on each meeting to the Board.

Audit Committee Report
Cont'd

TERMS OF REFERENCE

Authority

a) The AC is authorized by the Board with the authority to investigate any matter within its terms of reference and shall have unlimited access to both the Internal and External Auditors, as well as the employees of the Group. All employees are directed to co-operate with any request made by the Committee.

b) The Committee shall have unlimited access to any records, information and documents relevant to its activities, to the Internal and External Auditors, and the senior management of the Group.

c) The Committee shall, at the Company's expenses, have the authority to obtain independent legal or other professional advice as it considers necessary.

d) The Committee shall be able to convene meetings with the External/Internal Auditors, excluding the attendance of the other Directors and employees of the Company, whenever deemed necessary.

e) The AC shall have the power to establish Sub-Audit Committee(s) to carry out certain investigation on behalf of the Committee in such manner, as the Committee deem fit and necessary.

f) The Company shall have the resources which are required to perform its duties.

DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the AC shall include:

a) to recommend the appointment of the External Auditors, their audit fee and any question of their resignation or dismissal to the Directors of the Company;

b) to discuss and review with the External Auditors, the audit plan, the nature and scope of the audit and the areas of audits of the Group and to ensure co-ordination where more than one (1) audit firm is involved;

c) to review the annual audited financial statements of the Group and quarterly results of the Group and before submission to the Board, focusing particularly on:

   i. public announcements of results and dividend payment;
   ii. any changes in accounting policies and practices;
   iii. major judgmental areas;
   iv. significant adjustments resulting from the audit;
   v. the going-concern assumptions;
   vi. compliance with accounting standards; and
   vii. compliance with stock exchange and legal requirements.

d) to discuss problems and reservations arising from the interim and final audits and any other matters the External/ Internal Auditors may wish to discuss (in the absence of the Management and employees of the Company);

e) to review the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;

f) to review and report the adequacy of the scope, functions, competency and resources of the internal audit function and to ensure that it has the necessary authority to carry out its works;

g) to review and evaluate the adequacy and effectiveness of the Group's accounting policies, procedures and internal controls;

Audit Committee Report
Cont'd

DUTIES AND RESPONSIBILITIES *cont'd*

h) to review the appraisal or assessment of the performance of the staff of the internal audit function; to approve any appointment or termination of senior staff of the internal audit function, if applicable;

i) to verify the allocation of Employees' Share Option Scheme (ESOS) in compliance with the criteria as stipulated in the by-laws of ESOS of the Company, if any;

j) to keep under review the effectiveness of internal control system and in particular, review External Auditors' management letter and management's response;

k) to review any related party transaction and conflict of interests situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity; and

l) to carry out such other functions and consider other topics, as may be agreed upon by the Board.

REPORTING PROCEDURES

The AC is authorized to regulate its own procedure an 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 for the financial year ended 31 March 2013 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 the 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.

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.

Audit Committee Report
Cont'd

SUMMARY OF ACTIVITIES *cont'd*

Related Party Transactions

i. reviewed the recurrent related party transactions of a revenue or trading nature that had arisen within the Group and the Group's procedures for monitoring and reviewing of related party transactions to satisfy itself that the procedures were sufficient to ensure that the related party transactions were carried out on normal commercial terms which were not prejudicial to the interests of the shareholders and that the terms of the related party transactions were not more favourable to the related parties than those generally available to the public and also not detrimental to 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. 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 2013 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;
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 2013, 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 of Directors 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 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 RC will decide its own procedures and other administrative arrangements. The Chairman of the RC will report to the Board after each RC meeting.

4. Secretary

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

Remuneration Committee Report

Cont'd

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 RC 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 RC is designated to consider by the Board;

   iii. to determine the policy for and scope of service agreements for the Executive and Non-Executive Directors, termination payment and compensation commitments;

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

   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 RC 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 AC member is absent from Malaysia, a resolution signed by the other AC members, (not being less than two (2)), shall be valid and effectual.

During the financial year ended 31 March 2013, one (1) meeting was held, which was attended by all members of the AC.

Nominating Committee Report

The Nominating Committee comprises of the following Directors:-

Yau Ming Teck
Chairman
Independent Non-Executive Director

Koong Lin Loong
Member
Independent Non-Executive Director

Chiam Soon Hock
Member
Independent Non-Executive Director

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

1. Objectives

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

The NC shall:

i. recommend to the Board, candidates for all directorships to be filled by the shareholders or the Board. In making its recommendations, the NC should consider the candidates' skills, knowledge, expertise and experience; professionalism; integrity; and in the case of candidates for the position of Independent Non-Executive Directors, the NC should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from the Independent Non-Executive Directors;

ii. consider, in making its recommendations, candidates for directorships proposed by the Group Managing Director and, within the bounds of practicability, by any other senior executive or any director or shareholder; and

iii. recommend to the Board, Directors to fill the seats on Board committees.

2. Size and Composition

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

3. Meetings and Procedures

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

4. Secretary

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

Nominating Committee Report

Cont'd

5. **Duties and Responsibilities**

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

   ii. to consider, in making its recommendations, candidates for directorships proposed by the Group Managing Director and, within the bounds of practicability, by any other senior executive or any Director or shareholder as well as to make recommendations to put in place the plans for succession;

   iii. to recommend to the Board for continuation or discontinuation in service of Directors as an Executive Director or Non-Executive Director;

   iv. to recommend Directors who are retiring by rotation to be put forward for re-election;

   v. to recommend the continuation (or not) in service of any Director who has reached the age of seventy (70);

   vi. to establish a mechanism for the formal assessment on the effectiveness of the Board as a whole and the contribution of the Board's various committees and the performance of the Group Managing Director, and other key senior management officers. The annual assessment to be conducted would be based on objective performance criteria as approved by the Board;

   vii. to recommend to the Board the removal of a Director/Group Managing Director/key senior management officers from the Board/management if the said Director/Group Managing Director/key senior management officer is ineffective, errant and negligent in discharging his responsibilities;

   viii. to ensure that all the Directors receive appropriate continuous training programmes in order to keep abreast with developments in the industry and with changes in the relevant statutory and regulatory requirements;

   ix. to recommend to the Board the engagement of the services of such adviser as it deems necessary to fulfil the Board's responsibilities; and

   x. to carry out other responsibilities, functions or assignments as may be defined by the Board from time to time.

6. **Circular Resolution**

   A resolution in writing signed by all the NC 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 NC member is absent from Malaysia, a resolution signed by the other NC members, (not being less than two (2)), shall be valid and effectual.

During the financial year ended 31 March 2013, one (1) meeting was held, which was attended by all members of the Committee.

SUMMARY OF ACTIVITIES

The following activities were carried out by the NC during the financial year ended 31 March 2013:-

i. reviewed the directors retiring by rotation and re-election to the Board;

ii. conducted the Board's effectiveness assessment; and

iii. reviewed the management's proposals on appointment and promotions of senior management personnel of the Group.

Statement on Risk Management & Internal Control

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

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

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

KEY ELEMENTS OF INTERNAL CONTROL

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

(a) An organization structure with clearly defined lines of responsibility, authority and accountability;

(b) Documented internal policies, guidelines, procedures and manuals, which are updated from time to time;

(c) Regular Board and management meetings where information is provided to the Board and management covering financial performance and operation;

(d) Quarterly review of financial results by the Board and Audit Committee;

(e) Regular training and development programs attended by employees with the objective of enhancing their knowledge and competency;

(f) Existence of risk management team to enhance its risk management practice; and

(g) Ongoing reviews on the system of internal controls by an independent internal audit function. Results of such reviews are reported to the Audit Committee, which in turn reports to the Board.

Statement on Risk Management & 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 controls 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 period under review, the Risk Management Committee (RMC) is assisted by the senior management team from various divisions to effectively embed risk management and control into the corporate culture, processes and structures within the Group. The RMC has identified and reviewed the major business risk factors affecting the Group and derive risk management strategies to manage and mitigate the risks identified. The following factors were considered in the risk assessment:

(a) The nature and extent of risks facing the Group;

(b) The extent and categories of risk which it regards as acceptable for the Group to bear;

(c) The likelihood of the risks concerned materializing; and

(d) The Group's ability to reduce the incidence of risks that may materialise and their impact on the business.

INTERNAL AUDIT FUNCTION

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

Based on the internal auditors' report for the financial year ended 31 March 2013, there is a reasonable assurance that the Group's system of internal controls is generally adequate. Nevertheless, the internal control systems will continue to be reviewed, added on or updated in line with changes in the operating environment.

The costs incurred for the internal audit function for the financial year ended 31 March 2013 were RM49,281.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the Listing Requirements, the External Auditors have reviewed this Statement for inclusion in the Annual Report for the financial year ended 31 March 2013 and reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

CONCLUSION

The Board having considered all audit findings is of the opinion that the Group's system of internal controls and risk managment is adequate and accords with the guidance provided by the "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 30 July 2013.

Other Information

1. NON AUDIT FEES

The amount of non audit fees paid/payable to the External Auditors and its affiliates for the financial year ended 31 March 2013 amounted to RM5,000.

2. REVALUATION POLICY ON LANDED PROPERTIES

The Group has not adopted any revaluation policy on landed properties.

3. SHARE BUY BACKS

There was no share buy-back during the financial year ended 31 March 2013.

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 sponsored any ADR or GDR programme during the financial year.

6. MATERIAL CONTRACTS

During the financial year ended 31 March 2013, 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 2013.

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 OR PROJECTION

There was no profit estimation, forecast and projection made or released by the Company during the financial year ended 31 March 2013.

Other Information
Cont'd

9. UTILIZATION OF PROCEEDS

As at the date of this report, the remaining proceeds for capital expenditure and business expansion plans as well as working capital has been fully utilized as at 31 March 2013. Details of which are as follows:-

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

Note :

* *inclusive of excess in listing expenses amounting to RM298,000.*

\# *On 29 February 2012, the Board announced that it had resolved to approve the extension of time for the utilization of the remaining proceeds for capital expenditure and business expansion plans as well as working capital until 31 March 2013.*

^ *As at 31 March 2012, the proceeds for working capital had been fully utilized.*

10. PROFIT GUARANTEE

There was no profit guarantee given by the Company during the financial year ended 31 March 2013.

11. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

There was no exercise of options, warrants or convertible securities during the financial year ended 31 March 2013.

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

At the forthcoming Eighteenth Annual General Meeting to be held on 6 September 2013, the Company intends to seek the 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 5 August 2013 attached to this Annual Report.

FINANCIAL STATEMENTS

38	Directors' Report
42	Statement by Directors
42	Statutory Declaration
43	Independent Auditors' Report
45	Statements of Financial Position
47	Statements of Comprehensive Income
48	Statements of Changes in Equity
50	Statements of Cash Flows
52	Notes to the Financial Statements

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 2013.

PRINCIPAL ACTIVITIES

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

RESULTS

	The Group RM	The Company RM
(Loss)/Profit after taxation for the financial year	(4,510,397)	2,151,868
Attributable to:-		
Owners of the Company	(4,412,796)	2,151,868
Non-controlling interest	(97,601)	-
	(4,510,397)	2,151,868

DIVIDENDS

Since the end of the previous financial period, the Company paid a single tier interim dividend of 0.3 sen per ordinary share amounting to RM735,000 in respect of the current financial year on 20 December 2012.

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

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year,

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

(b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

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

Directors' Report
Cont'd

BAD AND DOUBTFUL DEBTS

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

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

The contingent liability is disclosed in Note 37 to the financial statements. At the date of this report, there does not exist:-

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

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

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

Directors' Report
Cont'd

DIRECTORS

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

Yu Soo Chye @ Yee Soo Chye
Lee Pek Yoke
Khong Yik Kam
Lee Seng Fan
Yau Ming Teck
Chiam Soon Hock
Koong Lin Loong
Yu Tack Tein (Alternate director to Lee Pek Yoke, appointed on 4 May 2012)

DIRECTORS' INTERESTS

In accordance with 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 1.4.2012/ Date of appointment	**Bought**	**Sold**	**At 31.3.2013**
Direct Interests				
Yu Soo Chye @ Yee Soo Chye	82,644,270	-	-	82,644,270
Lee Pek Yoke	20,355,593	-	-	20,355,593
Khong Yik Kam	9,756,338	-	(300,000)	9,456,338
Lee Seng Fan	5,868,496	-	-	5,868,496
Chiam Soon Hock	100,000	-	-	100,000
Koong Lin Loong	100,000	-	-	100,000
Indirect Interests				
Lee Seng Fan #	61,512,696	-	(300,000)	61,212,696
Khong Yik Kam ##	650,000	400,000	-	1,050,000

Notes:-

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

\## - *Deemed interested by virtue of his substantial shareholding and directorship in 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.*

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

The other director holding office at the end of the financial year did not have any interest in shares in the Company or its related corporations during the financial year.

Directors' Report
Cont'd

DIRECTORS' BENEFITS

Since the end of the previous financial period, 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 39 to the financial statements.

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

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 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 15 JULY 2013

LEE SENG FAN **KHONG YIK KAM**

Statement by Directors

We, Lee Seng Fan 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 45 to 104 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 state of affairs of the Group and of the Company at 31 March 2013 and of their results and cash flows for the financial year ended on that date.

The supplementary information set out in Note 43, 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 15 JULY 2013

LEE SENG FAN **KHONG YIK KAM**

Statutory Declaration

I, Khong Yik Kam, I/C No. 491021-10-5549, 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 45 to 104 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
Khong Yik Kam, I/C No. 491021-10-5549
at Kuala Lumpur in the Federal Territory
on this 15 July 2013

KHONG YIK KAM

Before me

DATIN HAJAH RAIHELA WANCHIK (W275)
Commissioner for Oaths

Independent Auditors' Report

To the Members of **Oversea Enterprise Berhad**

(Incorporated in Malaysia) Company No: 317155 - U

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Oversea Enterprise Berhad, which comprise the statements of financial position as at 31 March 2013 of the Group and of the Company, and the statements of 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 45 to 104.

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 2013 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 43 on page 105 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

1. As stated in Note 3(a) to the financial statements, Oversea Enterprise Berhad adopted Malaysian Financial Reporting Standards on 1 April 2012 with a transition date of 1 January 2011. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statements of financial position as at 31 March 2012 and 1 January 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial period ended 31 March 2012 and related disclosures. We were not engaged to report on the comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the financial year ended 31 March 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 April 2012 do not contain misstatements that materially affect the financial position as of 31 March 2013 and financial performance and cash flows for the financial year then ended.

2. 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

LEE KOK WAI
Approval No: 2760/06/14 (J)
Chartered Accountant

15 July 2013
Kuala Lumpur

Statements of Financial Position

At 31 March 2013

		The Group			The Company		
		31.3.2013	31.3.2012	1.1.2011	31.3.2013	31.3.2012	1.1.2011
	NOTE	RM	RM	RM	RM	RM	RM
ASSETS							
NON-CURRENT ASSETS							
Investments in subsidiaries	5	-	-	-	36,840,010	37,720,010	37,720,010
Interest in a jointly controlled entity	6	593,026	-	-	-	-	-
Property, plant and equipment	7	26,888,466	29,266,290	29,262,535	-	-	-
Investment properties	8	1,921,500	2,069,404	7,722,404	-	-	-
Other investments	9	734,046	537,566	1,021,602	-	-	-
Intangible asset	10	167,799	202,330	71,541	-	-	-
Long-term receivables	11	116,429	186,808	250,124	-	-	-
Deferred tax asset	12	208,632	-	-	-	-	-
Goodwill on consolidation	13	-	-	91,999	-	-	-
		30,629,898	32,262,398	38,420,205	36,840,010	37,720,010	37,720,010
CURRENT ASSETS							
Inventories	14	3,947,256	5,449,185	5,346,873	-	-	-
Trade receivables	15	1,128,084	1,065,208	3,061,359	-	-	-
Other receivables, deposits and prepayments	16	2,836,617	2,874,118	2,843,089	347,087	212,250	93,000
Amount owing by subsidiaries	17	-	-	-	11,232,405	6,684,740	5,220,110
Tax refundable		1,800,142	1,610,422	2,321,585	10,000	52,858	42,858
Fixed deposits with licensed banks	18	12,134,833	13,618,624	9,597,804	1,012,247	3,357,951	5,070,624
Cash and bank balances		5,146,379	6,982,587	4,862,024	62,962	82,528	394,399
		26,993,311	31,600,144	28,032,734	12,664,701	10,390,327	10,820,991
TOTAL ASSETS		57,623,209	63,862,542	66,452,939	49,504,711	48,110,337	48,541,001

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

Statements of Financial Position

At 31 March 2013

Cont'd

		The Group			The Company		
		31.3.2013	31.3.2012	1.1.2011	31.3.2013	31.3.2012	1.1.2011
	NOTE	RM	RM	RM	RM	RM	RM
EQUITY AND LIABILITIES							
EQUITY							
Share capital	19	49,000,000	49,000,000	49,000,000	49,000,000	49,000,000	49,000,000
Reserves	20	(643,113)	4,348,669	2,992,501	372,205	(1,044,663)	(614,524)
Equity attributable to owners of the Company		48,356,887	53,348,669	51,992,501	49,372,205	47,955,337	48,385,476
Non-controlling interest		443	-	-	-	-	-
TOTAL EQUITY		48,357,330	53,348,669	51,992,501	49,372,205	47,955,337	48,385,476
NON-CURRENT LIABILITIES							
Long-term borrowings	21	822,788	1,301,495	1,933,597	-	-	-
Deferred tax liability	12	1,177,028	979,418	647,882	-	-	-
		1,999,816	2,280,913	2,581,479	-	-	-
CURRENT LIABILITIES							
Trade payables	24	4,044,933	4,696,696	4,696,921	-	-	-
Other payables and accruals		2,740,679	2,680,701	3,577,207	132,506	155,000	100,000
Amount owing to a subsidiary	17	-	-	-	-	-	55,525
Amount owing to directors	25	-	163,819	156,847	-	-	-
Short-term borrowings	26	480,451	677,475	3,431,621	-	-	-
Bank overdrafts		-	-	16,363	-	-	-
Provision for taxation		-	14,269	-	-	-	-
		7,266,063	8,232,960	11,878,959	132,506	155,000	155,525
TOTAL LIABILITIES		9,265,879	10,513,873	14,460,438	132,506	155,000	155,525
TOTAL EQUITY AND LIABILITIES		57,623,209	63,862,542	66,452,939	49,504,711	48,110,337	48,541,001

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

Statements of Comprehensive Income

For the Financial Year Ended 31 March 2013

	NOTE	The Group 1.4.2012 to 31.3.2013 RM	The Group 1.1.2011 to 31.3.2012 RM	The Company 1.4.2012 to 31.3.2013 RM	The Company 1.1.2011 to 31.3.2012 RM
REVENUE	27	67,073,153	86,753,208	3,501,344	-
COST OF SALES		(27,893,251)	(37,390,929)	-	-
GROSS PROFIT		39,179,902	49,362,279	3,501,344	-
OTHER INCOME		5,110,015	7,352,146	43,241	147,659
		44,289,917	56,714,425	3,544,585	147,659
SELLING AND DISTRIBUTION EXPENSES		(35,167,560)	(36,921,628)	(47,757)	(4,005)
ADMINISTRATIVE EXPENSES		(12,563,414)	(16,023,569)	(1,344,960)	(573,793)
FINANCE COSTS		(134,519)	(440,762)	-	-
SHARE OF RESULTS IN A JOINTLY CONTROLLED ENTITY	6	(74,556)	-	-	-
(LOSS)/PROFIT BEFORE TAXATION	28	(3,650,132)	3,328,466	2,151,868	(430,139)
INCOME TAX EXPENSE	29	(860,265)	(1,695,298)	-	-
(LOSS)/PROFIT AFTER TAXATION		(4,510,397)	1,633,168	2,151,868	(430,139)
OTHER COMPREHENSIVE INCOME/ (EXPENSES):					
- fair value changes of available-for-sale financial assets		238,578	77,142	-	-
- transfer to profit or loss upon disposal of available-for-sale financial assets		(78,262)	(354,142)	-	-
- foreign currency translation		(4,902)	-	-	-
		155,414	(277,000)	-	-
TOTAL COMPREHENSIVE (EXPENSES)/ INCOME FOR THE FINANCIAL YEAR/ PERIOD		(4,354,983)	1,356,168	2,151,868	(430,139)
(LOSS)/PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		(4,412,796)	1,633,168	2,151,868	(430,139)
Non-controlling interest		(97,601)	-	-	-
		(4,510,397)	1,633,168	2,151,868	(430,139)
TOTAL COMPREHENSIVE (EXPENSES)/ INCOME ATTRIBUTABLE TO:-					
Owners of the Company		(4,257,382)	1,356,168	2,151,868	(430,139)
Non-controlling interest		(97,601)	-	-	-
		(4,354,983)	1,356,168	2,151,868	(430,139)
(LOSS)/EARNINGS PER SHARE(SEN):	30				
- Basic		(1.80)	0.67	-	-
- 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 2013

The Group	Share Capital RM	Share Premium RM (Non-Distributable)	Fair Value Reserve RM (Non-Distributable)	Foreign Exchange Translation Reserve RM (Non-Distributable)	Distributable Retained Profits RM	Total RM
Balance at 1.1.2011	49,000,000	1,038,157	368,540	(600)	1,586,404	51,992,501
Profit after taxation	-	-	-	-	1,633,168	1,633,168
Other comprehensive income:						
- gain on fair value changes of available-for-sale financial assets	-	-	77,142	-	-	77,142
- transfer to profit or loss upon disposal of available-for-sale financial assets	-	-	(354,142)	-	-	(354,142)
Total comprehensive income for the financial period	-	-	(277,000)	-	1,633,168	1,356,168
Balance at 31.3.2012	49,000,000	1,038,157	91,540	(600)	3,219,572	53,348,669

The Group	Share Capital RM	Share Premium RM (Non-Distributable)	Fair Value Reserve RM (Non-Distributable)	Foreign Exchange Translation Reserve RM (Non-Distributable)	Distributable Retained Profits RM	Total RM	Non-Controlling Interest RM	Total Equity RM
Balance at 1.4.2012	49,000,000	1,038,157	91,540	(600)	3,219,572	53,348,669	-	53,348,669
Loss after taxation	-	-	-	-	(4,412,796)	(4,412,796)	(97,601)	(4,510,397)
Other comprehensive expenses:								
- gain on fair value changes of available-for-sale financial assets	-	-	238,578	-	-	238,578	-	238,578
- transfer to profit or loss upon disposal of available-for-sale financial assets	-	-	(78,262)	-	-	(78,262)	-	(78,262)
- foreign currency translation	-	-	-	(4,902)	-	(4,902)	-	(4,902)
Total comprehensive expenses for the financial year	-	-	160,316	(4,902)	(4,412,796)	(4,257,382)	(97,601)	(4,354,983)
Balance carried forward	49,000,000	1,038,157	251,856	(5,502)	(1,193,224)	49,091,287	(97,601)	48,993,686

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

Statements of Changes in Equity

For the Financial Year Ended 31 March 2013

Cont'd

The Group	Note	Share Capital RM	← Non-Distributable Share Premium RM	Fair Value Reserve RM	Foreign Exchange Translation Reserve RM →	Distributable Retained Profits RM	Total RM	Non-Controlling Interest RM	Total Equity RM
Balance brought forward		49,000,000	1,038,157	251,856	(5,502)	(1,193,224)	49,091,287	(97,601)	48,993,686
Transactions with owners of the Company:									
- Dividend paid		-	-	-	-	(735,000)	(735,000)	-	(735,000)
- Arising from acquisition of a subsidiary	31	-	-	-	-	-	-	98,044	98,044
- Arising from disposal of a subsidiary		-	-	-	600	-	600	-	600
Total transactions with owners		-	-	-	600	(735,000)	(734,400)	98,044	(636,356)
Balance at 31.3.2013		49,000,000	1,038,157	251,856	(4,902)	(1,928,224)	48,356,887	443	48,357,330

The Company	Share Capital RM	Non-Distributable Share Premium RM	Distributable Accumulated Losses RM	Total RM
Balance at 1.1.2011	49,000,000	1,038,157	(1,652,681)	48,385,476
Loss after taxation/Total comprehensive expenses for the financial period	-	-	(430,139)	(430,139)
Balance at 31.3.2012/1.4.2012	49,000,000	1,038,157	(2,082,820)	47,955,337
Profit after taxation/Total comprehensive income for the financial year	-	-	2,151,868	2,151,868
Transaction with owners of the Company:				
- Dividend paid	-	-	(735,000)	(735,000)
Balance at 31.3.2013	49,000,000	1,038,157	(665,952)	49,372,205

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

Statements of Cash Flows

For the Financial Year Ended 31 March 2013

		The Group		The Company	
		1.4.2012 to 31.3.2013	1.1.2011 to 31.3.2012	1.4.2012 to 31.3.2013	1.1.2011 to 31.3.2012
	NOTE	RM	RM	RM	RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
(Loss)/Profit before taxation		(3,650,132)	3,328,466	2,151,868	(430,139)
Adjustments for:-					
Amortisation of intangible asset		45,818	56,895	-	-
Bad debts written off:					
- trade and other receivables		18,386	-	-	-
- deposits		10,000	-	10,000	-
Depreciation of property, plant and equipment		3,247,541	3,862,986	-	-
Fair value loss on investment properties		147,904	-	-	-
Impairment loss on:					
- goodwill on consolidation		-	91,999	-	-
- investments in subsidiaries		-	-	880,000	-
- trade and other receivables		-	170,728	-	-
Interest expense		136,031	437,690	-	-
Loss on disposal of:					
- investments in subsidiaries	32	1,820,690	-	-	-
- investment properties		-	3,000	-	-
Property, plant and equipment written off		895,447	46,319	-	-
Share of loss in a jointly controlled entity, net of income tax expense		74,556	-	-	-
Dividend income		-	-	(3,501,344)	-
Gain on bargain purchase arising from acquisition of a subsidiary		(33,881)	-	-	-
Gain on disposal of:					
- property, plant and equipment		(5,854)	(106,126)	-	-
- other investments		(87,764)	(472,472)	-	-
Interest income		(346,521)	(373,858)	(43,241)	(139,184)
Writeback of impairment loss on trade receivables		(14,850)	(40,320)	-	-
Operating profit/(loss) before working capital changes		2,257,371	7,005,307	(502,717)	(569,323)
Decrease/(Increase) in inventories		1,501,929	(102,312)	-	-
(Increase)/Decrease in trade and other receivables		(453,623)	1,898,030	(144,837)	(119,250)
Decrease/(Increase) in trade and other payables		(583,617)	(896,731)	(22,494)	55,000
CASH FROM/(FOR) OPERATIONS		2,722,060	7,904,294	(670,048)	(633,573)
Income tax paid		(1,124,774)	(638,330)	-	(10,000)
Income tax refunded		50,415	-	42,858	-
Interest paid		(21,171)	(31,073)	-	-
NET CASH FROM/(FOR) OPERATING ACTIVITIES CARRIED FORWARD		1,626,530	7,234,891	(627,190)	(643,573)

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

Statements of Cash Flows

For the Financial Year Ended 31 March 2013

Cont'd

		The Group		The Company	
	NOTE	1.4.2012 to 31.3.2013 RM	1.1.2011 to 31.3.2012 RM	1.4.2012 to 31.3.2013 RM	1.1.2011 to 31.3.2012 RM
NET CASH FROM/(FOR) OPERATING ACTIVITIES BROUGHT FORWARD		1,626,530	7,234,891	(627,190)	(643,573)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Advances to subsidiaries		-	-	(4,547,665)	(1,464,630)
Dividend received		-	-	3,501,344	-
Interest received		346,521	373,858	43,241	139,184
Investment in a jointly controlled entity		(675,750)	-	-	-
Net cash outflow from the acquisition of a subsidiary	31	(148,200)	-	-	-
Net cash inflow from the disposal of a subsidiary	32	496,120	-	-	-
Payment for intangible asset		(11,287)	(187,684)	-	-
Proceeds from disposal of:					
- investment properties		-	5,650,000	-	-
- property, plant and equipment		11,230	106,130	-	-
- other investments		589,809	998,170	-	-
Purchase of property, plant and equipment	33	(3,322,134)	(3,719,064)	-	-
Purchase of other investments		(538,209)	(318,662)	-	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(3,251,900)	2,902,748	(1,003,080)	(1,325,446)
CASH FLOWS FOR FINANCING ACTIVITIES					
Repayment to subsidiaries		-	-	-	(55,525)
(Repayment to)/Advances from directors		(163,819)	6,972	-	-
Dividend paid		(735,000)	-	(735,000)	
Interest paid		(114,860)	(406,617)	-	-
Repayment of hire purchase obligations		(99,857)	(180,240)	-	-
Repayment of term loans		(575,874)	(3,400,008)	-	-
NET CASH FOR FINANCING ACTIVITIES		(1,689,410)	(3,979,893)	(735,000)	(55,525)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(3,314,780)	6,157,746	(2,365,270)	(2,024,544)
EFFECT OF FOREIGN EXCHANGE TRANSLATION		(5,219)	-	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR/ PERIOD		20,601,211	14,443,465	3,440,479	5,465,023
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/PERIOD	34	17,281,212	20,601,211	1,075,209	3,440,479

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

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013

1. GENERAL INFORMATION

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 15 July 2013.

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.

(a) These are the Group's first set of financial statements prepared in accordance with MFRSs, which are also in line with International Financial Reporting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 1965 in Malaysia.

In the previous financial year, the financial statements of the Group were prepared in accordance with Financial Reporting Standards ("FRSs"). There were no material financial impacts on the transition from FRSs to MFRSs.

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

MFRSs and IC Interpretations (Including The Consequential Amendments)	**Effective Date**
MFRS 9 Financial Instruments	1 January 2015
MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 11 Joint Arrangements	1 January 2013
MFRS 12 Disclosure of Interests in Other Entities	1 January 2013
MFRS 13 Fair Value Measurement	1 January 2013
MFRS 119 Employee Benefits	1 January 2013
MFRS 127 Separate Financial Statements	1 January 2013
MFRS 128 Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015
Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance	1 January 2013
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014
Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Annual Improvements to MFRSs 2009 - 2011 Cycle	1 January 2013

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013

Cont'd

3. BASIS OF PREPARATION *cont'd*

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

(i) MFRS 9 replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments. MFRS 9 divides all financial assets into 2 categories - those measured at amortised cost and those measured at fair value, based on the entity's business model for managing its financial assets and the contractual cash flow characteristics of the instruments. For financial liabilities, the standard retains most of the MFRS 139 requirement. An entity choosing to measure a financial liability at fair value will present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income rather than within profit or loss. There will be no material impact on the financial statements of the Group upon its initial application.

(ii) MFRS 10 replaces the consolidation guidance in MFRS 127 and IC Interpretation 112. Under MFRS 10, there is only one basis for consolidation, which is control. Extensive guidance has been provided in the standard to assist in the determination of control. There will be no material impact on the financial statements of the Group upon its initial application.

(iii) MFRS 11 replaces MFRS 131 and introduces new accounting requirements for joint arrangements. MFRS 11 eliminates jointly controlled assets and only differentiates between joint operations and joint ventures, depending on the rights and obligations of the parties to the arrangements. In addition, the option to apply the proportional consolidation method when accounting for jointly controlled entities is removed. There will be no material impact on the financial statements of the Group upon its initial application.

(iv) MFRS 12 is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. MFRS 12 is a disclosure standard and the disclosure requirements in this standard are more extensive than those in the current standards. Accordingly, there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

(v) MFRS 13 defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. The scope of MFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other MFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in MFRS 13 are more extensive than those required in the current standards and therefore there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

(vi) The amendments to MFRS 7 (Disclosures - Offsetting Financial Assets and Financial Liabilities) require disclosures that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. There will be no material impact on the financial statements of the Group upon its initial application.

(vii) The amendments to MFRS 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. In addition, items presented in other comprehensive income section are to be grouped based on whether they are potentially re-classifiable to profit or loss subsequently i.e. those that might be reclassified and those that will not be reclassified. Income tax on items of other comprehensive income is required to be allocated on the same basis. There will be no financial impact on the financial statements of the Group upon its initial application other than the presentation format of the statements of profit or loss and other comprehensive income.

(viii) The amendments to MFRS 132 provide the application guidance for criteria to offset financial assets and financial liabilities. There will be no material impact on the financial statements of the Group upon its initial application.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013
Cont'd

3. BASIS OF PREPARATION *cont'd*

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

(ix) The Annual Improvements to MFRSs 2009 - 2011 Cycle contain amendments to MFRS 1, MFRS 101, MFRS 116, MFRS 132 and MFRS 134. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Critical Accounting Estimates and Judgements

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

(i) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial 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 may impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Income Taxes

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

(iii) 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.

(iv) Writedown 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.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

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

(v) 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 judgment 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.

(vi) 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.

(vii) 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.

(viii) 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.

(ix) Impairment of Goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013
Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

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

(x) 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.

(b) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 March 2013.

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

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.

(i) 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.

(ii) 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. Transactions with non-controlling interests are accounted for as transactions with owners and are recognised directly in equity. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(b) Basis of Consolidation *cont'd*

(iii) Acquisitions of Non-controlling Interests

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 and attributed to owners of the parent.

(iv) Loss of Control

Upon loss of control of a subsidiary, the profit or loss on disposal 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 (i.e. reclassified to profit or loss or transferred directly to retained profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. 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 controlled entity.

As part of its transition to MFRSs, the Group elected not to restate those business combinations that occurred before the date of transition, 1 January 2011. Such business combinations and the related goodwill and fair value adjustments have been carried forward from the previous FRS framework as at the date of transition.

(c) Goodwill

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

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised as a gain in profit or loss.

(d) Functional and Foreign Currencies

(i) 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.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013
Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(d) Functional and Foreign Currencies *cont'd*

(ii) 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.

(iii) 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.

(e) Investments in Subsidiaries/Jointly Controlled Entities

Investments in subsidiaries/jointly controlled entities 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.

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

(f) Interest in a Joint Venture

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venture has an interest.

The interest in a joint venture in the consolidated financial statements is accounted for under the equity method, based on the financial statements of the joint venture made up to the end of the reporting period. Under the equity method, the investment in a joint venture is carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the joint venture. The Group's share of profit or loss after tax of the joint venture is recognised in profit or loss. Where there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of such changes. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect of the Group's net investment in the joint venture.

The joint venture is equity accounted for from the date the Group obtains joint control until the date the Group ceases to have joint control over the joint venture.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013
Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(g) 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 plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

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

(i) Financial Assets

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

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

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

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

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

- *Held-to-maturity Investments*

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

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

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013
Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(g) Financial Instruments *cont'd*

(i) 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.

- *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.

(ii) Financial Liabilities

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

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

(iii) Equity Instruments

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

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

(h) 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 and is not depreciated.

Depreciation is calculated under the straight-line method to write off the depreciable amount of the assets over their estimated useful lives.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(h) Property, Plant and Equipment *cont'd*

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%

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the end of the reporting period. Capital work-in-progress is stated at cost, and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use.

Cost of capital work-in-progress includes direct cost, related expenditure and interest cost on borrowings taken to finance the construction or acquisition of the assets to the date that the assets are completed and put into use.

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

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.

(i) Investment Properties

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

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(j) 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 lives 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 are 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 lives of an intangible asset with an indefinite lives is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful lives assessment from indefinite to finite is made on a prospective basis.

(i) Trademarks

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

(k) Impairment

(i) 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.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013
Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(k) Impairment *cont'd*

(i) Impairment of Financial Assets cont'd

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 investment 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.

(ii) 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 immediately.

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

(l) Assets under Hire Purchase

Assets acquired under hire purchase are capitalised in the financial statements and are depreciated in accordance with the policy set out in Note 4(h). Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are allocated to the income over the periods of the respective hire purchase agreements.

(m) Inventories

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

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

Where necessary, due allowance is made for all damaged, obsolete and slow-moving items. The Group writes down its obsolete or slow-moving inventories based on assessment of the condition and the future demand for the inventories. These inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recovered.

(n) Borrowing Costs

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

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

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(o) Income Taxes

Income taxes for the year comprise current and deferred tax.

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

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.

(p) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, deposits pledged with financial institutions, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(q) 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.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013
Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(r) Employee Benefits

(i) Short-term Benefits

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

(ii) Defined Contribution Plans

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

(s) 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.

(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.

(t) 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.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013
Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(u) Revenue and Other Income

(i) Sale of Food and Beverages

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

(ii) Service Fee Income

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

(iii) Sale of Goods

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

(vi) Interest Income

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

(v) Rental Income

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

(vi) Dividend Income

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

(v) 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.

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2013 RM	2012 RM
Unquoted shares, at cost	37,720,010	37,720,010
Accumulated impairment losses:-		
At 1 April 2012/1 January 2011	-	-
Addition during the financial year/period	(880,000)	-
At 31 March	(880,000)	-
	36,840,010	37,720,010

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013
Cont'd

5. INVESTMENTS IN SUBSIDIARIES *cont'd*

Details of the subsidiaries, are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest 2013 %	Effective Equity Interest 2012 %	Principal Activities
Restoran Oversea (Imbi) Sdn. Bhd.	Malaysia	100	100	Restaurant operator.
Restoran Oversea (P.J.) Sdn. Bhd.	Malaysia	100	100	Restaurant operator.
Restoran Oversea (Subang Parade) Sdn. Bhd.	Malaysia	100	100	Restaurant operator.
Restoran Oversea (Bandar Baru Sri Petaling) Sdn. Bhd.	Malaysia	100	100	Restaurant operator.
Restoran Oversea (Jaya 1) Sdn. Bhd. **	Malaysia	100	100	Restaurant operator.
Haewaytian Restaurant Sdn. Bhd.	Malaysia	100	100	Restaurant operator.
Restoran Oversea Dian Xin (Sri Petaling) Sdn. Bhd.	Malaysia	100	100	Restaurant operator.
Restoran Tsim Tung Sdn. Bhd.	Malaysia	100	100	Restaurant operator.
Haewaytian Cake House Sdn. Bhd.	Malaysia	100	100	Manufacturer and wholesaler of confectioneries.
Haewaytian Food Industries Sdn. Bhd.	Malaysia	100	100	Distributor of food products.
Restoran Oversea Confectioneries Sdn. Bhd.	Malaysia	100	100	Manufacturer and wholesaler of confectioneries.
Tenshou International Sdn. Bhd.	Malaysia	100	100	Retailer of foodstuff.
Haewaytian Trading Sdn. Bhd.	Malaysia	100	100	Distributing general products.
Restoran Oversea Holdings Sdn. Bhd.	Malaysia	100	100	Investment holding.
Restoran Oversea JV (International) Sdn. Bhd. *[formerly known as Restoran Oversea JV (Singapore) Sdn. Bhd.]*	Malaysia	100	100	Investment holding.
Grand Ocean Restaurant Pte. Ltd. # ^	Singapore	-	100	Restaurant operator.
Ipoh Group Limited # ^	Hong Kong	100	100	Restaurant and cafe operator.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013
Cont'd

5. INVESTMENTS IN SUBSIDIARIES *cont'd*

Details of the subsidiaries, are as follows:- *cont'd*

Name of Company	Country of Incorporation	Effective Equity Interest 2013 %	Effective Equity Interest 2012 %	Principal Activities
Restoran Oversea Hong Kong Cafe Sdn. Bhd. ^	Malaysia	100	100	Restaurant and cafe operator.
Rich Tastes (Centrepoint) Sdn. Bhd. ^	Malaysia	65	-	Restaurant and cafe operator.
Tunas Citarasa Sdn. Bhd. *	Malaysia	-	100	Restaurant and cafe operator.

Notes:-

** - *The company ceased its business operations at the end of the reporting period as disclosed in Note 41 to the financial statements.*

- *Not audited by Messrs. Crowe Horwath.*

^ - *Held through Restoran Oversea JV (International) Sdn. Bhd. [formerly known as Restoran Oversea JV (Singapore) Sdn. Bhd.]*

* - *With effect from 18 May 2012, the subsidiary became a jointly controlled entity as disclosed in Note 41 to the financial statements.*

(a) Impairment Loss for Investments in Subsidiaries

During the financial year, the Group assessed the recoverable amount of the investments in subsidiaries. An impairment loss on investment in Restoran Oversea (Jaya 1) Sdn. Bhd. amounting to RM880,000 was recognised during the current financial year as the recoverable amount was lower than its carrying amount arising from cessation of operations.

6. INTEREST IN A JOINTLY CONTROLLED ENTITY

	The Group 2013 RM	The Group 2012 RM
Unquoted shares, at cost	675,750	-
Share of post-acquisition loss in a jointly controlled entity	(82,724)	-
	593,026	-

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

Name of Company	Country of Incorporation	Effective Equity Interest 2013	Effective Equity Interest 2012	Principal Activities
Tunas Citarasa Sdn. Bhd.	Malaysia	51%	-	Cafe operator.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013

Cont'd

6. INTEREST IN A JOINTLY CONTROLLED ENTITY *cont'd*

The Group's share of the assets, liabilities and income and expenses of the jointly controlled entity are as follows:-

	The Group 2013 RM	The Group 2012 RM
Assets and Liabilities		
Total assets	612,764	-
Total liabilities	(19,738)	-
Results		
Revenue	359,738	-
Expenses	(314,044)	-

7. PROPERTY, PLANT AND EQUIPMENT

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

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013
Cont'd

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

	At 1.1.2011 RM	Additions RM	Disposal RM	Write-off RM	Transfers RM	Depreciation Charge RM	At 31.3.2012 RM
The Group							
Net Book Value							
Freehold land	2,618,988	-	-	-	-	-	2,618,988
Freehold buildings	6,799,703	-	-	-	-	(174,667)	6,625,036
Long leasehold land	2,711,077	-	-	-	-	(43,156)	2,667,921
Long leasehold buildings	5,223,346	175,515	-	-	-	(78,058)	5,320,803
Plant and machinery	279,621	614,964	-	-	-	(210,187)	684,398
Motor vehicles	460,213	302,956	(4)	-	-	(226,279)	536,886
Renovation, furniture and fittings	6,357,670	1,146,877	-	(46,319)	1,018,478	(1,665,713)	6,810,993
Equipment and electrical installation	3,385,167	1,069,094	-	-	1,011,930	(1,464,926)	4,001,265
Capital work-in-progress	1,426,750	603,658	-	-	(2,030,408)	-	-
	29,262,535	3,913,064	(4)	(46,319)	-	(3,862,986)	29,266,290

The Group	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
At 31.3.2013			
Freehold land	2,618,988	-	2,618,988
Freehold buildings	6,987,742	(502,489)	6,485,253
Long leasehold land	2,854,460	(221,069)	2,633,391
Long leasehold buildings	5,527,483	(270,562)	5,256,921
Plant and machinery	7,863,220	(6,924,479)	938,741
Motor vehicles	2,456,596	(2,112,644)	343,952
Renovation, furniture and fittings	17,976,132	(12,305,186)	5,670,946
Equipment and electrical installation	12,370,427	(9,430,153)	2,940,274
	58,655,048	(31,766,582)	26,888,466
At 31.3.2012			
Freehold land	2,618,988	-	2,618,988
Freehold buildings	6,987,742	(362,706)	6,625,036
Long leasehold land	2,854,460	(186,539)	2,667,921
Long leasehold buildings	5,527,483	(206,680)	5,320,803
Plant and machinery	7,862,906	(7,178,508)	684,398
Motor vehicles	2,456,596	(1,919,710)	536,886
Renovation, furniture and fittings	18,797,787	(11,986,794)	6,810,993
Equipment and electrical installation	13,649,987	(9,648,722)	4,001,265
	60,755,949	(31,489,659)	29,266,290

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013
Cont'd

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

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

	The Group	
	2013	2012
	RM	RM
Freehold land	2,053,988	2,053,988
Freehold buildings	6,343,430	6,480,113
Long leasehold land	170,143	172,732
Long leasehold buildings	4,259,423	4,465,812
	12,826,984	13,172,645

Included in the property, plant and equipment are motor vehicles with a total net book value of RM198,992 (2012 - RM532,669) which were acquired under hire purchase terms.

8. INVESTMENT PROPERTIES

	The Group	
	2013	2012
	RM	RM
At 1 April 2012/1 January 2011	2,069,404	7,722,404
Disposal during the financial year/period	-	(5,653,000)
Fair value adjustment	(147,904)	-
At 31 March	1,921,500	2,069,404
Investment properties comprise the following:-		
At fair value:-		
Freehold land and buildings	1,771,500	1,896,500
Long leasehold land and buildings	150,000	172,904
	1,921,500	2,069,404

Investment properties are stated at fair value, which has been determined based on the prevailing market prices of the investment properties at the end of the reporting date.

The following investment properties in the previous financial period were pledged to a licensed bank as security for banking facilities granted to the Group:-

	The Group	
	2013	2012
	RM	RM
Freehold land and buildings	-	297,000

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013

Cont'd

9. OTHER INVESTMENTS

	The Group	
	2013	2012
	RM	RM
At 1 April 2012/1 January 2011	537,566	1,021,602
Acquisition of quoted shares during the financial year/period	538,209	318,662
Disposal of quoted shares during the financial year/period	(580,307)	(879,840)
Fair value adjustment	238,578	77,142
At 31 March	734,046	537,566
Other investments comprise the following:-		
At fair value:-		
Quoted shares in Malaysia	431,976	429,796
Quoted shares outside Malaysia	194,300	-
Investments in quoted shares	626,276	429,796
Golf club membership	107,770	107,770
	734,046	537,566
Market value of quoted shares	626,276	429,796

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

10. INTANGIBLE ASSET

	The Group	
	2013	2012
	RM	RM
Trademark, at cost:-		
At 1 April 2012/1 January 2011	294,646	106,962
Addition during the financial year/period	11,287	187,684
At 31 March	305,933	294,646
Amortisation of intangible asset	(138,134)	(92,316)
	167,799	202,330
Amortisation of intangible asset:-		
At 1 April 2012/1 January 2011	(92,316)	(35,421)
Amortisation during the financial year/period	(45,818)	(56,895)
At 31 March	(138,134)	(92,316)

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013

Cont'd

11. LONG-TERM RECEIVABLES

Long-term receivables comprise staff loans as follows:-

	The Group	
	2013	2012
	RM	RM
Minimum staff loan repayments:		
- within one year	110,372	116,938
- within two to five years	146,398	213,200
- more than five years	-	12,244
	256,770	342,382
Less: Prepaid operating expenses	(29,969)	(38,636)
	226,801	303,746

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

	The Group	
	2013	2012
	RM	RM
Current (Note 16):		
- within one year	110,372	116,938
Non-current:		
- within two to five years	116,429	178,078
- more than five years	-	8,730
	116,429	186,808
	226,801	303,746
Prepaid operating expenses:-		
At 1 April 2012/1 January 2011	(38,636)	(72,420)
Addition during the financial year/period	(6,231)	(17,654)
Accretion of long-term receivables	14,898	51,438
Recognised in profit or loss during the financial year/period	8,667	33,784
At 31 March	(29,969)	(38,636)

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.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013
Cont'd

12. DEFERRED TAX ASSETS/(LIABILITY)

	The Group	
	2013	**2012**
	RM	**RM**
At 1 April 2012/1 January 2011	(979,418)	(647,882)
Recognised in profit or loss (Note 29)	10,105	(331,536)
Translation difference	917	-
At 31 March	(968,396)	(979,418)
Presented as follows:-		
Deferred tax assets	208,632	-
Deferred tax liability	(1,177,028)	(979,418)
	(968,396)	(979,418)

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

	The Group	
	2013	**2012**
	RM	**RM**
Deferred tax assets:-		
Allowance for impairment losses	40,000	40,000
Unabsorbed capital allowances	138,800	281,700
Unutilised tax losses	133,530	33,600
	312,330	355,300
Deferred tax liability:-		
Accelerated capital allowances over depreciation	(1,280,726)	(1,334,718)
	(968,396)	(979,418)

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

	The Group	
	2013	**2012**
	RM	**RM**
Allowance for impairment losses	-	8,000
Unabsorbed capital allowances	252,400	4,000
Unutilised tax losses	1,517,000	157,000
	1,769,400	169,000

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013

Cont'd

13. GOODWILL ON CONSOLIDATION

	The Group	
	2013	**2012**
	RM	**RM**
At 1 April 2012/1 January 2011	-	91,999
Impairment loss on goodwill during the financial year/period	-	(91,999)
At 31 March	-	-

(a) Allocation of Goodwill on Consolidation

The goodwill arose from the acquisition of Grand Ocean Restaurant Pte. Ltd. ("GOR") in the financial year 2010, a wholly-owned subsidiary of the Company. GOR was incorporated in Singapore and has been identified as the Group's Cash Generating Unit ("CGU") according to the country of operation. GOR ceased to be a subsidiary of the Group during the financial year.

(b) Impairment Test for Goodwill on Consolidation

In the previous financial period, the Group assessed the recoverable amount of the goodwill on consolidation of GOR. An impairment loss on goodwill was recognised in the previous financial period as the recoverable amount of the goodwill was lower than its carrying amount.

14. INVENTORIES

	The Group	
	2013	**2012**
	RM	**RM**
At Cost:-		
Food	3,249,169	4,493,795
Beverages	150,287	161,942
Raw materials	44,148	147,253
Packing materials	435,193	530,635
Finished goods	68,459	115,560
	3,947,256	5,449,185

None of the inventories is carried at net realisable value.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013
Cont'd

15. TRADE RECEIVABLES

	The Group	
	2013	2012
	RM	RM
Trade receivables	1,734,520	1,955,240
Allowance for impairment losses	(606,436)	(890,032)
	1,128,084	1,065,208
Allowance for impairment losses:-		
At 1 April 2012/1 January 2011	(890,032)	(837,646)
Addition during the financial year/period	-	(92,706)
Writeback during the financial year/period	14,850	40,320
Write-off during the financial year/period	268,746	-
At 31 March	(606,436)	(890,032)

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

16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Other receivables	131,882	414,225	-	-
Deposits	2,372,803	2,242,226	332,114	212,250
Prepayments	331,932	311,689	14,973	-
	2,836,617	2,968,140	347,087	212,250
Allowance for impairment losses	-	(94,022)	-	-
	2,836,617	2,874,118	347,087	212,250
Allowance for impairment losses:-				
At 1 April 2012/1 January 2011	(94,022)	(16,000)	-	-
Addition during the financial year/period	-	(78,022)	-	-
Write-off during the financial year/period	94,022	-	-	-
At 31 March	-	(94,022)	-	-

Included in the other receivables are staff loans of RM110,372 (2012 - RM116,938) as disclosed in Note 11 to the financial statements.

17. AMOUNTS OWING (BY)/TO SUBSIDIARIES

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

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013
Cont'd

18. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks bore effective interest rates ranging from 2.00% - 3.70% (2012 - 2.00% to 3.70%) per annum at the end of the reporting period. The fixed deposits have maturity periods ranging from 1 to 12 months (2012 - 1 to 20 months).

The fixed deposits of RM359,772 (2012 - RM526,992) at the end of the reporting period were pledged to licensed banks as security for banking facilities granted to the Group.

The fixed deposits of RM124,147 (2012 - RM118,780) at the end of the reporting period were held in trust for the Group by a director. The fixed deposits will be transferred to the Group on the maturity date of the fixed deposits or at a time to be directed by the Group.

19. SHARE CAPITAL

	The Company			
	2013	2012	2013	2012
	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

20. RESERVES

Reserves comprise the following:-

		The Group		The Company	
		2013	2012	2013	2012
	Note	RM	RM	RM	RM
Share premium	(a)	1,038,157	1,038,157	1,038,157	1,038,157
Fair value reserve	(b)	251,856	91,540	-	-
Foreign exchange translation reserve	(c)	(4,902)	(600)	-	-
(Accumulated losses)/Retained profits		(1,928,224)	3,219,572	(665,952)	(2,082,820)
		(643,113)	4,348,669	372,205	(1,044,663)

(a) Share Premium

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

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013
Cont'd

20. RESERVES *cont'd*

(b) Fair Value Reserve

	The Group	
	2013	2012
	RM	RM
At 1 April 2012/1 January 2011	91,540	368,540
Fair value gain on investment in quoted shares	238,578	77,142
Reversal upon disposal of investment in quoted shares	(78,262)	(354,142)
At 31 March	251,856	91,540

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

(c) Foreign Exchange Translation Reserve

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

21. LONG-TERM BORROWINGS

	The Group	
	2013	2012
	RM	RM
Hire purchase payables (Note 22)	56,744	109,991
Term loans (Note 23)	766,044	1,191,504
	822,788	1,301,495

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013

Cont'd

22. HIRE PURCHASE PAYABLES

	The Group	
	2013	2012
	RM	RM
Minimum hire purchase payments:		
- not later than one year	57,879	108,972
- later than one year and not later than five years	59,351	117,919
	117,230	226,891
Less: Future finance charges	(7,238)	(17,042)
Present value of hire purchase payables	109,992	209,849
Current (Note 26):		
- not later than one year	53,248	99,858
Non-current (Note 21):		
- later than one year and not later than five years	56,744	109,991
	109,992	209,849

The hire purchase payables bore effective interest rates ranging from 4.83% to 7.21% (2012 - 4.83% to 7.21%) per annum at the end of the reporting period.

23. TERM LOANS

	The Group	
	2013	2012
	RM	RM
Current (Note 26):		
- repayable within one year	427,203	577,617
Non-current (Note 21):		
- repayable between one and two years	395,875	427,327
- repayable between two and five years	370,169	764,177
	766,044	1,191,504
	1,193,247	1,769,121

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013
Cont'd

23. TERM LOANS *cont'd*

Details of the repayment terms are as follows:-

Term Loan	Number of Monthly Instalment	Monthly Instalments	Date of Commencement of Repayment	The Group Amount Outstanding 2013	2012
		RM		RM	RM
1	120	Note 1	14.12.2002	-	162,192
2	180	Note 2	28.1.2009	1,135,598	1,478,953
3	180	3,112	5.5.2000	27,603	61,440
4	180	1,679	5.5.2000	15,023	33,268
5	180	1,679	5.5.2000	15,023	33,268
				1,193,247	1,769,121

The term loans bore effective interest rates ranging from 6.90% to 7.60% (2012 - 6.90% to 7.60%) per annum at the end of the reporting period and are secured by:-

(a) a first legal charge over certain properties of the Group as disclosed in Note 7 and Note 8 to the financial statements; and

(b) a joint and several guarantee of certain directors of the Group.

Notes:-

1. *Term loan 1 is repayable as follows:-*

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

2. *Term loan 2 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.*

24. TRADE PAYABLES

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

25. AMOUNT OWING TO DIRECTORS

The amount owing in the previous financial period was non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing was settled in cash.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013

Cont'd

26. SHORT-TERM BORROWINGS

	The Group	
	2013	2012
	RM	RM
Hire purchase payables (Note 22)	53,248	99,858
Term loans (Note 23)	427,203	577,617
	480,451	677,475

27. REVENUE

	The Group		The Company	
	1.4.2012 to 31.3.2013	1.1.2011 to 31.3.2012	1.4.2012 to 31.3.2013	1.1.2011 to 31.3.2012
	RM	RM	RM	RM
Sale of food and beverages	58,045,275	78,144,564	-	-
Sale of moon cakes and other baked products	9,027,878	8,608,735	-	-
Dividend income	-	-	3,501,344	-
Others	-	(91)	-	-
	67,073,153	86,753,208	3,501,344	-

28. (LOSS)/PROFIT BEFORE TAXATION

	The Group		The Company	
	1.4.2012 to 31.3.2013	1.1.2011 to 31.3.2012	1.4.2012 to 31.3.2013	1.1.2011 to 31.3.2012
	RM	RM	RM	RM
(Loss)/Profit before taxation is arrived at after charging/(crediting):-				
Amortisation of intangible asset	45,818	56,895	-	-
Audit fee:				
- current financial year	170,560	155,000	22,000	21,000
- underprovision in the previous financial year	14,500	-	2,000	-
Bad debts written off:				
- trade and other receivables	18,386	-	-	-
- deposits	10,000	-	10,000	-
Contingent loss on cessation of operations	249,623	-	-	-
Depreciation of property, plant and equipment	3,247,541	3,862,986	-	-
Directors' fee	108,000	135,000	108,000	135,000

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013

Cont'd

28. (LOSS)/PROFIT BEFORE TAXATION *cont'd*

	The Group		The Company	
	1.4.2012 to 31.3.2013	1.1.2011 to 31.3.2012	1.4.2012 to 31.3.2013	1.1.2011 to 31.3.2012
	RM	RM	RM	RM
(Loss)/Profit before taxation is arrived at after charging/ (crediting):- *Cont'd*				
Directors' non-fee emoluments:				
- salaries, bonuses and allowances	1,639,856	1,768,266	-	-
- defined contribution plan	160,028	185,690	-	-
- other benefits	7,023	-	-	-
Fair value loss on investment properties	147,904	-	-	-
Impairment loss on:				
- goodwill on consolidation	-	91,999	-	-
- investments in subsidiaries	-	-	880,000	-
- trade and other receivables	-	170,728	-	-
Interest expense:				
- bank overdrafts	21,171	31,073	-	-
- hire purchase	5,941	20,441	-	-
- term loans	108,919	386,176	-	-
Loss on disposal of:				
- investments in subsidiaries	1,820,690	-	-	-
- investment properties	-	3,000	-	-
Property, plant and equipment written off	895,447	46,319	-	-
Realised loss on foreign exchange	38,555	448	-	-
Rental of premises	5,935,070	6,451,062	10,500	-
Rental of plant and machineries	55,823	67,582	-	-
Staff costs:				
- salaries, wages, bonuses and allowances	20,519,316	25,371,510	-	-
- defined contribution plan	1,628,280	2,182,115	-	-
- other benefits	1,045,787	1,364,278	-	-
Accretion of long-term receivables	(14,898)	(51,438)	-	-
Dividend income	-	-	(3,501,344)	-
Gain on bargain purchase arising from acquisition of a subsidiary	(33,881)	-	-	-
Gain on disposal of:				
- property, plant and equipment	(5,854)	(106,126)	-	-
- other investments	(87,764)	(472,472)	-	-
Interest income	(346,521)	(373,858)	(43,241)	(139,184)
Investment property:				
- rental income	(133,200)	(172,889)	-	-
- direct expenses for revenue generating properties	6,616	31,441	-	-

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013

Cont'd

28. (LOSS)/PROFIT BEFORE TAXATION *cont'd*

	The Group		The Company	
	1.4.2012 to 31.3.2013	1.1.2011 to 31.3.2012	1.4.2012 to 31.3.2013	1.1.2011 to 31.3.2012
	RM	RM	RM	RM
(Loss)/Profit before taxation is arrived at after charging/ (crediting):- *cont'd*				
Rental income	(7,200)	(4,200)	-	-
Service fee income	(4,371,730)	(5,802,184)	-	-
Writeback of impairment loss on trade receivables	(14,850)	(40,320)	-	-

Included in the staff costs is an amount of prepaid operating expenses of RM6,231 (2012 - RM33,784) recognised in profit or loss as disclosed in Note 11 to the financial statements.

29. INCOME TAX EXPENSE

	The Group	
	1.4.2012 to 31.3.2013	1.1.2011 to 31.3.2012
	RM	RM
Current tax:		
- for the financial year/period	825,123	1,363,762
- underprovision in the previous financial period/year	45,247	-
	870,370	1,363,762
Deferred taxation (Note 12):		
- relating to origination and reversal of temporary differences	121,895	330,690
- (over)/underprovision in the previous financial period/year	(132,000)	846
	(10,105)	331,536
At 31 March	860,265	1,695,298

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

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 2013

Cont'd

29. INCOME TAX EXPENSE *cont'd*

A reconciliation of income tax expense applicable to the (loss)/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	
	1.4.2012 to 31.3.2013	1.1.2011 to 31.3.2012	1.4.2012 to 31.3.2013	1.1.2011 to 31.3.2012
	RM	RM	RM	RM
(Loss)/Profit before taxation	(3,650,132)	3,328,466	2,151,868	(430,139)
Tax at the statutory tax rate of 25%	(912,533)	832,117	537,967	(107,535)
Tax effects of:-				
Non-taxable gains	(554,912)	(121,150)	(875,336)	-
Non-deductible expenses	2,010,688	989,385	337,369	107,535
Deferred tax assets not recognised during the financial year/period	418,775	-	-	-
Utilisation of deferred tax asset not recognised in prior years	(15,000)	(5,900)	-	-
Under/(Over)provision in the previous financial period/year:				
- current tax	45,247	-	-	-
- deferred tax	(132,000)	846	-	-
Tax for the financial year/period	860,265	1,695,298	-	-

30. (LOSS)/EARNINGS PER SHARE

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

	The Group	
	1.4.2012 to 31.3.2013	1.1.2011 to 31.3.2012
(Loss)/Profit after taxation attributable to equity holders of the Company (RM)	(4,412,796)	1,633,168
Number of ordinary shares in issue	245,000,000	245,000,000
Basic (loss)/earnings per share (sen)	(1.80)	0.67

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 2013

Cont'd

31. ACQUISITION OF A SUBSIDIARY

The details of the changes in the composition of the Group during the financial year are as follows:-

(a) On 28 August 2012, Restoran Oversea JV (International) Sdn. Bhd. ("OJV") *(formerly known as Restoran Oversea JV (Singapore) Sdn. Bhd.)*, incorporated a wholly-owned subsidiary namely Restoran Oversea Hong Kong Cafe Sdn. Bhd. ("OHKC") with an authorised capital of 100,000 shares of RM1.00 each with an issued and fully paid up share capital of two (2) shares of RM1 each. The issued and paid-up share capital of OHKC has been increased from RM2 to RM100,000 by the allotment and issuance of 99,998 OHKC shares to OJV for a total consideration of RM99,998 on 19 November 2012.

(b) On 1 November 2012, OJV acquired 214,500 ordinary shares of RM1.00 each representing 65% equity interest in Rich Tastes (Centrepoint) Sdn. Bhd. ("RTC"), a company incorporated in Malaysia, for a total cash consideration of RM148,200.

The fair values of the identifiable assets and liabilities of RTC as at the date of acquisition were as follows:-

	The Group	
	At Date Of Acquisition	
	Carrying Amount	Fair Value Recognised
	RM	RM
Property, plant and equipment	280,494	280,494
Other receivables	(369)	(369)
Net identifiable assets and liabilities	280,125	280,125
Less: Non-controlling interests		(98,044)
Less: Gain on bargain purchase arising from acquisition		(33,881)
Total purchase consideration		148,200
Less: Cash and cash equivalents of subsidiary acquired		-
Net cash outflow from acquisition of a subsidiary		148,200

The non-controlling interests are measured at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition.

The acquired subsidiary has contributed the following results to the Group:-

	1.4.2012 to 31.3.2013	1.1.2011 to 31.3.2012
	RM	RM
Revenue	269,655	-
Loss after taxation	(277,438)	-

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013
Cont'd

31. ACQUISITION OF A SUBSIDIARY *cont'd*

If the acquisition had taken place at the beginning of the financial year, the Group's revenue and loss after taxation would have been increased as follows:-

	1.4.2012 to 31.3.2013 RM	1.1.2011 to 31.3.2012 RM
Revenue	1,079,118	-
Loss after taxation	(170,649)	-

In the previous financial period, the details of the changes in the composition of the Group are as follows:-

(a) On 8 December 2011, OJV subscribed for 1 ordinary share of HK$1 at par representing a 100% equity interest in Ipoh Group Limited ("IGL"), a company incorporated in Hong Kong, for a total cash consideration of HK$1.

(b) On 8 February 2012, OJV subscribed for 2 ordinary shares of RM1 each at par representing a 100% equity interest in Tunas Citarasa Sdn. Bhd. ("TCSB") for a total cash consideration of RM2.

32. DISPOSAL OF A SUBSIDIARY

On 15 March 2013, OJV disposed of its entire investment in Grand Ocean Restaurant Pte. Ltd ("GOR"), a wholly-owned subsidiary of OJV.

The effects of the disposal of a subsidiary on the financial results of the Group during the current financial year were as follows:-

	The Group	
	1.4.2012 to 31.3.2013 RM	1.1.2011 to 31.3.2012 RM
Revenue	3,204,170	-
Cost of sales	(1,198,032)	-
Gross profit	2,006,138	-
Other income	26,692	-
	2,032,830	-
Less: Selling and distribution expenses	(3,214,672)	-
Less: Administrative expenses	(164,115)	-
Less: Finance cost	1,512	-
Loss before taxation	(1,344,445)	-
Income tax expense	-	-
	(1,344,445)	-
Non-controlling interest	-	-
Loss attributable to owners of the Company	(1,344,445)	-

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013

Cont'd

32. DISPOSAL OF A SUBSIDIARY *cont'd*

Details of the net assets disposed of and cash flow arising from the disposal of a subsidiary during the current financial year were as follows:-

	The Group	
	2013	2012
	RM	RM
Current assets	2,316,810	-
Current liabilities	-	-
Fair value of net assets disposed	2,316,810	-
Loss on disposal of a subsidiary	(1,820,690)	-
Proceeds from disposal of a subsidiary	496,120	-
Cash and cash equivalents of a subsidiary disposed	-	-
Net cash inflow from disposal of a subsidiary	496,120	-

33. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	The Group	
	1.4.2012 to 31.3.2013	1.1.2011 to 31.3.2012
	RM	RM
Cost of property, plant and equipment purchased	3,322,134	3,913,064
Amount finance through hire purchase	-	(194,000)
Cash disbursed for purchase of property, plant and equipment	3,322,134	3,719,064

34. CASH AND CASH EQUIVALENTS

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

	The Group		The Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Fixed deposits with licensed banks (Note 18)	12,134,833	13,618,624	1,012,247	3,357,951
Cash and bank balances	5,146,379	6,982,587	62,962	82,528
	17,281,212	20,601,211	1,075,209	3,440,479

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013
Cont'd

35. DIRECTORS' REMUNERATION

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

	The Group		The Company	
	1.4.2012 to 31.3.2013 RM	1.1.2011 to 31.3.2012 RM	1.4.2012 to 31.3.2013 RM	1.1.2011 to 31.3.2012 RM
Executive directors:				
- salaries and other emoluments	1,806,907	1,953,956	-	-
Non-executive directors:				
- fee	108,000	135,000	108,000	135,000
	1,914,907	2,088,956	108,000	135,000

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

	The Group		The Company	
	1.4.2012 to 31.3.2013	1.1.2011 to 31.3.2012	1.4.2012 to 31.3.2013	1.1.2011 to 31.3.2012
Executive directors:				
- RM150,001 – RM200,000	2	-	-	-
- RM200,001 – RM250,000	1	1	-	-
- RM250,001 – RM300,000	-	1	-	-
- RM300,001 – RM350,000	1	-	-	-
- RM450,001 – RM500,000	-	1	-	-
- RM850,001 – RM900,000	1	-	-	-
- RM1,000,001 – RM1,050,000	-	1	-	-
Non-executive directors:				
- Below RM50,000	3	3	3	3
	8	7	3	3

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013

Cont'd

36. COMMITMENTS

(a) Operating lease commitments

	The Group	
	2013	2012
	RM	RM
Current:		
- within one year	3,831,726	2,658,055
Non-current:		
- between one and two years	2,898,054	2,078,823
- between two and five years	1,059,604	8,300
	3,957,658	2,087,123
	7,789,384	4,745,178

The operating lease commitments are in respect of rental of premises.

(b) Capital commitments

	The Group	
	2013	2012
	RM	RM
Approved but not contracted for:-		
Property, plant and equipment	1,568,000	-

37. CONTINGENT LIABILITY

	The Company	
	2013	2012
	RM	RM
Unsecured:-		
Corporate guarantee given to licensed banks for credit facilities granted to subsidiaries	1,439,094	1,641,145

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013

Cont'd

38. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the key management personnel 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 2013

Cont'd

38. OPERATING SEGMENTS *cont'd*

(a) Business Segments

The Group	Restaurants RM	Manufacturing RM	Trading And Investment Holding RM	Elimination RM	The Group RM
2013					
REVENUE:-					
External revenue	58,045,275	9,027,878	-	-	67,073,153
Inter-segment revenue	214,154	7,697,756	4,612,191	(12,524,101)	-
Total revenue	58,259,429	16,725,634	4,612,191	(12,524,101)	67,073,153
RESULTS					
Segment results	4,032,847	(196,966)	(2,581,488)	(4,770,006)	(3,515,613)
Finance costs	(113,347)	(21,172)	-	-	(134,519)
Loss from ordinary activities before taxation					(3,650,132)
Income tax expense					(860,265)
Net loss attributable to equity holders of the Company					(4,510,397)
OTHER INFORMATION					
Segment assets	55,355,023	13,537,223	54,415,056	(67,692,867)	55,614,435
Unallocated assets	1,344,640	626,373	37,761	-	2,008,774
Total assets					57,623,209
Segment liabilities	23,344,543	6,119,765	9,127,300	(30,502,757)	8,088,851
Unallocated liability	686,330	490,698	-	-	1,177,028
Total liabilities					9,265,879
Amortisation	-	40,583	5,235	-	45,818
Capital expenditure:					
- Property, plant and equipment	2,572,756	749,378	-	-	3,322,134
Contingent loss on cessation of operations	249,623	-	-	-	249,623
Depreciation	2,788,871	458,670	-	-	3,247,541
Fair value loss on investment properties	125,000	22,904	-	-	147,904
Property, plant and equipment written off	895,447	-	-	-	895,447
Writeback of impairment loss on trade receivables	-	(14,850)	-	-	(14,850)

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013

Cont'd

38. OPERATING SEGMENTS *cont'd*

(a) Business Segments *cont'd*

The Group	Restaurants RM	Manufacturing RM	Trading And Investment Holding RM	Elimination RM	The Group RM
2012					
REVENUE:-					
External revenue	78,144,564	8,608,735	(91)	-	86,753,208
Inter-segment revenue	154,601	6,308,213	3,711,408	(10,174,222)	-
Total revenue	78,299,165	14,916,948	3,711,317	(10,174,222)	86,753,208
RESULTS					
Segment results	4,484,932	(259,548)	(394,590)	(61,566)	3,769,228
Finance costs	(407,862)	(32,900)	-	-	(440,762)
Profit from ordinary activities before taxation					3,328,466
Income tax expense					(1,695,298)
Net profit attributable to equity holders of the Company					1,633,168
OTHER INFORMATION					
Segment assets	60,991,347	14,296,774	53,800,392	(66,836,393)	62,252,120
Unallocated asset	1,103,093	440,723	66,606	-	1,610,422
Total assets					63,862,542
Segment liabilities	26,643,915	6,550,838	5,213,814	(28,888,381)	9,520,186
Unallocated liabilities	748,451	245,236	-	-	993,687
Total liabilities					10,513,873
Amortisation	-	56,895	-	-	56,895
Capital expenditure:					
- Property, plant and equipment	2,937,033	976,031	-	-	3,913,064
Depreciation	3,465,473	397,513	-	-	3,862,986
Impairment loss on:					
- goodwill on consolidation	-	-	91,999	-	91,999
- trade and other receivables	-	170,728	-	-	170,728
Writeback of impairment loss on trade receivables	-	(40,320)	-	-	(40,320)

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013
Cont'd

38. OPERATING SEGMENTS *cont'd*

(b) Geographical Segments

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

	Revenue		Non-Current Assets	
	1.4.2012 to 31.3.2013	1.1.2011 to 31.3.2012	2013	2012
	RM	RM	RM	RM
Malaysia	62,205,694	79,413,634	30,310,802	29,748,028
Singapore	3,204,170	7,156,728	-	2,206,762
Hong Kong	1,663,289	182,846	319,096	307,608
	67,073,153	86,753,208	30,629,898	32,262,398

(c) Information About Major Customers

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

39. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

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

(i) its subsidiaries and entities within the same group of companies;

(ii) entities controlled by the directors;

(iii) the directors who are the key management personnel; and

(iv) close members of the family of certain directors.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013

Cont'd

39. RELATED PARTY DISCLOSURES *cont'd*

(b) Related Party Transactions

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

	The Group		The Company	
	1.4.2012 to 31.3.2013 RM	1.1.2011 to 31.3.2012 RM	1.4.2012 to 31.3.2013 RM	1.1.2011 to 31.3.2012 RM
(i) Subsidiaries				
Expenses paid on behalf of	-	-	2,819,879	-
Advances to	-	-	1,789,785	1,514,630
Dividend received	-	-	3,501,344	-
(ii) Related parties				
Rental income	1,650	2,250	-	-
Rental expenses	1,069,200	1,336,500	-	-

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

	The Group		The Company	
	1.4.2012 to 31.3.2013 RM	1.1.2011 to 31.3.2012 RM	1.4.2012 to 31.3.2013 RM	1.1.2011 to 31.3.2012 RM
Key management personnel (including directors)				
Short-term employee benefits	4,125,946	4,679,749	108,000	135,000

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 2013

Cont'd

40. FINANCIAL INSTRUMENTS

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

(a) Financial Risk Management Policies

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

(i) Market Risk

(i) Foreign Currency Risk

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

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

	The Group	
	2013	2012
	RM	RM
Trade payables		
United States Dollar	-	66,176

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	
	2013	2012
	Increase/ (Decrease)	Increase/ (Decrease)
	RM	RM
Effects on profit after taxation/equity		
United States Dollar:		
- strengthened by 5%	-	(2,482)
- weakened by 5%	-	2,482

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013
Cont'd

40. FINANCIAL INSTRUMENTS *cont'd*

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

(i) Market Risk *cont'd*

(ii) Interest Rate Risk

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

Exposure to interest rate risk

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

	The Group		The Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Fixed rate instruments				
Fixed deposits with licensed banks	12,134,833	13,618,624	1,012,247	3,357,951
Hire purchase payables	(68,471)	(167,115)	-	-
	12,066,362	13,451,509	1,012,247	3,357,951

	The Group	
	2013	2012
	RM	RM
Floating rate instruments		
Hire purchase payables	(41,521)	(42,734)
Term loans	(1,193,247)	(1,769,121)
	(1,234,768)	(1,811,855)

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013
Cont'd

40. FINANCIAL INSTRUMENTS *cont'd*

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

(i) 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 instrument is not disclosed as this financial instrument is measured at amortised cost.

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

	The Group	
	2013	**2012**
	Increase/ (Decrease)	**Increase/ (Decrease)**
	RM	**RM**
Effects on profit after taxation/equity		
Increase of 100 basis points	(9,261)	(13,589)
Decrease of 100 basis points	9,261	13,589

(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	
	2013	**2012**
	RM	**RM**
Quoted shares in Malaysia	431,976	429,796
Quoted shares outside Malaysia	194,300	-
	626,276	429,796

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013
Cont'd

40. FINANCIAL INSTRUMENTS *cont'd*

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

(i) 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	
	2013	**2012**
	Increase/ (Decrease)	**Increase/ (Decrease)**
	RM	**RM**
Effects on equity		
Increase of 10%	62,628	42,980
Decrease of 10%	(62,628)	(42,980)

(ii) Credit Risk

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

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

Credit risk concentration profile

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

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013

Cont'd

40. FINANCIAL INSTRUMENTS *cont'd*

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

(ii) Credit Risk *cont'd*

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	
	2013	**2012**
	RM	**RM**
Malaysia	1,122,255	1,017,503
Singapore	-	42,394
Hong Kong	5,829	5,311
	1,128,084	1,065,208

Ageing analysis

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

	Gross Amount	**Individual Impairment**	**Collective Impairment**	**Carrying Value**
	RM	**RM**	**RM**	**RM**
The Group				
2013				
Not past due	674,871	-	-	674,871
Past due:				
- less than 3 months	94,829	-	-	94,829
- 3 to 6 months	358,384	-	-	358,384
- over 6 months	606,436	(606,436)	-	-
	1,734,520	(606,436)	-	1,128,084
2012				
Not past due	596,373	-	-	596,373
Past due:				
- less than 3 months	299,424	-	-	299,424
- 3 to 6 months	169,411	-	-	169,411
- over 6 months	890,032	(890,032)	-	-
	1,955,240	(890,032)	-	1,065,208

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013
Cont'd

40. FINANCIAL INSTRUMENTS *cont'd*

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

(ii) Credit Risk *cont'd*

Ageing analysis *cont'd*

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

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

Trade receivables that are past due but not impaired

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

Trade receivables that are neither past due nor impaired

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

(iii) Liquidity Risk

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

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

The Group	**Effective Interest Rate %**	**Carrying Amount RM**	**Contractual Undiscounted Cash Flows RM**	**On Demand or Within 1 Year RM**	**1 - 5 Years RM**	**Over 5 Years RM**
2013						
Trade payables	-	4,044,933	4,044,933	4,044,933	-	-
Other payables and accruals	-	2,740,679	2,740,679	2,740,679	-	-
Hire purchase payables	4.83% - 7.21%	109,992	117,230	57,879	59,351	-
Term loans	6.90% - 7.60%	1,193,247	1,312,697	495,893	816,804	-
		8,088,851	8,215,539	7,339,384	876,155	-

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013

Cont'd

40. FINANCIAL INSTRUMENTS *cont'd*

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

(iii) Liquidity Risk *cont'd*

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

The 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
2012						
Trade payables	-	4,696,696	4,696,696	4,696,696	-	-
Other payables and accruals	-	2,680,701	2,680,701	2,680,701	-	-
Amount owing to directors	-	163,819	163,819	163,819	-	-
Hire purchase payables	4.83% - 7.21%	209,849	226,891	108,972	117,919	-
Term loans	6.99% - 7.71%	1,769,121	1,810,370	514,008	1,296,362	-
		9,520,186	9,578,477	8,164,196	1,414,281	-

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
2013						
Other payables and accruals	-	132,506	132,506	132,506	-	-
2012						
Other payables and accruals	-	155,000	155,000	155,000	-	-

(b) Capital Risk Management

The Group manages its capital by maintaining an optimal capital structure so as to support its 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. The Group's strategies were unchanged from the previous financial period. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013

Cont'd

40. FINANCIAL INSTRUMENTS *cont'd*

(b) Capital Risk Management *cont'd*

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.

(c) Classification of Financial Instruments

	The Group		The Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Financial assets				
Available-for-sale financial assets				
Other investments, at fair value	734,046	537,566	-	-
Loans and receivables financial assets				
Trade receivables	1,128,084	1,065,208	-	-
Other receivables, deposits and staff loans	2,621,114	2,749,237	332,114	212,250
Amount owing by subsidiaries	-	-	11,232,405	6,684,740
Fixed deposits with licensed banks	12,134,833	13,618,624	1,012,247	3,357,951
Cash and bank balances	5,146,379	6,982,587	62,962	82,528
	21,030,410	24,415,656	12,639,728	10,337,469
Financial liabilities				
Other financial liabilities				
Trade payables	4,044,933	4,696,696	-	-
Other payables and accruals	2,740,679	2,680,701	132,506	155,000
Amount owing to directors	-	163,819	-	-
Hire purchase payables	109,992	209,849	-	-
Term loans	1,193,247	1,769,121	-	-
	8,088,851	9,520,186	132,506	155,000

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013
Cont'd

40. FINANCIAL INSTRUMENTS *cont'd*

(d) Fair Values of Financial Instruments

The carrying amounts of the financial assets and financial liabilities reported in the financial statements approximated their fair values.

The following summarises the methods used in determining the fair values of the financial instruments:-

(i) The financial assets and financial liabilities maturing within the next 12 months approximated their fair values due to the relatively short-term maturity of the financial instruments.

(ii) The fair value of quoted investments is estimated based on their quoted market prices as at the end of the reporting period.

(iii) The carrying amounts of the term loans and certain hire purchase payables approximated their fair values as these instruments bear interest at variable rates.

(iv) The fair value of certain hire purchase payables is determined by discounting the relevant cash flows using current interest rates for similar instruments as at the end of the reporting period.

(e) Fair Value Hierarchy

The fair values of the financial assets and liabilities are analysed into level 1 to 3 as follows:-

Level 1: Fair value measurements derive from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements derive from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Fair value measurements derive from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group carried its other investments that are classified as available-for-sale financial assets at their fair values. These financial assets belong to level 1 of the fair value hierarchy.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013

Cont'd

41. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

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

(a) On 18 May 2012, OJV entered into a joint venture cum shareholders agreement ("JVA") with Regal Effect Sdn. Bhd. ("Regal"). Under the JVA, OJV and Regal are the shareholders of TCSB holding 51% and 49% of the equity interest in TCSB respectively. The JVA indicates the relationship of the JV Parties and regulates the rights, obligations and liabilities as shareholders for the purpose of developing and carrying on the business as food and beverage outlets, namely Otak-Otak Place.

The issued and paid up share capital of TCSB was increased from RM2 to RM1,325,000 on 19 July 2012. The additional shares were issued to OJV and Regal in accordance with their respective Shareholding Proportion. Thereafter, the equity interest of OJV in TCSB was diluted and TCSB became a jointly controlled entity.

(b) On 28 August 2012, OJV incorporated a wholly-owned subsidiary namely OHKC with an authorised capital of 100,000 shares of RM1.00 each with an issued and fully paid up share capital of two (2) shares of RM1 each. The issued and paid-up share capital of OHKC was increased from RM2 to RM100,000 through the allotment and issuance of 99,998 OHKC shares to OJV for a total consideration of RM99,998 on 19 November 2012.

(c) OJV had on 1 November 2012 entered into a Sale and Purchase Agreement with Patricia Lim Poh Gaik and Chin Jin Fah for the acquisition of a 65% equity interest in RTC comprising a total of 214,500 ordinary shares of RM1.00 each for a total cash consideration of RM148,200.

(d) A wholly-owned subsidiary of the Company, Haewaytian Cake House Sdn. Bhd. had on 18 January 2013 entered into three Sale and Purchase Agreements to dispose of three units of properties for a total cash consideration of RM150,000. The transaction has yet to be completed at the date of this report.

(e) On 15 March 2013, OJV entered into a Sale and Purchase Agreement with Grouper King Pte. Ltd. for the disposal of its entire investment in GOR for a total cash consideration of SGD206,716.72. Consequently, GOR ceased to be an indirect subsidiary of the Company.

(f) The Company's subsidiary, Restoran Oversea (Jaya 1) Sdn. Bhd. ceased its business operations at the end of the reporting period. The estimated restoration costs and expenses in respect of the cessation of business amounted to RM250,000 have been provided for in the current financial year.

42. COMPARATIVES

In the previous financial period, the Company and its subsidiaries have changed their financial year end from 31 December to 31 March. Accordingly, the financial statements of the Group and the Company for the financial period ended 31 March 2012 cover a 15 month period from 1 January 2011 to 31 March 2012.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013

Cont'd

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

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

	The Group		The Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Total (accumulated losses)/retained profits:				
- realised	(2,956,110)	2,920,054	(665,952)	(2,082,820)
- unrealised	953,330	299,518	-	-
	(2,002,780)	3,219,572	(665,952)	(2,082,820)
Total share of losses of a jointly controlled entity:				
- realised	74,556	-	-	-
At 31 March	(1,928,224)	3,219,572	(665,952)	(2,082,820)

List of Properties
Held by the Group

Registered owner	Location	Existing Use	Type of Land	Tenure	Remaining Lease Period (Expiry Date)	Age of Property	Land Area (sq ft)	Built-up area (sq ft)	Cost (RM'000)	Net Book Value As at 31-03-2013 (RM,000)	Date of Acquisition	Year of last revaluation
Haewaytian Cake House Sdn. Bhd.	Lot 13, Jalan Utarid U5/16, Seksyen U5, Kawasan Perindustrian Mah Sing Integrated, 40150 Shah Alam, Selangor	2-storey detached warehouse cum factory with 1-storey office attached/ warehouse, factory cum office	Industrial Land/ Building	Leasehold 99 years	83 years (11.12.2096)	10	84,066	58,330	6,770	6,573	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	-	5	1,430	2,487	708.5	1,227	21/02/2006	2008
Restoran Oversea (PJ) Sdn. Bhd.	No. 31, Jalan U5/28, Bandar Pinggiran Subang, Seksyen U5, 40150 Shah Alam, Selangor	1 ½ storey terrace/factory, store room.	Industrial Land/ Building	Leasehold (99 years)	83 years (11.12.2096)	13	3,003	3,180	360	332	27/07/2005	2008
Haewaytian Restaurant Sdn. Bhd.	No. 28, Jalan Datoh, 30000 Ipoh, Perak	Restaurant	Commercial/ Building	Freehold	-	5	25,764	27,185	8,866	8,397	23/08/2002	2008
Haewaytian Restaurant Sdn. Bhd.	No. 57, Jalan Seenivasagam, 30450 Ipoh, Perak	Restaurant, storage facilities and staff hostel	Commercial/ Building	Leasehold 99 years	65 years (20.12.2078)	34	1,900	4,800	384	377	16/05/1985	2008
Restoran Oversea (Jaya 1) Sdn. Bhd.	No. 477, Jalan 5/46, Section 5, 46000 Petaling Jaya, Selangor	Accommodation	Residential/ Building	Freehold	-	43	1,700	2,400	218	350	30/11/1998	2008
Restoran Oversea (Subang Parade) Sdn. Bhd.	No. 29, Jalan SS 15/2B, 47500 Subang Jaya, Selangor	Hostel	Residential/ Building	Freehold	-	34	2,560	1,524	340	384	10/09/1997	2008
Restoran Oversea (PJ) Sdn. Bhd.	No. 45, Jalan 14/15, Section 14, 46100 Petaling Jaya, Selangor	Hostel	Residential/ Building	Leasehold 99 years	56 years (18.04.2066)	43	1,672	1,023	148	116	1994	2008
Restoran Oversea (PJ) Sdn. Bhd.	No.1, Jalan 8/3, Section 8, 46050 Petaling Jaya, Selangor	Hostel	Residential/ Building	Leasehold 99 years	46 years (11.01.2070)	53	5,655	1,144	315	238	07/10/1996	2008
Restoran Oversea (Subang Parade) Sdn. Bhd.	No.4, Jalan SS15/3A, Subang Jaya, 47500 Petaling, Selangor	Hostel	Residential/ Building	Freehold	-	-	-	1,760	288	322,78	24/07/1997	-

Note: -

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

Analysis of Shareholdings
as at 28 June 2013

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	:	1,224

ANALYSIS OF SHAREHOLDINGS AS AT 28 JUNE 2013

Holdings	No. of Holders	Total Shareholdings	%
Less than 100	27	770	0.00
100 - 1,000	89	50,950	0.02
1,001 - 10,000	438	2,888,990	1.18
10,001 - 100,000	548	21,012,400	8.58
100,001 to less than 5% of issued shares	119	67,148,669	27.40
5% and above of issued shares	3	153,898,221	62.82
	1,224	**245,000,000**	**100.00**

LIST OF 30 LARGEST SHAREHOLDERS REGISTERED AS AT 28 JUNE 2013
(Without aggregating the securities from different securities accounts belonging to the same person)

No.	Name	No. of Shares Held	%
1	Yu Soo Chye @ Yee Soo Chye	82,644,270	33.73
2	Lee Lim & Sons Sdn. Bhd.	50,898,358	20.77
3	Lee Pek Yoke	20,355,593	8.31
4	Kwan Sia Hock	9,147,493	3.73
5	Khong Yik Kam	7,342,109	3.00
6	Chen Khai Voon	6,100,000	2.49
7	Lee Seng Fan	5,868,496	2.40
8	Proactive Approach Sdn. Bhd.	3,170,000	1.29
9	Khong Yik Kam	2,114,229	0.86
10	Citigroup Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account For Leong Chin Chye)*	1,310,000	0.53
11	Malacca Equity Nominees (Tempatan) Sdn Bhd *(Exempt An for Phillip Capital Management Sdn. Bhd.)*	1,067,500	0.44
12	Alliancegroup Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account For Johnity @ Maximus Bin Ongkili)*	1,000,000	0.41
13	Chai Wai Yuen	1,000,000	0.41
14	Khoo Jun Wah	930,000	0.38
15	Amsec Nominees (Tempatan) Sdn. Bhd. *(Pledged Securities Account For Toh Hong Cheng)*	902,300	0.37
16	Malacca Equity Nominees (Tempatan) Sdn. Bhd. *(Exempt An for Phillip Capital Management Sdn. Bhd.)*	743,300	0.30
17	Alliancegroup Nominees (Tempatan) Sdn. Bhd. *(Pledged Securities Account For Tay Chun Gee)*	714,000	0.29
18	RHB Capital Nominees (Tempatan) Sdn. Bhd. *(Pledged Securities Account For Lim Kam Seng)*	700,000	0.29
19	Yu Tack Tein	600,333	0.25

Analysis of Shareholdings
as at 28 June 2013
Cont'd

LIST OF 30 LARGEST SHAREHOLDERS REGISTERED AS AT 28 JUNE 2013 *cont'd*
(Without aggregating the securities from different securities accounts belonging to the same person)

No.	Name	No. of Shares Held	%
20	Yap Fong Yi	600,000	0.24
21	Rurng Juang Realty Sdn. Bhd.	550,000	0.22
22	Chan Wu Lee Yun	520,000	0.21
23	Jimmy Lim Thaw Chay	500,000	0.20
24	Lee Seng Pun	500,000	0.20
25	Liew Li Lian	500,000	0.20
26	Public Nominees (Tempatan) Sdn. Bhd. *(Pledged Securities Account For Cheong Yoke Keun)*	500,000	0.20
27	Tan Lee Lee	500,000	0.20
28	Yap Chew Yoon	490,000	0.20
29	Tan Hock Lian	475,400	0.19
30	Leong Woon Ming	450,000	0.18
	Total	**202,193,381**	**82.49**

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 28 JUNE 2013

	No. of Shares Held			
Name of Substantial Shareholders	Direct Interest	%	Indirect Interest	%
Yu Soo Chye @ Yee Soo Chye	82,644,270	33.73	-	-
Lee Lim & Sons Sdn. Bhd.	50,898,358	20.77	-	-
Lee Pek Yoke	20,355,593	8.31	-	-

DIRECTORS' SHAREHOLDINGS AS AT 28 JUNE 2013
(Based on the Register of Directors' Shareholdings)

	No. of Shares Held			
Name of Directors	Direct Interest	%	Indirect Interest	%
Yu Soo Chye @ Yee Soo Chye	82,644,270	33.73	-	-
Lee Pek Yoke	20,355,593	8.31	-	-
Khong Yik Kam	9,456,338	3.86	1,050,000 #	0.43
Lee Seng Fan	5,868,496	2.40	61,212,696 ##	24.98
Koong Lin Loong	100,000	0.04	-	-
Chiam Soon Hock	100,000	0.04	-	-
Yau Ming Teck	-	-	-	-

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

Deemed interested by virtue of his substantial shareholdings in Lee Lim & Sons Sdn. Bhd. which in turn is a substantial shareholder of the Company and the shareholdings of his family members in the Company pursuant to Section 6A of the Companies Act, 1965 as well as his spouse's shareholdings 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 Eighteenth 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 Friday, 6 September 2013 at 11.00 a.m. for the following purposes:-

AGENDA

1. To receive and adopt the audited financial statements for the financial year ended 31 March 2013 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 2013. **(Resolution 2)**

3. To re-elect the following Directors retiring pursuant to Article 85 of the Company's Articles of Association:

   (i) Mr. Koong Lin Loong **(Resolution 3)**
   (ii) Mr. Chiam Soon Hock **(Resolution 4)**

4. To re-appoint Messrs. Crowe Horwath as Auditors and to authorise the Directors to fix their remuneration. **(Resolution 5)**

5. 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 (Ordinary Resolution)

   "THAT pursuant to Section 132D of the Companies Act, 1965 (the 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 6)**

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

   "THAT subject to the provisions of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), 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 the Circular To Shareholders dated 5 August 2013 (the Circular) subject further to the following:- **(Resolution 7)**

   (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;

Notice of Annual General Meeting
Cont'd

(ii) the disclosure is made in the Annual Report of the breakdown of the aggregate value of the Recurrent Related Party Transactions conducted pursuant to the shareholders' mandate during the financial year, amongst others, based on the following information:-

(a) the type of Recurrent Related Party Transactions made; and
(b) the names of the related parties involved in each type of Recurrent Related Party Transactions made and their relationship with the Company;

(iii) the shareholders' mandate is subject to annual renewal and this shareholders' mandate shall only continue to be in full force until:-

(a) the conclusion of the next AGM of the Company following this AGM at which the shareholders' mandate will lapse unless by a resolution passed at the said AGM, such authority is renewed;
(b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (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 any Director(s) of the Company be and is/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 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 the Circular."

(iii) Proposed Amendments to the Articles of Association (Special Resolution) **Special Resolution 1**

"THAT the proposed amendments to the Articles of Association of the Company as contained in the Appendix 1 attached to the Annual Report 2013 be and are hereby approved."

6. 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
5 August 2013

Notice of Annual General Meeting

Cont'd

Notes:

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

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

2. *A Member shall be entitled to appoint two (2) or more proxies to attend and vote at the same meeting and the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*

3. *Where a Member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds which is credited with ordinary shares of the Company.*

4. *If the appointor is a corporation, the form of proxy must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.*

5. *Only members whose name appear in the Record of Depositors as at 29 August 2013 (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.*

   Explanatory Notes on Special Business

   Ordinary Resolution No. 6
   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.

   Ordinary Resolution 7
   Proposed Renewal of Shareholders' Mandate and New 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 the Circular To Shareholders dated 5 August 2013 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 arm's length and on terms not to detriment of the minority shareholders of the Company.

   Special Resolution 1
   Proposed Amendments to the Articles of Association

   The proposed amendments to the Articles of Association of the Company, if passed, will enable the Company to comply with the recent amendments of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad as well as for better clarity and enhancement.

Statement Accompanying
Notice of Eighteenth Annual General Meeting

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

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

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

   Mr. Koong Lin Loong
   Mr. Chiam Soon Hock

   The shareholdings of the Directors standing for re-election in the Company are disclosed in the Directors' Report under Directors' Interest of this Annual Report and under Directors' Profile on page 11 in this Annual Report.

2. Annual General Meeting of Oversea Enterprise Berhad

Place	:	Restoran Oversea Bandar Baru Sri Petaling No. 62-66, Jalan 1/149D, Bandar Baru Sri Petaling 57000 Kuala Lumpur
Date and Time	:	Friday, 6 September 2013 at 11.00 a.m.

Appendix 1

Proposed Amendments to the Articles of Association

Chapter 7 of the Bursa Listing Requirements	Existing Articles	Proposed Amendments	Remarks
Article 2 Definitions Para 7.21(2)	Definitions:- Exempt Authorised Nominee: -	Article 2 Exempt Authorised Nominee: An authorised nominee is defined under the Securities Industry (Central Depositories) Act, 1991 (SICDA) which is exempted from compliance with the provisions of sub-section 25A(1) of SICDA.	 Insertion of new definition
Para 7.21A(1) Proxy need not be a member Para 7.21 Appointment of multiple proxiers Para 7.21 (1)	Article 64 In every notice calling a meeting of the Company there shall appear with reasonable prominence, a statement that a Member entitled to attend and vote is entitled to appoint two (2) or more proxies to attend and vote in his stead, and that a proxy may but need not be a Member or a qualified legal practitioner or an approved company auditor or a person approved by the Registrar and the provisions of Section 149(1)(b) and 149(1)(c) of the Act shall not apply to the Company. Where a Member appoints two (2) or more proxies, he shall specify the proportion of his holdings to be represented by each proxy, failing which the appointment shall be invalid. Where a Member is an authorised nominee as defined under the Central Depositories Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.	To delete Article 64 in its entirety and to be replaced with a new Article 64 Article 64 A proxy need not be a member. There is no restriction as to the qualification of the proxy and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. A member shall not appoint more than two (2) proxies to attend at the same meeting, where a Member appoints two (2) proxies, the proxies shall not be valid (unless the Member specifies the proportion of his shareholding to be represented by each proxy). Where a Member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 (SICDA), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account. Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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.	Alteration of existing Article 64

Appendix 1

Proposed Amendments to the Articles of Association

Cont'd

Chapter 7 of the Bursa Listing Requirements	Existing Articles	Proposed Amendments	Remarks
		Where a Member or the authorised nominee appoints two (2) proxies or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.	
Para 7.21A (2)		A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak in the meeting.	

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

PROXY FORM

I/We ______________________________ NRIC No ______________________

of ____

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

______________________________ of ______________________________

____ or failing him/her

______________________ of ______________________________________

or failing him/her the Chairman of the Meeting as my/our proxy to attend and vote on my/our behalf at the Eighteenth Annual General Meeting of the Company to be held at Restoran Oversea Bandar Baru Sri Petaling, No. 62-66, Jalan 1/149D, Bandar Baru Sri Petaling, 57000 Kuala Lumpur on Friday, 6 September 2013 at 11.00 a.m. or at any adjournment thereof:

	RESOLUTIONS	FOR	AGAINST
1.	To receive and adopt the Audited Financial Statements for the year ended 31 March 2013 and the Reports of the Directors and Auditors thereon.		
2.	To approve the payment of Directors' Fees for the financial year ended 31 March 2013.		
3.	To re-elect Mr. Koong Lin Loong as Director.		
4.	To re-elect Mr. Chiam Soon Hock as Director.		
5.	To re-appoint Messrs. Crowe Horwath as Auditors.		
6.	To approve the Proposed Renewal of Authority to issue shares pursuant to Section 132D of the Companies Act, 1965 (Ordinary Resolution).		
7.	To approve the Proposed Renewal of Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (Ordinary Resolution).		
8.	To approve the Proposed Amendments to the Articles of Association of the Company (Special Resolution).		

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

As witness my hand this ________ day of ______________________ 2013

Number of Ordinary Shares held	

____
Signature

NOTES:

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

   To be valid, the Form of Proxy duly completed, must be deposited at the Registered Office of the Company at B-01-06, B-02-06 & B-03-06, Endah Promenade, No. 5 Jalan 3/149E, Bandar Baru Sri Petaling, 57000 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the Meeting Provided That in the event the Member(s) duly executes the form of proxy but does not name any proxy, such Member(s) shall be deemed to have appointed the Chairman of the meeting as his / their proxy, Provided Always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the Member(s).
2. *A Member shall be entitled to appoint two (2) or more proxies to attend and vote at the same meeting and the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
3. *Where a Member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds which is credited with ordinary shares of the Company.*
4. *If the appointor is a corporation, the form of proxy must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.*
5. *Only members whose name appear in the Record of Depositors as at 29 August 2013 (at least three (3) market days before the Annual General Meeting date) will be entitled to attend and vote at the meeting.*
6. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominees may appoint in respect of each omnibus account it holds.*

Fold This Flap For Sealing

Then Fold Here

STAMP

The Company Secretary

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

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

1st Fold Here