ORIENTAL

ORIENTAL FOOD
INDUSTRIES HOLDINGS BERHAD
NO. SYARIKAT 389769-M

ANNUAL REPORT 2013

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Seventeenth Annual General Meeting of Oriental Food Industries Holdings Berhad will be convened and held at Tiara Banquet Hall, Tiara Melaka Golf and Country Club, Jalan Gapam, Bukit Katil, 75760 Melaka on Wednesday, 28 August 2013 at 2.30 p.m. to transact the following businesses:-

AGENDA

ORDINARY BUSINESS

1. To receive and adopt the statutory financial statements for the financial year ended 31 March 2013 together with the Directors' and Auditors' Reports thereon. *(Resolution 1)*

2. To approve the payment of single tier final dividend of RM0.02 per share for the financial year ended 31 March 2013. *(Resolution 2)*

3. To approve the payment of Directors' Fees of RM280,000 for the financial year ended 31 March 2013. *(Resolution 3)*

4. To re-elect Mr. Lim Hwa Yu who retires in accordance with Article 75 of the Company's Articles of Association. *(Resolution 4)*

5. To re-elect Mr. Son Tong Eng who retires in accordance with Article 75 of the Company's Articles of Association. *(Resolution 5)*

6. To re-elect Datuk Jeffery Ong Cheng Lock who retires in accordance with Article 75 of the Company's Articles of Association. *(Resolution 6)*

7. To re- appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to determine their remuneration. *(Resolution 7)*

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolutions :-

8. **ORDINARY RESOLUTION I** *(Resolution 8)*
   Approval to Continue In Office as an Independent Non-Executive Director

   "THAT Y Bhg Tan Sri Dato' Azizan Bin Husain who has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years since 8 June 2000 be and is hereby retained and continue to act as an Independent Non-Executive Director of the Company."

9. **ORDINARY RESOLUTION II** *(Resolution 9)*
   Authority to Allot Shares pursuant to Section 132D of the Companies Act, 1965

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

10. **ORDINARY RESOLUTION III** *(Resolution 10)*
Proposed Renewal Of Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature

"THAT approval be given, pursuant to Paragraph 10.09 of the Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Malaysia"), for the Company and its subsidiaries ('the Group') to enter into recurrent related party transactions of a revenue or trading nature with the related parties as described in the Circular to Shareholders dated 2 August 2013 ('Circular') for the Group's day-to-day operations, provided that such transactions are carried out in the normal course of business, at arm's length, on normal commercial terms and on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company; and that such approval shall continue to be in force until the conclusion of the next Annual General Meeting or the expiration of the period within which the next Annual General Meeting is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is earlier; and that the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required by the relevant authorities) to give effect to the shareholders' mandate."

11. To transact any other business of the Company which due notices shall be given in accordance with the Company's Articles of Association and the Companies Act, 1965.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN THAT the following single tier final dividend for the financial year ended 31 March 2013, if approved by shareholders, will be paid on 1 October 2013 to all shareholders whose names appear in the Record of Depositors of the Company at the close of business at 5.00p.m. on 2 September 2013 :-

(a) Single tier final dividend of RM0.02 per share amounting to RM1,200,000 on 60,000,000 ordinary shares of RM1.00 each.

A Depositor shall qualify for entitlement only in respect of:-

a) Shares transferred into the Depositors' Securities Account on or before 4.00p.m. on 2 September 2013 in respect of transfers; and

b) Shares bought on the Bursa Malaysia on a cum entitlement basis according to the Rules of the Bursa Malaysia.

BY ORDER OF THE BOARD

KARINA CHONG MEI YING (LS 0009542)
WONG SIEW YEEN (MAICSA 7018749)
CHEONG CHOON YIN (MAICSA 7019120)
Joint Secretaries
Selangor
Date: 2 August 2013

NOTES :

1. In regard of deposited securities, only members whose names appear in the Record of Depositors as at 16 August 2013 ("General Meeting Record of Depositors") shall be eligible to attend and vote at the Meeting.

2. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy may but need not be a member of the Company. Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

3. A member may appoint more than two (2) proxies to attend at the same meeting. Where a member appoints two (2) or more proxies, the proxies shall not be valid unless the member specifies the proportion of his shareholdings to be represented by each proxy.

4. 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 nominee may appoint in respect of each omnibus account it holds.

5. The instrument appointing a proxy in the case of an individual shall be signed by the appointor or his attorney and in the case of a corporation, the instrument appointing a proxy or proxies must be under seal or under the hand of an officer or attorney duly authorised.

6. The instrument appointing proxy shall be deemed to confer authority to demand or join in demanding a poll.

7. The instrument appointing a proxy must be deposited at the Registered Office at Level 8, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan at least forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

8. Proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting. There shall be no restriction as to the qualification of the proxy.

EXPLANATORY NOTES ON SPECIAL BUSINESS:

1. *Ordinary Resolution 8 – Approval to Continue In Office as an Independent Non-Executive Director*

   The Board of Directors has via the Nomination Committee conducted an annual performance evaluation and assessment of Y Bhg Tan Sri Dato' Azizan Bin Husain who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years since 8 June 2000 and recommend him to continue to act as an Independent Non-Executive Director of the Company based on the following justifications:-

   (i) He has fulfilled the criteria under the definition on Independent Directors as stated in the Bursa Malaysia Securities Berhad Main Market Listing Requirements, and therefore is able to bring independent and objective judgement to the Board;
   (ii) He has been with the Company for more than nine years and therefore understands the Company's business operations which enable him to participate actively and contribute during deliberations or discussions at the Meetings;
   (iii) He has contributed sufficient time and efforts and attended all the Meetings for informed and balanced decision making; and
   (iv) He had exercised due care and diligence during his tenure as Independent Non-Executive Director of the Company and carried out his fiduciary duty in the interest of the Company and shareholders without being subject to influence of management.

2. *Ordinary Resolution 9 – Authority to Allot Shares pursuant to Section 132D of the Companies Act, 1965*

   The Resolution 9, if approved, will empower the Directors of the Company, from the date of the above Annual General Meeting, authority to issue and allot shares in the Company up to an amount not exceeding in total 10% of the issued capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority unless revoked or varied at a General Meeting will expire at the next Annual General Meeting.

   As at the date of this Notice, no new shares in the Company were issued pursuant to the authority granted to the Directors at the last AGM of the Company held on 28 August 2012 and accordingly no proceeds were raised.

3. *Ordinary Resolution 10 – Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature*

   The Resolution 10, if approved, will enable the Company and its subsidiaries to continue entering into the recurrent related party transactions of a revenue or trading nature with Syarikat Perniagaan Chong Mah Sdn Bhd, which are necessary for its day-to-day operations and are in the ordinary course of business and on terms not more favourable to the related party than those generally available to the public and are not to be detriment of the minority shareholders of the Company. This authority unless revoked or varied at a General Meeting will expire at the next Annual General Meeting.

   Further information on the proposed Ordinary Resolution No. 9 is set out in the Circular to Shareholders dated 2 August 2013.

To Our Valued Shareholders,

The financial year ended 31 March 2013 ("FY2013") reflects a positive growth year for Oriental Food Industries Holdings Berhad ("OFIH"; "the Group"), with a positive financial performance and expanding product range.

I am delighted to announce that we are making steady progress towards our objective of delivering sustainable value for our shareholders.

On behalf of the Board of Directors, I am pleased to present the 2013 Annual Report detailing a comprehensive report to you the shareholders, on the activities, results and strategies of our Company.

Financial and Operations Review

Another financial milestone with the continuing growth in revenue for the Group was seen for the FY 2013. Revenue increased 8.6% on a year-on-year basis from RM195.3 million in financial year ended 31 March 2012 ("FY2012") to RM212.1 million in FY 2013. The growth was largely attributable to the increase in volume of business.

The Group's revenue was derived primarily from the Snack Food and Confectioneries segment, which stood at RM207.6 million, representing 97.9% of the Group's total revenue. On the other hand, revenue from Property Development segment stood at RM4.5 million or 2.1%.

In terms of geographical segment, the Group's revenue mix comprised of 49.4% local sales against 50.6% export sales. Due to the emphasis that the Group put on export sales, an increase of 22.8% was seen on this segment as opposed to the decline of 2.9% in the local sales segment.

Despite the increase in Group's revenue, pre-tax profit on the other hand recorded a decline of 2.98% from 16.8 million in FY 2012 to RM16.3 million in FY 2013. This was caused mainly by the increase in employee benefits expense as well as advertising and promotional costs.

Looking at our product performance, the financial year under review saw encouraging growth of 12.4% in our snacks category, outperforming the sales of cakes and wafers. This growth was particularly spurred by the rising trend of sales for our potato-based snacks, Jacker.

Despite all the challenges, the Group achieved satisfactory total comprehensive income attributable to the owners of the parent of RM12.8 million in FY 2013. This translates to basic earnings per share of 21.29 sen.

In terms of our balance sheet, total loans and borrowings stood at just a mere RM10.8 million against the backdrop of shareholders' fund of RM132.8 million and cash and bank balances of RM18.2 million. The Group's good financial leverage has put it in a position that allows it to undertake further expansion activities.

We are indeed very pleased with our financial performance in the financial year under review, and are optimistic on maintaining this uptrend.

Dividends

The Board recognises the importance of the dividend to shareholders and in line with the commendable financial performance of the Group, the Board is pleased to recommend a single tier tax exempt final dividend of 2 sen to the shareholders for approval at the upcoming Annual General Meeting. With this final dividend, the total dividend payout for the year would amount to RM4.8 million of FY2013's net profits.

The dividend policy of paying a minimum of 35% of net profit to the shareholders remains unchanged. With this, shareholders will be able to consistently enjoy the returns in correspondence with our future growth.

Business Outlook & Strategies

According to Global Industry Analysts, the world snack food market is predicted to reach approximately $335 billion by 2015. The main factors fuelling the market are income levels and consumer perceptions and demographics. The market is highly fragmented and intensely competitive, with an abundance of industry players in all categories from small to large.

With consumers having less and less time for activities such as shopping and cooking, snack food and confectionery are claiming an expanding portion of the food market, offering foods that act as both complement and substitute for time-consuming meals.

In view of the ever growing demands, the Group is constantly focused on market research and product development for both existing and new products to diversity as well as increases the varieties in term of flavours and types of the current products range.

Apart from the above, packaging is also a key element in the industry, with options such as single-serving packages and bite-sized packs proving popular. As such, the Group has in FY 2013 introduced mini packaging sizes for its current product.

In June 2012, a new corn based snack was launched. "Funtos" corn snack currently comes in 2 flavours which are BBQ and Chili packed in single serving packages.

The Group has and is continuously investing on high technology and fully automated machineries and production lines to enhance the production capacity so as to meet with the demand of its products from local and oversea customers.

Product awareness is created through various media namely television commercials, magazines advertisement and billboard advertisements.

On the regional front, the Group aims to continue growing its sales volume by appointing more distributors in major overseas markets. Presently, Oriental's products are sold to more than 40 countries in the region, including highly-discerning consumer markets such as Japan and Australia.

With the ISO 9001:2008 and HACCP (Hazard Analysis and Critical Control Point) certification, the Group endeavors to continue improving its product quality to keep up with the ever-demanding international health standards and proceed with the on-going upgrading of the current facilities in line with our project to obtain the HACCP certification for the production of wafer and confectionery products.

With these strategies in place, we are optimistic in bringing the Group to a higher platform of growth towards becoming a major snacks manufacturer in the region.

Corporate Social Responsibility ("CSR")

Apart from capitalising on profits for the well-being of the Company and Shareholders, we are conscious of the importance in playing our part to improve the well-being of communities we operate in to ensure a sustainable business enterprise.

The Group participates in various community entertainment events and has also organised various nationwide contests rewarding the winners with attractive prizes throughout the year to encourage consumers' participation.

There has been a continuous CSR initiative to give back to the public within our capabilities including monetary and products donations to various non-profitable organisation, accommodating industrial trainees from local institutions in our organisation and hosting educational visits for students, undergraduate and governmental organisation.

Corporate Governance

The Board is committed towards upholding the values of corporate governance by embracing the principles and best practices set out in the Malaysian Code of Corporate Governance.

The Board has recently incorporated the following policies which can be viewed at the company's corporate website www.ofih.com.my :-

(a) Board Charter
(b) Code of Conduct
(c) Whistle-Blowing Policy
(d) Nomination and Election Process of Board Members
(e) Board Remuneration Policy
(f) Corporate Disclosure Policy
(g) Corporate Social Responsibility, Environmental and Sustainability Policy

Across the Group, we ensure that business is conducted with integrity, discipline, transparency and in a socially responsible manner. Our corporate governance efforts practiced during the year is outlined in the Corporate Governance Statement in this Annual Report.

Acknowledgement

On behalf of the Board of Directors of OFIH, I would like to express my deepest appreciation to our valued customers, business associates and suppliers for their dedication and support rendered to the Group.

I would also like to thank my fellow members of the Board and all our employees who have worked immensely hard to deliver this year's good results.

To conclude, as you will read in this Annual Report, OFIH continues to make good progress in delivering value to its shareholders. In view of the economic uptrend and coupled with the Group's continuing and increasing investment in R&D and efficient manufacturing infrastructure, I am confident that the year ahead will be flavorful times for us and we hope to continue charting growth ahead.

TAN SRI DATO' AZIZAN BIN HUSAIN
Chairman

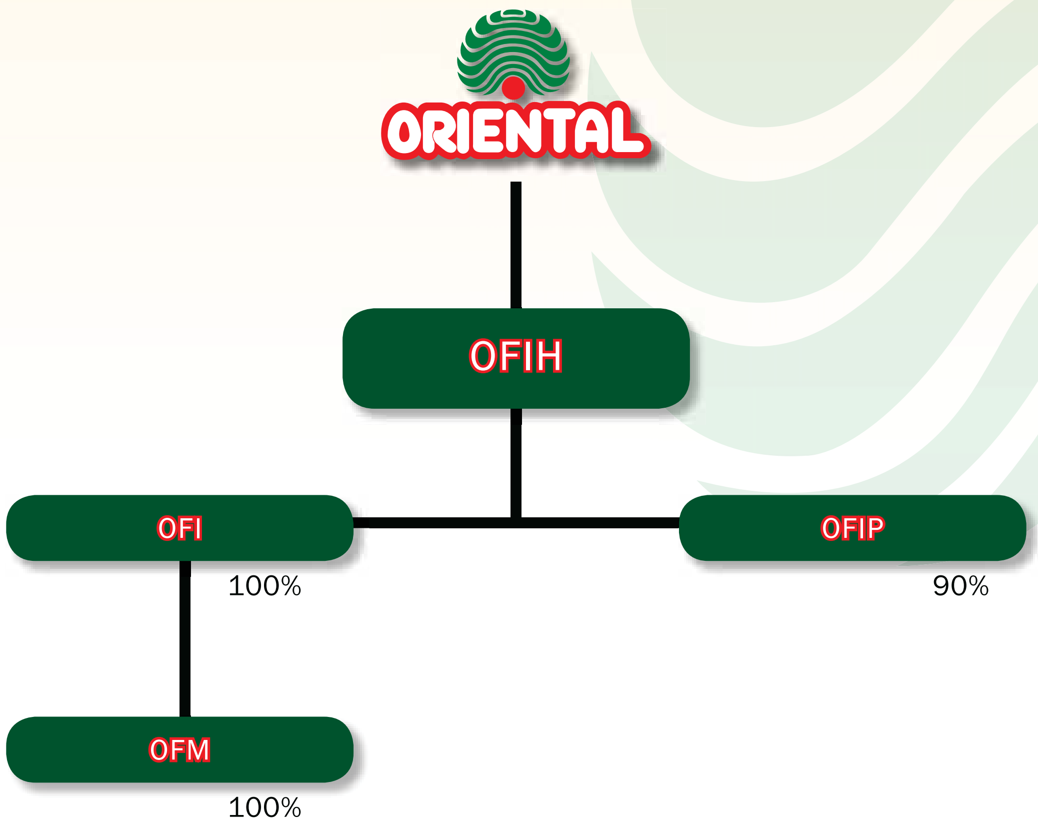
CORPORATE STRUCTURE

Oriental Food Industries Holdings Berhad (“OFIH”) was incorporated on 8 June 1996 Malaysia under the Companies Act, 1965 as a public limited company. OFIH was listed on the Second Board of Bursa Malaysia Securities Bhd in August 2000 and was subsequently transferred to the Main Board on 13 October 2003. Currently OFIH is listed on the Main Market of Bursa Malaysia Securities Berhad.

OFIH is principally an investment holding company while the OFIH Group has subsidiaries that are engaged in the following activities:

NAME OF MAJOR SUBSIDIARIES	EQUITY INTEREST (%)	PRINCIPAL ACTIVITIES
Subsidiaries of OFIH Oriental Food Industries Sdn. Bhd. (“OFI”)	100	Manufacturing and marketing of snack food and confectioneries.
OFI Properties Sdn. Bhd. (“OFIP”)	90	Property Development
Subsidiary of OFI Oriental Food Marketing (M) Sdn. Bhd. (“OFM”)	100	Sales and marketing of snack food and confectioneries.

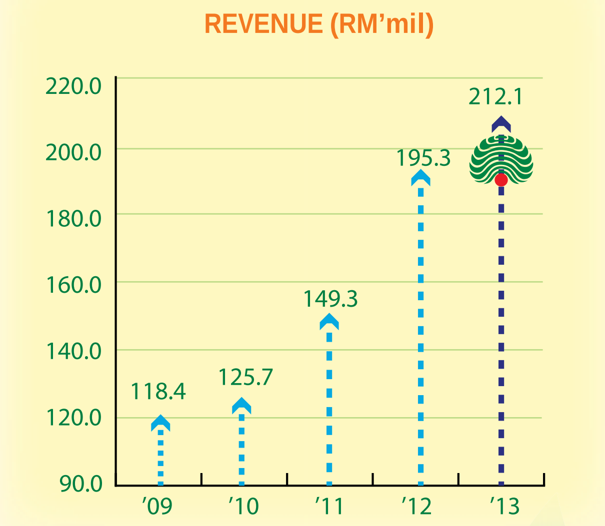
OFIH Group Corporate Structure

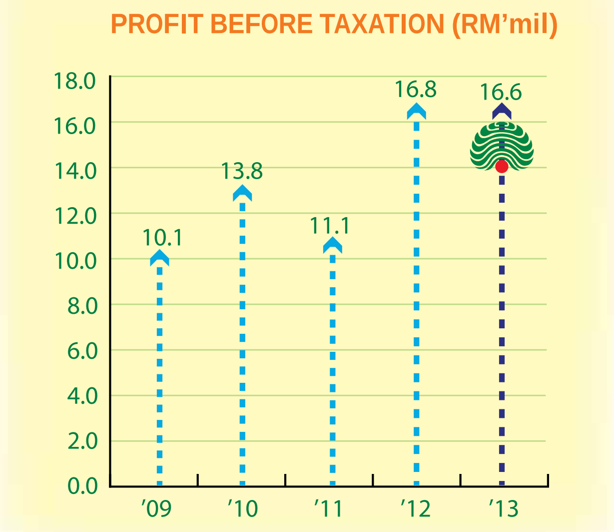


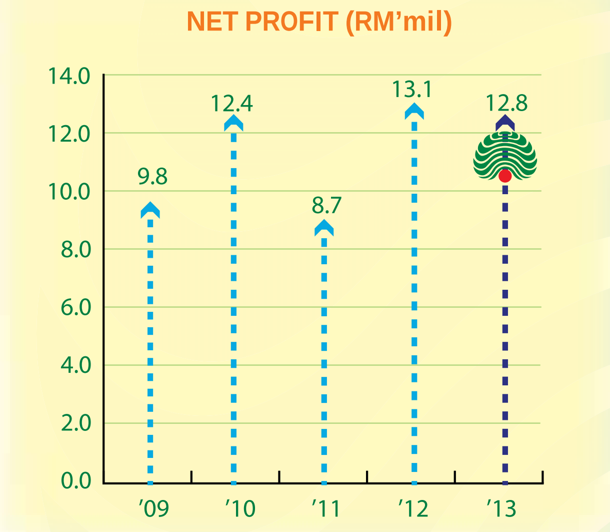
GROUP FINANCIAL HIGHLIGHTS

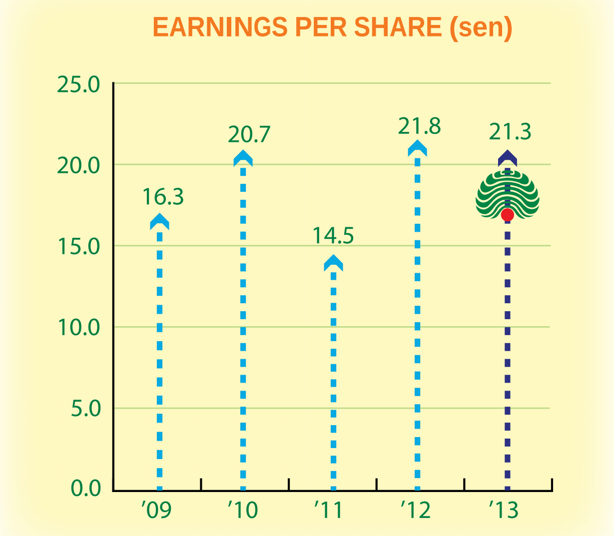
Income Statements RM'mil	2009	2010	2011	2012	2013
Revenue	118.44	125.71	149.29	195.27	212.10
Cost of sales	(85.80)	(89.48)	(110.49)	(152.31)	(166.43)
Gross Profit	32.64	36.23	38.801	42.96	45.67
Other operating income	0.72	1.90	0.61	1.28	0.78
Selling and distribution cost	(13.091)	(13.463)	(17.023)	(18.50)	(20.21)
Administrative expenses	(9.49)	(10.43)	(9.91)	(8.52)	(9.46)
Other operating expenses	(0.20)	-	(1.15)	(0.24)	(0.14)
Profit from operations	10.58	14.23	11.34	16.98	16.64
Finance cost	(0.53)	(0.40)	(0.25)	(0.18)	(0.33)
Profit before tax	10.05	13.83	11.09	16.80	16.31
Tax	(0.29)	(1.182)	(2.35)	(3.44)	(3.46)
Profit after tax	9.77	12.64	8.74	13.36	12.85
Non-controlling Interest	(0.0013)	0.2430	0.0403	0.2693	0.07891
Net Profit	9.77	12.40	8.70	13.09	12.77
Net dividend per share (sen)	3.5	10	8	8	8
Earnings per share	16.3	20.67	14.5	21.81	21.29
Depreciation & Amortisation	4.82	5.62	6.20	6.17	6.27
Number of Shares	60.00	60.00	60.00	60.00	60.00
EBITDA	15.40	19.85	17.53	23.14	22.91

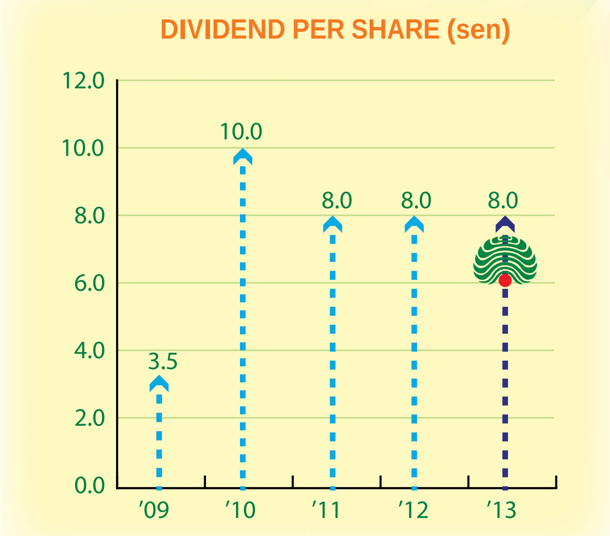
GROUP FINANCIAL HIGHLIGHTS











CORPORATE INFORMATION

BOARD OF DIRECTORS

Y. Bhg. Tan Sri Dato' Azizan bin Husain (Chairman)	Independent Non-Executive Director
Datuk Son Chen Chuan	Managing Director
Hoo Beng Lee	Executive Director
Son Tong Leong	Executive Director
Son Tong Eng	Executive Director
Lim Keat Sear	Non-Executive Director
Datuk Jeffery Ong Cheng Lock	Independent Non-Executive Director
Lim Hwa Yu	Independent Non-Executive Director

JOINT COMPANY SECRETARIES

Karina Chong Mei Ying (LS 0009562)
Wong Siew Yeen (MAICSA 7018749)
Cheong Choon Yin (MAICSA 7019120)

REGISTERED OFFICE

Level 8 Symphony House
Block D13 Pusat Dagangan Dana 1
Jalan PJU1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel : +603 7841 8000
Fax : +603 7841 8199

SHARE REGISTRAR

Sectrars Services Sdn Bhd
No. 28-2 Jalan Tun Sambanthan 3
Bricksfields 50470
Kuala Lumpur
Malaysia
Tel : +603 2274 6133
Fax : +603 2274 1016

AUDITORS

Ernst & Young (AF 0039)

CORPORATE HEAD OFFICE

No. 65, Jalan Usaha 7
Air Keroh Industrial Estate
75450 Melaka
Tel : +606 231 0333
Fax : +606 232 2066
Email : info@ofi.com.my
Websites : www.ofih.com.my
: www.jacker.com.my

PRINCIPAL BANKERS
HSBC Bank Malaysia Berhad
OCBC Bank (Malaysia) Berhad
Public Bank Berhad
CIMB Islamic Bank Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

STOCK NAME

OFI

STOCK CODE

7107

PROFILE OF THE BOARD OF DIRECTORS

Y. Bhg. Tan Sri Dato'Azizan Bin Husain
69 years of age/Malaysian
Independent Non-Executive Chairman

Y. Bhg. Tan Sri Dato' Azizan bin Husain ("Tan Sri Azizan") was appointed as Non-Executive Chairman on 8 June 2000. He is also a member of the Audit Committee and Nomination Committee.

Tan Sri Azizan is currently the Chairman of another listed company, namely Fiamma Holdings Berhad. He is also a Director of TT Resources Berhad Group. At the same time, he serves on other private companies.

Tan Sri Azizan holds a B. A. Honours Degree and Diploma in Public Administration from the University of Malaya and a Post Graduate Diploma in Economics and Master in Urban and Regional Planning from the University of Colorado, Boulder, United States of America.

Tan Sri Azizan started his career with the Ministry of Agriculture in 1967 and retired in 1999 as the Secretary-General in the Ministry of Defence, Malaysia. Prior to his retirement, he had progressed on and gained vast experience from various departments in the civil services. During his years with the Government Services, he has served as Assistant Secretary with the Centre for Development Studies and Economic Planning Unit in Prime Minister's Department, Director of Economic Planning Unit, Sabah, Sabah State Director of Development, Deputy Secretary-General with Ministry of Land and Regional Development, Deputy Director-General (Sectoral) Economic Planning Unit with Prime Minister's Department, Director of Public Sector Companies Monitoring Division in the Ministry of Finance and Deputy Secretary-General (Operation) with the Ministry of Finance.

Tan Sri Azizan has attended all four (4) Board meetings held in the financial year.

Tan Sri Azizan is not a shareholder of the Company and is not related to any directors and/ or major shareholders of the Company. He does not have any conflict of interest with the Company and has not been convicted of any offence within the past ten (10) years.

Datuk Son Chen Chuan
66 years of age/Malaysian
Managing Director

Datuk Son Chen Chuan ("Datuk Son") was appointed Managing Director since 8 June 2000.

Datuk Son is the founder of the Company and its subsidiaries ("the Group"). He is the driving force of the Group. With his decade long experience in the industry and extensive knowledge gained through the years, he formulates and implements the Group's corporate strategy. He also develops new products for both local and overseas market, ensuring that the quality of products and packaging are high, keeping close contact with the local and overseas distributors to obtain suggestions and feedback on the OFI products. Datuk Son had through the years foster close relationships with the suppliers and customers.

Datuk Son has attended all four (4) Board meetings held in the financial year.

Datuk Son is related to Mr. Son Tong Leong (son), Mr. Son Tong Eng (son) and Mr. Hoo Beng Lee (brother). He is a substantial shareholder in the Company by virtue of his direct and indirect interest in the shareholdings held by himself and members of his family and via his shareholding in Apendo Capital Sdn. Bhd. and directorship in Summer Legend Sdn. Bhd.. Other than the recurrent related party transactions as disclosed in page 90, he does not have any conflict of interest with the Company and has not been convicted of any offence within the past ten (10) years.

Mr. Hoo Beng Lee
56 years of age/Malaysian
Executive Director

Mr. Hoo Beng Lee ("Mr. Hoo") was appointed to the Board on 8 June 2000. Mr. Hoo is also the Executive Director of Oriental Food Industries Sdn. Bhd. ("OFI"), Oriental Food Marketing (M) Sdn. Bhd. ("OFM") and OFI Properties Sdn. Bhd. ("OFIP").

Mr. Hoo has been in the food industry for more than twenty (20) years and is responsible for the operations of the production lines. With his vast experience and skills in the snack food manufacturing business and food processing industries, he has contributed tremendously to the success of the Company.

Mr. Hoo has attended all four (4) Board meetings held in the financial year.

Mr. Hoo is related to Datuk Son Chen Chuan (brother), Mr. Son Tong Leong (nephew) and Mr. Son Tong Eng (nephew). He is also a substantial shareholder in the Company by virtue of his direct and indirect interest in the shareholdings held by himself and members of his family and via his shareholding in Apendo Capital Sdn. Bhd. and directorship in Summer Legend Sdn. Bhd.. Other than the recurrent related party transactions as disclosed in page 90, he does not have any conflict of interest with the Company and has not been convicted of any offence within the past ten (10) years.

Mr. Son Tong Leong
43 years of age/Malaysian
Executive Director

Mr. Son Tong Leong was appointed to the Board on 8 June 2000. He holds a Bachelor's degree in Business from the Edith Cowan University, Australia.

He began his career in 1994 as the Factory Manager of OFI and was promoted to General Manager of the Company in 1998. He is now the Executive Director of OFI, OFM and OFIP. He is in charge of the overall corporate administration, human resources, marketing and operations of the Company. He has maintained excellent relationship with staffs of all levels, customers, suppliers and the Company's business partners. He also oversees the running of the factory machineries and ensures that production works are carried out smoothly in compliance with the MS ISO 9001:2008 and HACCP standards.

He has attended all four (4) Board meetings held in the financial year.

He is related to Datuk Son Chen Chuan (father), Mr. Hoo Beng Lee (uncle) and Mr. Son Tong Eng (brother), all of whom are Directors and substantial shareholders of the Company. He is also a substantial shareholder in the Company by virtue of his direct and indirect interest in the shareholdings held by himself and members of his family and via his shareholding in Apendo Capital Sdn. Bhd. and directorship in Summer Legend Sdn. Bhd.. Other than the recurrent related party transactions as disclosed in page 90, he does not have any conflict of interest with the Company and has not been convicted of any offence within the past ten (10) years.

Mr. Son Tong Eng
42 years of age/Malaysian
Executive Director

Mr. Son Tong Eng was appointed to the Board on 8 June 2000. He holds a Diploma in Mechanical Engineering from the Federal Institute of Technology, Kuala Lumpur.

He has more than ten (10) years of experience in the food industry and is currently the Factory Manager of OFI. He oversees the running of the factory machineries and ensures that production works are carried out smoothly in compliance with the MS ISO 9001:2008 and HACCP standards.

He has attended three (3) out of four (4) Board meetings held in the financial year.

He is related to Datuk Son Chen Chuan (father), Mr. Hoo Beng Lee (uncle) and Mr. Son Tong Leong (brother), all of whom are the Directors and substantial shareholders of the Company. He is also a substantial shareholder in the Company by virtue of his direct and indirect interest in the shareholdings held by himself and members of his family and via his shareholding in Appendo Capital Sdn. Bhd.. Other than the recurrent related party transactions as disclosed in page 90, he does not have any conflict of interest with the Company and has not been convicted of any offence within the past ten (10) years.

Mr. Lim Hwa Yu
57 years of age/Malaysian
Independent Non-Executive Director

Mr. Lim Hwa Yu ("Mr. Lim") was appointed to the Board on 23 February 1999. He is also a member of the Audit Committee, Remuneration Committee and Nomination Committee. Mr. Lim qualified as an Accountant from the United Kingdom in 1979. He is a Fellow of the Chartered Association of Certified Accountants, United Kingdom, Fellow of the Institute of Taxation, United Kingdom and a Member of the Malaysian Institute of Accountants.

He is a partner of a public accounting firm, H.Y. Lim & Co. He has extensive experience in the field of corporate planning and management.

He has attended all four (4) Board meetings held in the financial year.

Mr. Lim does not hold shares in the Company and is not related to any director and/ or major shareholder of the Company. He does not have any conflict of interest with the Company and has not been convicted of any offence within the past ten (10) years.

Datuk Jeffery Ong Cheng Lock
62 years of age/Malaysian
Independent Non-Executive Director

Datuk Jeffery Ong Cheng Lock ("Datuk Jeffery") was appointed to the Board on 14 May 2007. He also serves as a member of the Audit Committee, Remuneration Committee and Nomination Committee.

Datuk Jeffery is an Associate of the Institute of Business Administration, Australia and was formerly the Senior Director of Human Resources of Infineon Technologies, responsible for Recruitment, Compensation & Benefits, Welfare, Training, Employee Relations and Government Relations. He currently serves as the Council Member of the Federation of Malaysian Manufacturers ("FMM"), Chairman of FMM Malacca Branch, Member of the Malaysian Institute of Management, Member of the Malaysian Institute of Personnel Management and Member of the Malacca Industrial Skills Development Centre. Datuk Jeffery is also a Former Board Member of OSH National Council, Panel Member of the Industrial Court and the SOCSO Appellate Court.

Datuk Jeffery has attended all four (4) Board meetings held in the financial year.

Datuk Jeffery does not hold shares in the Company and is not related to any director and/or major shareholder of the Company. He does not have any conflict of interest with the Company and has not been convicted of any offence within the past ten (10) years.

Mr. Lim Keat Sear
62 years of age/Malaysian
Non-Executive Director

Mr. Lim Keat Sear was appointed to the Board on 8 June 2000. He also serves as a member of the Remuneration Committee.

He has been in the snack and confectionery business for more than twenty (20) years. He joined Syarikat Perniagaan Chong Mah Sdn. Bhd., a distributor of snack food and confectionery in 1973 and became a director of the Company in 1978.

He has attended three (3) out of four (4) Board meetings held in the financial year.

He is not related to any of the directors of the Company. He is a substantial shareholder of the Company by virtue of his direct and indirect interest via Syarikat Perniagaan Chong Mah Sdn. Bhd., Thung Shung (M) Sdn. Bhd. and Apendo Capital Sdn. Bhd.. Other than the recurrent related party transactions as disclosed in page 90, he does not have any conflict of interest with the Company and has not been convicted of any offence within the past ten (10) years.

The Board of Directors ("the Board") observes the Malaysian Code on Corporate Governance 2012 ("MCCG 2012") and ensures the highest standards of corporate governance are practiced throughout Oriental Food Industries Holdings Bhd group of companies ("OFI Group") as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and the financial performance of OFI Group.

OFI Group's corporate governance structures has been developed and enhanced based on the principles and recommendations of best practices prescribed in the MCCG2012.

The Board is pleased to inform that the Company has established the following policies which can be viewed at the Company's corporate website *www.ofih.com.my* :-

(a) Board Charter
(b) Code of Conduct
(c) Whistle-Blowing Policy
(d) Nomination and Election Process of Board Members
(e) Board Remuneration Policy
(f) Corporate Disclosure Policy
(g) Corporate Social Responsibility, Environmental and Sustainability Policy

A. BOARD OF DIRECTORS

Board Charter and Code of Conduct

The Board Charter and Code of Conduct adopted by the Board provide guidance to the Board in the fulfilment of its roles, duties and responsibilities which are in line with the principles of good corporate governance. The Board said Board Charter and Code of Conduct are subject to periodical review to ensure consistency with the Board's strategic intent as well as relevant standards of corporate governance.

The Board is also committed to conducting business in accordance with the highest standards of business ethics and complying with applicable laws, rules and regulations. The Code of Conduct provides guidance for Directors regarding ethical and behavioural considerations and/or actions as they address their duties and obligations during the appointment.

Composition of the Board

The Board currently has eight (8) members, four (4) Executive Directors and four (4) Non-Executive Directors, three (3) of whom are Independent Non-Executive Directors. This composition has complied with the minimum one-third requirement for Independent Directors to be on the Board. The Board is led by Y. Bhg. Tan Sri Dato' Azizan Bin Husain, an Independent Non-Executive Director and Chairman, while the executives are led by Datuk Son Chen Chuan, the Managing Director.

The present size and composition of the Board is appropriate for the complexity and scale of operations of OFI Group. The role of Chairman and Managing Director of the Company are separated to ensure a balance of power and authority. The Independent Non-Executive Chairman is responsible for the orderly conduct and effectiveness of the Board, whist the Managing Director is to delegate the Management and implementation of policies and strategies adopted by the Board and the running of operations.

The Non-Executive Directors are independent from the management and major shareholders. Together, they play an important role by contributing their knowledge, advice and experience towards making independent judgement on issues of strategies, performance, resources and standard of conducts.

The Directors' profiles are set out in pages 12 to 14 of this Annual Report.

Board Meetings

The Board meets at least once in a quarter. All Directors are provided with agenda and set of Board papers issued prior to Board meetings to ensure that the Directors can appreciate the issues to be obtained further explanations, where necessary and to make an informed decision. Senior management is invited to attend these meeting to explain and clarify matter being tabled.

The Board has a formal schedule of matters reserved at Board Meetings and is supplied with information in a timely manner to ensure them to discharge their duties with regard to issues to be discussed. The Company Secretaries organise and attend all Board Meetings to ensure proper records of the proceedings.

Directors have given access to any information within the Company and are free to seek independent professional advice at the Company's expense, if necessary, in furtherance of their duties. All Directors also have access to the advise and services of the Company Secretaries who are responsible for ensuring that Board procedures are met and advises the Board on compliances.

During the financial year ended 31 March 2013, 4 meetings were held to review the Group's quarterly results and annual financial statements and its operations. The Directors' attendance for the Board Meetings is as follows:

Name	Designation	No. of Board Meetings Attended	Percentage of Attendance (%)
Y. Bhg. Tan Sri Dato' Azizan Bin Husain	Chairman/ Independent Non-Executive Director	4/4	100
Datuk Son Chen Chuan	Managing Director	4/4	100
Hoo Beng Lee	Executive Director	4/4	100
Son Tong Leong	Executive Director	4/4	100
Son Tong Eng	Executive Director	3/4	75
Lim Keat Sear	Non-Executive Director	3/4	75
Lim Hwa Yu	Independent Non-Executive Director	4/4	100
Datuk Jeffery Ong Cheng Lock	Independent Non-Executive Director	4/4	100

Appointment, Retirement and Re-election

The appointment, retirement and re-election of directors are in accordance to the Articles of Association of the Company, which provides that all Directors of the Company, including the Managing Directors are subject to retirement. At every annual general meeting, at least one third (1/3) in number of the Board and who have been longest in office are subject to retirement by rotation. Any newly appointed director shall retire at the next coming annual general meeting. The retiring Director is eligible for re-appointment.

Directors' Training

The Group acknowledges the importance of continuous education and training to the Board members.

Directors are encouraged to attend seminars and/or conferences organised by relevant regulatory authorities and professional bodies to keep abreast with latest developments in the market place and new statutory and regulatory requirements.

Details of trainings attended by the Directors are as follow:-

Name of Directors	Training Programmes	Date
Y. Bhg. Tan Sri Dato' Azizan Bin Husain	Current Development in Combating Late payment & Credit Management in Malaysia	16.05.2013
Datuk Son Chen Chuan	• EPF – SPA Investment Scheme • Private Retirement Scheme – PRS • UOB-OSK Cash Management Fund • Will	02.07.2013 02.07.2013 02.07.2013 02.07.2013
Mr. Lim Hwa Yu	• Criminal tax Investigations and Anti-Money Laundering • National Seminar on Taxation • Transfer Pricing Seminar 2012 • Informal Dialogue with MIA Members	10.12.2012 16.10.2012 20.09.2012 29.02.2012
Mr. Hoo Beng Lee	• EPF – SPA Investment Scheme • Private Retirement Scheme – PRS • UOB-OSK Cash Management Fund • Will	02.07.2013 02.07.2013 02.07.2013 02.07.2013
Mr. Son Tong Leong	• EPF – SPA Investment Scheme • Private Retirement Scheme – PRS • UOB-OSK Cash Management Fund • Will • HSBC Global Insights	02.07.2013 02.07.2013 02.07.2013 02.07.2013 28.06.2013
Mr. Lim Keat Sear	• OSK188 Workshop	10.07.2013
Mr. Son Tong Eng	• EPF – SPA Investment Scheme • Private Retirement Scheme – PRS • UOB-OSK Cash Management Fund • Will	02.07.2013 02.07.2013 02.07.2013 02.07.2013
Datuk Jeffery Ong Cheng Lock	• EPF – SPA Investment Scheme • Private Retirement Scheme – PRS • UOB-OSK Cash Management Fund • Will	02.07.2013 02.07.2013 02.07.2013 02.07.2013

The Board is also regularly updated by the Company Secretaries on the latest and amendments to the Listing Requirements of Bursa Securities.

The Board will on continuing basis evaluate and determine the training needs of each Director, particularly on relevant new law and regulations and essential practices for effective corporate governance and risk management to enable the Directors to effectively discharge their duties.

B. BOARD COMMITTEES

The following committees have been established to assist the Board to discharge its duties and responsibilities. These committees operate under the defined terms of reference.

i) Audit Committee
ii) Nomination Committee
iii) Remuneration Committee

(i) Audit Committee

The role of the Audit Committee is to support the Board in overseeing the processes for production of the financial data, review of the financial reports and internal control of the Group. The composition and terms of reference of the Audit Committee are set out in its reports on pages 24 to 27 of this Annual Report.

(ii) Nomination Committee

The Nomination Committee was set up by the Board to ensure it has a proper balance, size and the required mix of skills, experience and core competencies to govern the organisation towards achieving its intended goals and objectives. The nomination and election process of Board members are set out in the Company's website.

The members of the Committee are as follows:-

Chairman	:	Datuk Jeffery Ong Cheng Lock *(Independent Non-Executive Director)*
Members	:	Y. Bhg. Tan Sri Dato' Azizan Bin Husain *(Independent Non-Executive Director)* Lim Hwa Yu *(Independent Non-Executive Director)*

The functions of the Nomination Committee are summarised as follows :

a) Consider, in making its recommendations, candidates for directorships proposed by the Managing Director or by any other executive directors or directors or shareholders;
b) Recommend to the board, directors to fill the seat on board committees;
c) Assess annually the performance and effectiveness of the board as a whole, the committees of the board and the contribution of each existing individual director and thereafter, recommend its review to the board; and
d) Review annually the required mix of skills and experience and other qualities, including core competencies which non-executive directors should bring to the board and thereafter, recommend its review to the board.

There were two (2) meetings held during the financial year to review the performance of the Board and individual directors.

(iii) Remuneration Committee

The Remuneration Committee comprises the following members:-

Chairman	:	Lim Hwa Yu *(Independent Non-Executive Director)*
Members	:	Datuk Jeffery Ong Cheng Lock *(Independent Non-Executive Director)* Lim Keat Sear *(Non-Executive Director)*

The functions of the Remuneration Committee is to recommend to the Board, the remuneration packages of Managing Directors, Executive Directors and any other persons of the Group as the Committee is designated to consider.

The remuneration procedures are set out in the Board Remuneration Policy adopted by Board. The Directors' fee is recommended by the Board and is subject to the approval of the shareholders of the Company at general meeting.

There were two (2) meetings held during the financial year to review the Executive Directors' remuneration packages.

C. DIRECTORS' REMUNERATION

The aggregate remuneration of Directors for the financial year ended 31 March 2013 are as follows:-

	Directors' fees Company (RM)	Subsidiaries (RM)	Salaries/ Allowances (RM)	Bonuses (RM)	Benefits-in-kind (RM)	Other emoluments (RM)	Total (RM)
Executive	140,000	96,000	1,551,000	399,000	91,650	405,540	2,683,190
Non-Executive	140,000	0	60,000	0	0	8,400	208,400

The number of Directors of the Company whose total remuneration fall within the following band:-

Range of Remuneration	Number of Directors Executive	Non-Executive
• Less than RM50,000	Nil	3
• RM50,000 – RM100,000	Nil	1
• RM100,001 – RM150,000	Nil	Nil
• RM150,001 – RM200,000	Nil	Nil
• RM200,001 – RM250,000	Nil	Nil
• RM250,001 – RM300,000	Nil	Nil
• RM300,001 – RM350,000	Nil	Nil
• More than RM350,000	4	Nil

D. SUPPLY OF INFORMATION

All Directors are provided with information on a timely basis. The agenda and Board papers are circulated to the members prior to the meeting and if required, they may request additional information or clarification from the Management. The Board has unrestricted access to any information pertaining to the Group as well as to the advice and services of the Company Secretary and independent professional advisers whenever appropriate at the Company's expense. Members of the Board are regularly updated should there be any new statutory and regulatory requirements.

E. RELATIONSHIP WITH SHAREHOLDERS & INVESTORS

Shareholders and investors' relationship is of a matter of importance today. Effective communication will help to enhance the confidence of the shareholders and investors towards the Company. The Board communicates information on operations, activities and performance of the Group to the shareholders, investors and public via the following:-

a) The Annual Report, which contains the financial and operational review of the Group's business, corporate and financial information and the information on the Board and Committees.

b) Various announcements made to Bursa Malaysia.

c) The website of the Company which provides the updated information of the Company such as products and activities.

The Annual General Meeting represents the principal forum for dialogue and interaction with all shareholders. At each annual general meeting, the Board presents the progress and performance of the Group's business and invites shareholders to participate in the question and answer session.

F. ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board, assisted by the Audit Committee aims to present a balance and understandable assessment of the Company's financial position and prospects through its annual audited financial statements and quarterly reports.

A statement by the Directors of their responsibilities in relation to the financial statements is set out on page 20 to 21 of this Annual Report.

Internal Control and Internal Audit Function

The Board acknowledges the importance of internal controls including risk management both in the strategy and operational level. The Board recognises its responsibility for a sound internal control system covering not only financial controls but also operational and compliance controls as well as risk management.

The Group's Statement of Risk Management and Internal Control are set out on page 22 to 23 of this Annual Report. The said Statement has been duly reviewed by the external auditor.

Relation with Auditors

The Audit Committee maintains a transparent relationship with both internal and external auditors in seeking their professional advice and ensuring compliance with the applicable laws and regulations. The Audit Committee seeks regular assurance on the effectiveness of the internal control system through independent appraisal by the auditors in ensuring compliance with the applicable accounting standard in Malaysia. Liaison and unrestricted communication exists between the Audit Committee and the external auditors.

Corporate Disclosure

The Company has adopted a Corporate Disclosure Policy to ensure accurate, clear, timely and complete disclosure of material information necessary for informed investing and take reasonable steps to ensure that all who invest in the Company's securities enjoy equal access to such information to avoid an individual or selective disclosure.

Sustainability Policy

The Board is committed to operate its business in accordance with environmental, social and economic responsibility. These include working within the laws in order to be innovative and demonstrate initiative to meet the requirements of various stakeholders.

The Company strives to achieve sustainable long term balance between meeting its business goals and preserving the environmental; its commitments with respect to sustainability are in the areas of workplace, marketplace, community and environment.

The strategies to promote sustainability and its implementation can be found at the Company's website.

G. STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for ensuring the financial statements of the Group and of the Company are properly drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at the end of the financial year and of their financial performance and cash flows for the year then ended.

The Directors are satisfied that in preparing the financial statements of the Group and the Company for the year ended 31 March 2013, the Group and the Company had applied appropriate accounting policies on a consistent basis. The Directors also consider that all applicable approved accounting standards are adhered to in the preparation of the financial statements.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities.

The responsibility of the Auditors in relation to the Financial Statements appears in the Independent Auditors' Report on pages 34 and 35 of this Annual Report.

This statement was made by the Board of Directors in accordance with a resolution of the Board of Directors dated 18 July 2013.

H. CORPORATE SOCIAL RESPONSIBILITIES ("CSR")

The Company recognises the importance of CSR and has taken a proactive approach wherever possible to provide monetary and products contribution to governmental departments, non-profitable and charitable organisations. The Company also organises educational factory tours for various educational and governmental institutions.

Furtherance to the above, in support of the local institutes of higher learning, the Company accepts undergraduates to perform their industrial training in various departments at the factories owned by the Company.

The Company has contributed financial assistance to the following organisations:

1) Persatuan Wanita Kastam Melaka
2) Malaysian Association for the Prevention of Tuberculosis, State of Malacca
3) St. John Ambulans Malaysia
4) PIBG SRJK(C) Yok Bin, Melaka
5) PIBG SMJK Tinggi Cina Melaka
6) PIBG SRJK Cina Bachang Melaka
7) Persatuan Pedagang-Pedagang Bergerak Brg Makanan/Gunaan Melaka
8) Persatuan Peruncit-Peruncit Melaka
9) Sam Tiong Keng
10) Persatuan Penganut Dewa Wei Wu Gong Bacang Melaka
11) Persatuan Penganut Dewa Kuan Ti
12) Penganut Tokong Lao Shi
13) P. P. Tokong Ong Yah Hui Yang Keong

At company level, the Company hosts its annual dinner for all its local and foreign employees to foster good relationships and harmonious ties between all level of employees of all races and as a token of recognition from the Top Management for the commitment and dedication of the employees.

INTRODUCTION

The Board of Directors ("the Board") of Oriental Food Industries Holdings Berhad ("OFIH") is pleased to present the Statement of Risk Management and Internal Control which has been prepared pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and in accordance with the Statement on Risk Management and Internal Control: Guidelines for Director and Listed Issuers.

RESPONSIBILITY

The Board acknowledges its responsibility to establish and maintains a sound risk management framework and system of internal control and to review their adequacy and effectiveness so as to safeguard all its stakeholders' interests and to protect the Group's assets. In view of the limitations that are inherent in any system of internal control, it can only provide reasonable and not absolute assurance against material misstatement of losses and fraud.

The roles of the management include the implementation of the policies approved by the Board, identifying and evaluating the risk faced, formulating relevant policies and procedures to manage risk identified and reporting to the Board in a timely manner.

RISK MANAGEMENT FRAMEWORK

The Board recognises that risk is an integral and unavoidable component of OFIH's businesses and is characterised by threats and opportunities. The Board has established an organisation structure with clearly defined lines of responsibility, authority limits, and accountability aligned to the business and operations requirements. The structure extended the duties of the Audit Committee to include the assessment of internal controls through the internal audit function.

The Board has delegated to the Audit Committee, through its terms of reference approved by the Board, the duty to review the adequacy and effectiveness of risk management framework and system of internal control of OFIH and to report the same to the Board for deliberation and decision. Through the Audit Committee, the Board is kept informed of all significant control issues brought to the attention of the Audit Committee by the management, the internal audit function and the external auditors. The process of identifying, evaluating and managing the significant risks faced by the Group has been in place for the year under review and up to the date of approval of this statement for inclusion in the annual report.

The Head of Department is responsible for managing the risk of their department respectively. Changes in the key business risks faced by OFIH or emergence of new key business risks and the corresponding internal controls are discussed in the management meeting and eventually highlighted to the Board in the board meeting.

Internal Audit Function

OFIH's internal audit function is outsourced to an independent professional firm who reports directly to the Audit Committee. The internal audit function adopts the risk based approach in determining the scope of audit based on OFIH's key business risks profile. Internal audit plan will be presented to the Audit Committee for review and its recommendation to the Board for approval. Scheduled internal audit reviews are performed by the internal audit function based on the approved internal audit plan with any significant change in the approved plan is referred to the Audit Committee for review and its recommendation to the Board for approval prior to the commencement of the review.

During the financial year under review, three (3) cycles of internal audit reviews were performed based on the approved internal audit plan. Upon completion of the internal audit reviews, internal audit reports were presented by the internal audit function to the Audit Committee for review and deliberation in the Audit Committee meetings and eventually reported to the Board. Status of implementation by management for the action plans identified in the previous internal audit reports were reported in timely manner to the Audit Committee to ensure action plans were satisfactorily implemented to address the individual risk associated with the audit findings.

Other Key Features of System of Internal Control

The other key features of OFIH's system of internal control are described below:

- **Committees of the Board**

  Committees of the Board (i.e. Audit Committee, Remuneration Committee and Nomination Committee) is established to carry out duties and responsibilities delegated by the Board, governed by written terms of reference. Meetings of respective Committees of the Board are carried out on scheduled basis to review the performance of OFIH, from financial and operational perspective.

- **Organisation Structure and Authorisation Procedures**

  OFIH has a formal organisation structure in place for planning, organising and executing the business operations of OFIH to ensure its objectives are achievable. The authorisation procedures for key processes are stated in OFIH's Standard Operating Procedures.

- **Standard Operating Procedures ("SOPs")**

  OFIH has documented SOPs for key business processes that are regularly reviewed and updated to ensure its relevance to support and achieve OFIH's business objectives.

- **Information and Communication**

  Clear reporting lines are established across OFIH's business operations and various types of management reports are prepared for dissemination to relevant personnel to foster effective communication of critical information and timely decision making in achieving business objectives.

- **External Body Certification**

  - One of the operating subsidiary of OFIH is certified and in compliance with the ISO 9001:2008 (Quality Management System).

  - The said operating subsidiary's potato crisps line is also in compliance with HACCP (Quality and Food Safety Management System).

- **Monitoring and Review Activities**

  - Management meeting of production department is held on daily basis to review the operational performance and to resolve operational issues identified.

  - Review of financial reports of OFIH for the financial performance and financial position is performed on monthly basis by the senior management.

  - Review of unaudited financial reports of OFIH for the financial performance and financial position is performed on quarterly basis by the Audit Committee together with the senior management, and eventually reported to the Board.

  - Review and assessment of adequacy and effectiveness of internal controls is performed on bi-annual basis by internal audit function and reported to the Audit Committee.

CONCLUSION

In the financial year under review, the Board is of the view that the system of internal control of OFIH is adequate and effective, in all material aspects, based on inquiry, information and assurance provided by the Managing Director and Executive Director who primarily responsible for the management of the financial affairs. The Board will continuously monitor the effectiveness of the risk management framework and system of internal control and where necessary, take the necessary improvement actions to protect OFIH's interest and shareholder value.

This statement is made in accordance with a resolution of the Board dated 2 July 2013.

A. MEMBERSHIP

The Audit Committee of the Company comprises of 3 members as follows:-

Name of Member	Position
Y. Bhg. Tan Sri Dato' Azizan Bin Husain	Chairman Independent Non-Executive Director
Datuk Jeffery Ong Cheng Lock	Member Independent Non-Executive Director
Lim Hwa Yu	Member Independent Non-Executive Director

B. TERMS OF REFERENCE OF AUDIT COMMITTEE

I. Composition

The Audit Committee shall be appointed by the Board of Directors amongst the Directors of the Company and the following requirements must be met:-

(a) The audit committee must consist of not less than three (3) members;

(b) The audit committee is made up of non-executive directors with the majority of the members must be independent directors;

(c) The Chairman of the Audit Committee must be an independent director;

(d) At least one (1) member of the audit committee –

i. must be a member of the Malaysian Institute of Accountants; or

ii. if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and :-

- has passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or
- a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.

iii. fulfils such other requirements as prescribed or approved by the Exchange.

(e) No alternate director shall be appointed as a member of the Audit Committee.

II. Objectives

* Provide assistance to the Board of Directors in fulfilling its statutory and fiduciary responsibilities by ensuring that the Company is operating in accordance with its prescribed procedures and codes of conduct.

* Serve as an independent and objective party in the review of the financial information presented by management for distribution to shareholders and the general public.

* Provide direction and controls over the internal audit function and the external auditors.

* Provide by way of regular meetings, a line of communication between the Board and the external auditors.

* Determine that the Company has adequate administrative, operational and internal accounting controls and that the Company is operating in accordance with its prescribed procedures and codes of conduct.

III. Meetings

Frequency of Meetings

Meetings shall be conducted at least four (4) times a year, or more frequently as circumstances dictate.

Quorum

A majority of the members, who are independent directors, present being not less than two (2), shall form a quorum.

Attendance at Meetings

The attendance records of the Audit Committee Members for the Audit Committee Meetings held during the financial year are as follows:

Name	Number of meetings attended
Y. Bhg. Tan Sri Dato' Azizan Bin Husain	4/4
Datuk Jeffery Ong Cheng Lock	4/4
Lim Hwa Yu	4/4

The Internal Auditors and representatives of the external Auditor would normally attend the meetings. However, when deemed necessary, the Committee may invite the Board members or any other person to be in attendance to assist it in its deliberations. The Committee also met with the external auditors without the presence of Executive Directors.

The Company Secretary of the Company shall be Secretary of the Committee and to record minutes of the meetings for circulation to the Committee members.

IV. Authority

- To investigate any activity within its terms of reference. It has free access to all information and documents it requires for the purpose of discharging its functions and responsibilities.
- To access and obtain outside legal or other independent professional advice as it considers necessary.
- To have direct communication channels to deal with the external and internal auditors.
- To convene meetings with external auditors and/or internal auditors, excluding the attendance of the directors and employees of the Company, whenever deemed necessary.
- The Committee shall have all necessary resources to perform its duties.

V. **Duties and responsibilities**

a) To review the statutory financial statements, annual report and quarterly results prior to submission to the Board and focus particularly on :-

- changes in or implementation of major accounting policy changes;
- significant and unusual events; and
- compliance with accounting standards and other legal requirements.

b) To review the findings of internal and external auditors (as the case may be) on internal controls and other audit comments.

c) To review the nature, scope and resources of the external and internal auditors (if applicable) to ensure no unjustified restrictions are imposed by management.

d) To consider any significant audit findings reported by Internal Auditor & Management's responses thereto and to ensure appropriate action are taken on the recommendation.

e) To liaise directly between the external auditors, the management and the Board as a whole, particularly with regard to the audit plan and audit report.

f) To discuss problems and reservation arising from the interim and final audit and any matter the auditors may wish to discuss.

g) To consider and recommend the appointment and remuneration of external auditors.

h) To review the maintenance of an effective system and controls in the business process.

i) To review the Company's accounting policies and reporting requirements to ensure compliance with the relevant laws and standards.

j) To review Company's compliance with relevant law and listing requirements and to ensure prompt announcements to the Bursa Malaysia Securities Bhd in accordance to the Bursa Malaysia Listing Requirements.

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

l) To review the assistance provided/ given by the employees of the Company and of the Group to the auditors.

C. SUMMARY ACTIVITIES OF AUDIT COMMITTEE

During the Audit Committee Meetings, the following activities were carried out:-

- Reviewed and commented on the quarterly financial results before recommending the same for Board's approval.
- Reviewed the year end audited financial statements presented by the external auditors and attended to the relevant matters pertaining to the financial statements of the Company.
- Reviewed with the external auditors' the nature and scope of their engagement and annual audit plan, the findings and results of their examination, their auditors' report and management letters in relation to the audit and accounting issues arising from the audit and the resource and assistance provided to them.

- Discussed and noted the changes in accounting policies/standards that are applicable to the Company.
- Reviewed the internal audit reports, which highlighted the audit issues and Management's response.
- Reviewed the internal audit resource requirements, internal audit plan, findings and progress for the financial year under review.
- Reviewed the Statement of Risk Management and Internal Control and Audit Committee Report prior to the Board approval for inclusion in the Company's Annual Report.
- Reviewed the recurrent related party transactions to ensure the transactions entered are undertaken on the Group's normal commercial terms and the procedures with regards to such transactions are sufficient.

D. INTERNAL AUDIT FUNCTION

The internal audit function of the Group is outsourced to a professional consulting firm to undertake independent, objective and systematic reviews of the internal controls system to evaluate its adequacy and effectiveness. The outsourced internal auditors conduct the internal audit reviews according to the internal audit plan approved by the Audit Committee.

The results of the internal audit reviews are tabled to the Audit Committee at their schedule meetings highlighting the following:

- Internal audit findings/areas for improvement;
- Recommendations to remedy the control weaknesses/improve existing internal controls system; and
- Management's response and action plans to internal audit findings/areas for improvement and related recommendations.

The cost incurred in connection with the internal audit function during the financial year amounted to RM42,081.00.

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DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2013.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are described in Note 14 to the financial statements. There have been no significant changes in the nature of the principal activities during the financial year.

RESULTS

	Group RM	Company RM
Profit, net of tax, attributable to:		
Owners of the parent	12,773,562	4,978,147
Non-controlling interest	78,909	-
	12,852,471	4,978,147

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

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

DIVIDENDS

The amounts of dividends paid by the Company since 31 March 2012 were as follows:

	RM
In respect of the financial year ended 31 March 2012 as reported in the directors' report of that year:	
Final tax exempt dividend of 2 sen per ordinary share, declared on 29 May 2012 and paid on 8 October 2012	1,200,000
In respect of the financial year ended 31 March 2013:	
First interim tax exempt dividend of 1 sen per ordinary share, declared on 28 August 2012 and paid on 8 October 2012	600,000
Second interim single tier dividend of 3 sen per ordinary share, declared on 22 November 2012 and paid on 2 January 2013	1,800,000
Third interim single tier dividend of 2 sen per ordinary share, declared on 26 February 2013 and paid on 3 April 2013	1,200,000
	4,800,000

At the forthcoming Annual General Meeting, a final single tier dividend in respect of the financial year ended 31 March 2013, of 2% on 60,000,000 ordinary shares, amounting to a dividend payable of RM1,200,000 (2 sen per share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2014.

DIRECTORS

The names of the directors of the Company in office since the date of the last report and as at the date of this report are:

Y. Bhg. Tan Sri Dato' Azizan Bin Husain
Datuk Son Chen Chuan
Hoo Beng Lee
Son Tong Leong
Son Tong Eng
Lim Keat Sear
Lim Hwa Yu
Datuk Jeffery Ong Cheng Lock

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive any benefits (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 9 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 29 to the financial statements.

DIRECTORS' INTERESTS

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

	Number of ordinary shares of RM1 each			
	1.4.2012	**Acquired**	**Sold**	**31.3.2013**
Direct interests:				
Datuk Son Chen Chuan	18,107,383	-	-	18,107,383
Hoo Beng Lee	2,633,821	-	-	2,633,821
Son Tong Leong	1,306,175	-	-	1,306,175
Son Tong Eng	1,290,124	-	-	1,290,124
Lim Keat Sear	733,753	-	-	733,753
Lim Hwa Yu	828,000	-	(828,000)	-
Deemed interests:				
Datuk Son Chen Chuan	7,601,444	1,335,000	-	8,936,444
Hoo Beng Lee	23,075,006	1,335,000	-	24,410,006
Son Tong Leong	24,402,652	1,335,000	-	25,737,652
Son Tong Eng	23,168,503	327,100	-	23,495,603
Lim Keat Sear	11,524,524	274,100	-	11,798,624

Datuk Son Chen Chuan by virtue of his interests in shares in the Company is also deemed interested in shares of all the Company's subsidiaries to the extent the Company has interests.

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

OTHER STATUTORY INFORMATION

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

(i) it necessary to write off any bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; and

(ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

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

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

(e) As at the date of this report, there does not exist:

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

(ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

AUDITORS

The auditors, Ernst & Young have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 2 July 2013.

DATUK SON CHEN CHUAN **SON TONG LEONG**

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Datuk Son Chen Chuan and Son Tong Leong, being two of the directors of Oriental Food Industries Holdings Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 36 to 83 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2013 and of their financial performance and cash flows for the year then ended.

The information set out in Note 38 to the financial statements on page 84 have been prepared in accordance with the 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.

Signed on behalf of the Board in accordance with a resolution of the directors dated 2 July 2013.

Datuk Son Chen Chuan

Son Tong Leong

STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Son Tong Leong, being the director primarily responsible for the financial management of Oriental Food Industries Holdings Berhad., do solemnly and sincerely declare that the accompanying financial statements set out on pages 36 to 84 are in my opinion 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.

Son Tong Leong

at Melaka in the State of Melaka
on 2 July 2013

Before me,

TAN MOCK KOW
Commissioner for Oaths

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Oriental Food Industries Holdings Berhad, which comprise statements of financial position as at 31 March 2013 of the Group and of the Company, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 36 to 83.

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 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 judgment, 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 at 31 March 2013 and of their financial performance and cash flows for the year then ended in accordance with 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 have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(c) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 38 on page 84 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

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

Ernst & Young
AF: 0039
Chartered Accountants

Melaka, Malaysia
Date: 2 July 2013

Lee Ah Too
2187/09/13(J)
Chartered Accountant

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Note	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Revenue	4	212,099,889	195,269,469	7,093,515	6,684,273
Cost of sales		(166,429,312)	(152,309,613)	-	-
Gross profit		45,670,577	42,959,856	7,093,515	6,684,273
Other income	5	786,881	1,282,851	57	24
Other items of expense					
General and administrative		(9,605,221)	(8,759,020)	(675,617)	(515,251)
Selling and distribution		(20,213,943)	(18,504,741)	-	-
Finance costs	6	(327,302)	(179,288)	-	-
Profit before tax	7	16,310,992	16,799,658	6,417,955	6,169,046
Tax expense	10	(3,458,521)	(3,442,087)	(1,439,808)	(259,000)
Profit net of tax, representing total comprehensive income for the year		12,852,471	13,357,571	4,978,147	5,910,046
Profit attributable to:					
Owners of the parent		12,773,562	13,088,247	4,978,147	5,910,046
Non-controlling interest		78,909	269,324	-	-
		12,852,471	13,357,571	4,978,147	5,910,046
Earnings per share attributable to owners of the parent (sen per share)					
Basic	11	21.29	21.81		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2013

	Note	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Assets					
Non-current assets					
Property, plant and equipment	12	93,262,459	83,863,060	-	-
Land held for property development	16	957,769	957,145	-	-
Investment properties	13	923,874	939,657	-	-
Investments in subsidiaries	14	-	-	38,968,751	38,968,751
Investment security	15	372,438	372,438	-	-
		95,516,540	86,132,300	38,968,751	38,968,751
Current assets					
Development property	16	3,553,062	3,927,224	-	-
Inventories	17	17,350,966	19,274,047	-	-
Trade and other receivables	18	31,762,235	25,624,425	28,311,077	28,014,267
Other current assets	19	3,809,239	8,234,475	1,206,241	4,248
Income tax recoverable		1,541,879	551,729	241,163	236,721
Cash and bank balances	22	18,189,192	15,521,886	21,762	63,324
		76,206,573	73,133,786	29,780,243	28,318,560
Total assets		171,723,113	159,266,086	68,748,994	67,287,311
Equity and liabilities					
Current liabilities					
Income tax payable		-	484,534	-	-
Loans and borrowings	23	5,420,344	9,379,786	-	-
Trade and other payables	24	20,903,659	17,817,104	1,516,592	233,056
Derivatives	21	39,047	29,418	-	-
		26,363,050	27,710,842	1,516,592	233,056
Net current assets		49,843,523	45,422,944	28,263,651	28,085,504

	Note	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Non-current liabilities					
Deferred tax liabilities	25	6,575,356	5,027,815	-	-
Loans and borrowings	23	5,372,497	1,167,690	-	-
		11,947,853	6,195,505	-	-
Total liabilities		38,310,903	33,906,347	1,516,592	233,056
Net assets		133,412,210	125,359,739	67,232,402	67,054,255
Equity attributable to owners of the parent					
Share capital	26	60,000,000	60,000,000	60,000,000	60,000,000
Share premium		-	-	5,530,994	5,530,994
Revaluation reserves	27	9,959,616	9,959,616	-	-
Retained earnings	28	62,845,226	54,871,664	1,701,408	1,523,261
		132,804,842	124,831,280	67,232,402	67,054,255
Non-controlling interest		607,368	528,459	-	-
Total equity		133,412,210	125,359,739	67,232,402	67,054,255
Total equity and liabilities		171,723,113	159,266,086	68,748,994	67,287,311

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

Group	Note	Equity, total	Equity attributable to owners of the parent, total	← Non-distributable → Share capital	Revaluation reserves	Distributable Retained earnings	Non-controlling interest
2013		RM	RM	RM	RM	RM	RM
Opening balance at 1 April 2012		125,359,739	124,831,280	60,000,000	9,959,616	54,871,664	528,459
Total comprehensive income		12,852,471	12,773,562	-	-	12,773,562	78,909
Transaction with owners							
Dividends paid on ordinary shares	35	(4,800,000)	(4,800,000)	-	-	(4,800,000)	-
Closing balance at 31 March 2013		133,412,210	132,804,842	60,000,000	9,959,616	62,845,226	607,368
2012							
Opening balance at 1 April 2011		116,802,168	116,543,033	60,000,000	9,959,616	46,583,417	259,135
Total comprehensive income		13,357,571	13,088,247	-	-	13,088,247	269,324
Transaction with owners							
Dividends paid on ordinary shares	35	(4,800,000)	(4,800,000)	-	-	(4,800,000)	-
Closing balance at 31 March 2012		125,359,739	124,831,280	60,000,000	9,959,616	54,871,664	528,459

Company 2013	Note	Equity, total RM	← Non-distributable Share capital RM	Share premium RM →	Distributable Retained earnings RM
Opening balance at 1 April 2012		67,054,255	60,000,000	5,530,994	1,523,261
Total comprehensive income		4,978,147	-	-	4,978,147
Transaction with owners					
Dividends paid on ordinary shares	35	(4,800,000)	-	-	(4,800,000)
Closing balance at 31 March 2013		67,232,402	60,000,000	5,530,994	1,701,408
2012					
Opening balance at 1 April 2011		65,944,209	60,000,000	5,530,994	413,215
Total comprehensive income		5,910,046	-	-	5,910,046
Transaction with owners					
Dividends paid on ordinary shares	35	(4,800,000)	-	-	(4,800,000)
Closing balance at 31 March 2012		67,054,255	60,000,000	5,530,994	1,523,261

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Operating activities				
Profit before tax	16,310,992	16,799,658	6,417,955	6,169,046
Adjustments for:				
Depreciation of:				
- Property, plant and equipment	6,259,651	6,152,169	-	-
- Investment properties	15,783	15,784	-	-
Dividend income	-	-	(7,093,515)	(6,684,273)
Interest expense	327,302	179,288	-	-
Interest income	(229,144)	(230,785)	(57)	(24)
Inventories written down	230,668	159,349	-	-
Loss on disposal of property, plant and equipment	141,489	37,560	-	-
Net fair value loss on derivatives	9,629	98,759	-	-
Reversal of provision for slow moving inventories	(491)	-	-	-
Unrealised gain on foreign exchange	(205,217)	(777,676)	-	-
Total adjustments	6,549,670	5,634,448	(7,093,572)	(6,684,297)
Operating cash flows before changes in working capital	**22,860,662**	**22,434,106**	**(675,617)**	**(515,251)**
Changes in working capital				
Decrease in development property	373,538	1,649,142	-	-
Decrease/(increase) in inventories	1,692,904	(4,310,861)	-	-
(Increase)/decrease in receivables	(952,557)	(10,891,288)	(1,207,493)	9,960
Increase/(decrease) in payables	995,107	2,703,041	83,536	(1,016)
Total changes in working capital	2,108,992	(10,849,966)	(1,123,957)	8,944
Cash flows from/(used in) operations	**24,969,654**	**11,584,140**	**(1,799,574)**	**(506,307)**
Interest received	229,144	230,785	57	24
Interest paid	(327,302)	(179,288)	-	-
Income taxes paid	(3,899,642)	(3,049,286)	(6,414)	(583)
Income taxes refunded	513,978	-	62,715	-
Net cash flows from/(used in) operating activities	**21,485,832**	**8,586,351**	**(1,743,216)**	**(506,866)**

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Investing activities				
Purchase of property, plant and equipment	(16,136,839)	(9,086,795)	-	-
Proceeds from disposal of property, plant and equipment	336,300	453,570	-	-
Dividend income	-	-	4,501,654	1,023,103
Net cash flows (used in)/from investing activities	**(15,800,539)**	**(8,633,225)**	**4,501,654**	**1,023,103**
Financing activities				
Dividends paid on ordinary shares	(3,600,000)	(4,800,000)	(3,600,000)	(4,800,000)
Proceeds from loans and borrowings	6,039,317	5,006,335	-	-
Repayment of loans and borrowings	(4,936,758)	(3,255,988)	-	-
Advances from subsidiaries	-	-	800,000	4,300,009
Net cash flows used in financing activities	**(2,497,441)**	**(3,049,653)**	**(2,800,000)**	**(499,991)**
Net increase/(decrease) in cash and cash equivalents	**3,187,852**	**(3,096,527)**	**(41,562)**	**16,246**
Effect of exchange rate changes on cash and cash equivalents	360,682	588,269	-	-
Cash and cash equivalents at 1 April	**11,617,060**	**14,125,318**	**63,324**	**47,078**
Cash and cash equivalents at 31 March (Note 22)	**15,165,594**	**11,617,060**	**21,762**	**63,324**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The principal place of business of the Company is located at No. 65, Jalan Usaha 7, Ayer Keroh Industrial Estate, 75450 Melaka.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are described in Note 14 to the financial statements. There have been no significant changes in the nature of the principal activities during the financial year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRS") and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia (RM).

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 April 2012, the Group and the Company adopted the following new FRS, amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 April 2012.

- FRS 124: *Related Party Disclosures*
- Amendments to FRS 1: *Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*
- Amendments to FRS 7: *Disclosures - Transfers of Financial Assets*
- Amendments to FRS 112: *Deferred Tax: Recovery of Underlying Assets*
- Amendments to IC Interpretation 14: *Prepayments of a Minimum Funding Requirement*
- IC Interpretation 19: *Extinguishing Financial Liabilities with Equity Instruments*

Adoption of the above new FRS, amended FRS and IC Interpretations did not have any effect on the financial performance or position of the Group and of the Company.

2.3 Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
FRS 101: Presentation of Items of Other Comprehensive Income (Amendments to FRS 101)	1 July 2012
Amendments to FRS 101: Presentation of Financial Statements (Improvements to FRSs (2012))	1 January 2013
FRS 10: Consolidated Financial Statements	1 January 2013
FRS 11: Joint Arrangements	1 January 2013
FRS 12: Disclosure of interests in Other Entities	1 January 2013
FRS 13: Fair Value Measurement	1 January 2013
FRS 119: Employee Benefits	1 January 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Standards issued but not yet effective (continued)

Description	Effective for annual periods beginning on or after
FRS 127: Separate Financial Statements	1 January 2013
FRS 128: Investment in Associate and Joint Ventures	1 January 2013
Amendment to IC Interpretation 2 Members' Shares in Co-operative Entities and Similar Instruments (Improvements to FRSs (2012))	1 January 2013
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to FRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 1: Government Loans	1 January 2013
Amendments to FRS 1: First-time Adoption of Financial Reporting Standards (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 116: Property, Plant and Equipment (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 132: Financial Instruments: Presentation (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS134: Interim Financial Reporting (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 10: Consolidated Financial Statements: Transition Guidance	1 January 2013
Amendments to FRS 11: Joint Arrangements: Transition Guidance	1 January 2013
Amendments to FRS 12: Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 10, FRS 12 and FRS 127: Investment Entities	1 January 2014
FRS 9 Financial Instruments	1 January 2015

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application except as discussed below:

(a) FRS 9: Financial Instruments

FRS 9 reflects the first phase of the work on the replacement of FRS 139 Financial Instruments: Recognition and Measurement and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139 Financial Instruments: Recognition and Measurement. The adoption of the first phase of FRS 9 will have an effect on the classification and measurement of the Group's financial assets. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

(b) FRS 13: Fair Value Measurement

FRS 13 establishes a single source of guidance under FRS for all fair value measurements. FRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted.

(c) Amendments to FRS 101: Presentation of Items of Other Comprehensive Income

The amendments to FRS 101 change the grouping of items presented in other comprehensive income. Items that could be reclassified (or "recycled") to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations and net loss or gain on available-for-sale financial assets) would be presented separately from items which will never be reclassified. The amendment affects presentation only and has no impact on the Group's financial position and performance.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer (herein referred as "Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional two years. Consequently, adoption of the new MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

The Groups falls within the scope of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 March 2015. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 31 March 2013 could be different if prepared under the MFRS Framework.

The Group is currently in the process of determining the impact arising from the initial application of the MFRS Framework.

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Subsidiaries that were consolidated prior to 1 January 2002 are in accordance with Malaysian Accounting Standard No.2, Accounting for Acquisition and Mergers. The Group has applied the exemption provided by FRS 3 to apply this standard prospectively. Accordingly, business combinations entered into prior to the effective date have not been restated to comply with this standard.

Under the merger method of accounting, the results of subsidiaries are presented as if the merger had been effected throughout the current and previous years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the difference between the cost of merger and the nominal value of the shares acquired is adjusted against retained earnings.

Acquisitions of subsidiaries are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in other comprehensive income. The cost of a business combination is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the business combination. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statement of financial position. Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contigent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition. When the Group acquires a business, embedded derivatives separated from the host contract by the acquiree are reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Basis of consolidation (continued)

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2.6 Transactions with non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in profit or loss of the Group and within equity in the consolidated statements of financial position, separately from parent shareholders' equity. Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners. On acquisition of non-controlling interests, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

2.7 Foreign currency

(a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

(b) Foreign currencies transactions

Transactions in foreign currencies are measured in the functional currency of the Company and its subsidiaries and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss.

2.8 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. Freehold land are measured at fair value less any accumulated impairment losses and buildings are measured at fair value less accumulated depreciation and any accumulated impairment losses after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the freehold land and buildings at the reporting date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Property, plant and equipment (continued)

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

- Long term leasehold land: 78 to 99 years
- Buildings: 20 years
- Plant and machinery: 10 to 20 years
- Other assets: 5 to 10 years

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

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

2.9 Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses. The investment properties are depreciated in accordance with that for property, plant and equipment as described in Note 2.8.

Investment properties are derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.8 up to the date of change in use.

2.10 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Impairment of non-financial assets (continued)

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss. An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously.

2.11 Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less accumulated losses.

2.12 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

(a) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Financial assets (continued)

(b) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

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

(c) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

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

(d) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

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

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss 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. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occuring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(b) Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and include bank overdrafts that form an integral part of the Group's cash management.

2.15 Land held for property development and property development costs

(i) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Land held for property development and property development costs (continued)

(ii) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in the profit or loss over billings to purchasers is classified as accrued billings under other current assets and the excess of billings to purchasers over revenue recognised in profit or loss is classified as progress billings under other current liabilities.

2.16 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials : purchase costs on a weighted average basis.
- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

2.17 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

(b) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.19 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.21 Employee benefits

Defined contribution plans

The Group makes contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.22 Leases

(a) As lessee

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income.

2.23 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(a) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) Sale of properties

Revenue from sale of properties is accounted for by the stage of completion method as described in Note 2.15.

(c) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Revenue (continued)

(d) Interest income

Interest income is recognised using the effective interest method.

(e) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

2.24 Income taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Income taxes (continued)

(b) Deferred tax (continued)

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

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 transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

2.25 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Group who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 34, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.26 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of their liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.27 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgments made in applying accounting policies

The management did not make any critical judgment in the process of applying the Group's accounting policies that have a significant effect on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Useful lives of plant and machinery

The cost of plant and machinery for the manufacture of snack food and confectioneries is depreciated on a straight-line basis over the assets' estimated economic useful lives. Management estimates the useful lives of these plant and machinery to be 10 to 20 years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amount of the Group's plant and machinery at the reporting date is disclosed in Note 12.

(b) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

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. The carrying amount of the Group's loans and receivable at the reporting date is disclosed in Note 18.

(c) Inventories valuation

The Group reviews the adequacy of provision for slow moving inventories at each reporting date to ensure that inventories are stated at the lower of cost and net realisable value. In assessing the extent of provision for slow moving inventories, the directors, having considered all available information, are of the opinion that these goods can be realised in the ordinary course of business.

(d) Property development

The Group recognises property development revenue and expenses in the statement of comprehensive income by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgment is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the property development costs. In making the judgment, the Group evaluates based on past experience and by relying on the work of specialists.

4. REVENUE

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Sale of goods	207,592,918	183,092,563	-	-
Sale of properties	4,506,971	12,176,906	-	-
Dividend income from a subsidiary	-	-	7,093,515	6,684,273
	212,099,889	195,269,469	7,093,515	6,684,273

5. OTHER INCOME

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Gain on foreign exchange:				
- realised	203,034	130,220	-	-
- unrealised	205,217	777,676	-	-
Interest income	229,144	230,785	57	24
Rental income	90,000	90,000	-	-
Miscellaneous	59,486	54,170	-	-
	786,881	1,282,851	57	24

6. FINANCE COSTS

	Group 2013 RM	Group 2012 RM
Interest expense on:		
- Bank loans	315,168	172,704
- Other bank borrowings	12,134	6,584
Total finance costs	327,302	179,288

7. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Auditors' remuneration:				
- Statutory audits	75,000	65,000	22,000	20,000
- Other services	5,000	5,000	5,000	5,000
Depreciation of:				
- Property, plant and equipment (Note 12)	6,259,651	6,152,169	-	-
- Investment properties (Note 13)	15,783	15,784	-	-
Net fair value loss on derivatives	9,629	98,759	-	-
Direct operating expenses arising from investment properties				
- Rental generating properties	5,506	5,916	-	-
Employee benefits expense (Note 8)	18,585,485	15,997,900	196,800	112,000
Loss on disposal of property, plant and equipment	141,489	37,560	-	-
Inventories written down	230,668	159,349	-	-
Operating leases:				
- Minimum lease payments for premises	208,420	192,600	-	-
Reversal of provision for slow moving inventories	(491)	-	-	-

8. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Salaries, bonus and allowances	16,055,756	13,728,925	180,000	100,000
Defined contribution plans	1,356,309	1,208,373	16,800	12,000
Other employee benefits	1,173,420	1,060,602	-	-
	18,585,485	15,997,900	196,800	112,000

Included in employee benefits expense of the Group and the Company are executive directors' remuneration amounting to RM2,631,540 (2012: RM2,396,800) and RM196,800 (2012: RM112,000) respectively.

9. DIRECTORS' REMUNERATION

The details of remuneration receivable by directors of the Group and of the Company during the year are as follows:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Executive:				
- Fees - current year	236,000	196,000	140,000	100,000
- underprovision	40,000	-	40,000	-
- Salaries and other emoluments	1,950,000	1,824,000	-	-
- Defined contribution plans	405,540	376,800	16,800	12,000
Total executive directors' remuneration (excluding benefits-in-kind)	2,631,540	2,396,800	196,800	112,000
Estimated money value of benefits-in-kind	91,650	91,650	-	-
Total executive directors' remuneration (including benefits-in-kind)	2,723,190	2,488,450	196,800	112,000
Non-executive:				
- Fees - current year	140,000	100,000	140,000	100,000
- underprovision	40,000	-	40,000	-
- Salaries and other emoluments	60,000	60,000	60,000	60,000
- Defined contribution plans	8,400	6,000	8,400	6,000
Total non-executive directors' remuneration	248,400	166,000	248,400	166,000
Total directors' remuneration	2,971,590	2,654,450	445,200	278,000

10. TAX EXPENSE

Major components of tax expense

The major components of tax expense for the years ended 31 March 2013 and 2012 are:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Statements of comprehensive income:				
- Current income tax	1,798,849	3,081,966	1,374,500	259,000
- Underprovision in respect of previous years	112,131	21,121	65,308	-
	1,910,980	3,103,087	1,439,808	259,000
Deferred income tax (Note 25):				
Relating to origination and reversal of temporary differences	1,465,126	280,000	-	-
Underprovision in respect of previous years	82,415	59,000	-	-
	1,547,541	339,000	-	-
Tax expense recognised in profit or loss	3,458,521	3,442,087	1,439,808	259,000

10. TAX EXPENSE (CONTINUED)

Reconciliation between tax expense and accounting profit

The reconciliations between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 March 2013 and 2012 are as follows:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Profit before tax	16,310,992	16,799,658	6,417,955	6,169,046
Tax at Malaysian statutory tax rate of 25 % (2012: 25%)	4,077,748	4,199,914	1,604,489	1,542,262
Adjustments:				
Income not subject to taxation	(75,994)	(177,084)	(272,828)	(1,330,035)
Non-deductible expenses	455,787	311,691	42,839	46,740
Effect of certain expenses eligible for double deduction	(1,193,541)	(972,499)	-	-
Others	(25)	(56)	-	33
Underprovision of deferred income tax in respect of previous years	82,415	59,000	-	-
Underprovision of income tax in respect of previous years	112,131	21,121	65,308	-
Tax expense recognised in profit or loss	3,458,521	3,442,087	1,439,808	259,000

Income tax is calculated at the Malaysian statutory tax rate of 25% (2012: 25%) of the estimated assessable profit for the year.

The unutilised reinvestment allowances of the Group as at reporting date available for carry forward to offset against future taxable income is approximately RM20,184,000 (2012: RM22,720,000).

11. EARNINGS PER SHARE

(a) Basic

Basic earnings per share amounts are calculated by dividing profit for the year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2013 RM	2012 RM
Profit net of tax attributable to owners of the parent	12,773,562	13,088,247
Weighted average number of ordinary shares	60,000,000	60,000,000
Basic earnings per share (sen)	21.29	21.81

(b) Diluted

There is no diluted earnings per share as the Company does not have any dilutive potential ordinary shares as at the year end.

12. PROPERTY, PLANT AND EQUIPMENT

Group	* Land and buildings RM	Renovations RM	Plant and machinery RM	Motor vehicles RM	Furniture, fittings and office equipment RM	Capital work-in-progress RM	Total RM
Cost or valuation							
At 1 April 2011	31,561,132	-	80,777,729	6,419,195	11,968,489	1,487,374	132,213,919
Additions	-	-	743,575	705,195	152,613	7,485,412	9,086,795
Disposals	-	-	(42,600)	(572,587)	(6,800)	-	(621,987)
At 31 March 2012 and 1 April 2012	31,561,132	-	81,478,704	6,551,803	12,114,302	8,972,786	140,678,727
Additions	-	-	11,891,349	292,220	796,936	3,156,334	16,136,839
Disposals	-	-	(2,570)	(1,004,808)	(5,450)	-	(1,012,828)
Written off	-	-	-	-	(750)	-	(750)
Reclassifications	3,271,043	352,209	297,025	-	-	(3,920,277)	-
At 31 March 2013	34,832,175	352,209	93,664,508	5,839,215	12,905,038	8,208,843	155,801,988
Representing:							
At cost	16,972,175	352,209	93,664,508	5,839,215	12,905,038	8,208,843	137,941,988
At valuation	17,860,000	-	-	-	-	-	17,860,000
At 31 March 2013	34,832,175	352,209	93,664,508	5,839,215	12,905,038	8,208,843	155,801,988
Accumulated depreciation							
At 1 April 2011	3,511,089	-	37,530,757	2,816,369	6,936,140	-	50,794,355
Depreciation charge for the year (Note 7)	1,249,068	-	3,406,889	484,745	1,011,467	-	6,152,169
Disposals	-	-	(22,475)	(105,889)	(2,493)	-	(130,857)
At 31 March 2012 and 1 April 2012	4,760,157	-	40,915,171	3,195,225	7,945,114	-	56,815,667
Depreciation charge for the year (Note 7)	1,253,230	2,935	3,603,431	457,552	942,503	-	6,259,651
Disposals	-	-	(2,568)	(529,581)	(2,890)	-	(535,039)
Written off	-	-	-	-	(750)	-	(750)
At 31 March 2013	6,013,387	2,935	44,516,034	3,123,196	8,883,977	-	62,539,529

12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	* Land and buildings RM	Renovations RM	Plant and machinery RM	Motor vehicles RM	Furniture, fittings and office equipment RM	Capital work-in-progress RM	Total RM
Net carrying amount							
At cost	12,272,482	-	40,563,533	3,356,578	4,169,188	8,972,786	69,334,567
At valuation	14,528,493	-	-	-	-	-	14,528,493
At 31 March 2012	26,800,975	-	40,563,533	3,356,578	4,169,188	8,972,786	83,863,060
At cost	15,363,563	349,274	49,148,474	2,716,019	4,021,061	8,208,843	79,807,234
At valuation	13,455,225	-	-	-	-	-	13,455,225
At 31 March 2013	28,818,788	349,274	49,148,474	2,716,019	4,021,061	8,208,843	93,262,459

*** Land and buildings**

Group	Freehold land RM	Long term leasehold land RM	Buildings RM	Total RM
Cost or valuation				
At 1 April 2011 and 31 March 2012	1,150,000	13,701,132	16,710,000	31,561,132
Reclassifications	-	-	3,271,043	3,271,043
At 31 March 2013	1,150,000	13,701,132	19,981,043	34,832,175
Representing:				
At cost	-	13,701,132	3,271,043	16,972,175
At valuation	1,150,000	-	16,710,000	17,860,000
At 31 March 2013	1,150,000	13,701,132	19,981,043	34,832,175
Accumulated depreciation				
At 1 April 2011	-	1,252,850	2,258,239	3,511,089
Depreciation charge for the year	-	175,800	1,073,268	1,249,068
At 31 March 2012 and 1 April 2012	-	1,428,650	3,331,507	4,760,157
Depreciation charge for the year	-	175,800	1,077,430	1,253,230
At 31 March 2013	-	1,604,450	4,408,937	6,013,387

12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

*** Land and buildings (continued)**

Group	**Freehold land RM**	**Long term leasehold land RM**	**Buildings RM**	**Total RM**
Net carrying amount				
At cost	-	12,272,482	-	12,272,482
At valuation	1,150,000	-	13,378,493	14,528,493
At 31 March 2012	1,150,000	12,272,482	13,378,493	26,800,975
At cost	-	12,096,682	3,266,881	15,363,563
At valuation	1,150,000	-	12,305,225	13,455,225
At 31 March 2013	1,150,000	12,096,682	15,572,106	28,818,788

Revaluation of freehold land and buildings

Freehold land and buildings were revalued in year 2009 by an accredited independent valuers with appropriate recognised professional qualification and experience in the location and category of the properties being valued. Fair value was determined by reference to open market values.

If the freehold land and buildings were measured using the cost model, the carrying amount would be as follows:

	Group	
	2013 RM	**2012 RM**
Freehold land	911,381	911,381
Buildings	7,031,529	7,640,964
	7,942,910	8,552,345

13. INVESTMENT PROPERTIES

	Group 2013 RM	Group 2012 RM
Cost:		
At 1 April 2011/31 March 2012 and 31 March 2013	1,077,209	1,077,209
Accumulated depreciation:		
At 1 April	137,552	121,768
Depreciation charge for the year (Note 7)	15,783	15,784
At 31 March	153,335	137,552
Net carrying amount	923,874	939,657
Fair value	1,760,000	1,605,000

14. Investments in subsidiaries

	Company 2013 RM	Company 2012 RM
Unquoted shares, at cost	38,968,751	38,968,751

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

Name of subsidiaries	Principal activities	Proportion (%) of ownership interest 2013	Proportion (%) of ownership interest 2012
Oriental Food Industries Sdn. Bhd.	Manufacturing and marketing of snack food and confectioneries	100	100
OFI Properties Sdn. Bhd.	Property development	90	90
Held through Oriental Food Industries Sdn. Bhd.:			
Oriental Food Marketing (M) Sdn. Bhd.	Sales and marketing of snack food and confectioneries	100	100

15. INVESTMENT SECURITY

	Group 2013 RM	Group 2012 RM
Available-for-sale financial asset		
- Equity instrument (unquoted), at cost	372,438	372,438

The investment in unquoted equity instrument represent ordinary shares that are not quoted on any active market and carried at cost less any accumulated impairment losses as its fair value cannot be measured reliably.

The available-for-sale financial asset is classified as non-current asset as it is not expected to be realised within 12 months after the reporting date.

16. PROPERTY DEVELOPMENT COSTS

Group

(a) Land held for property development

Cost/carrying amount:	Leasehold land RM
At 1 April 2011 and 31 March 2012	957,145
Addition	624
At 31 March 2013	957,769

16. PROPERTY DEVELOPMENT COSTS (CONTINUED)

(b) Property development costs

	Leasehold land RM	Development costs RM	Total RM
Cumulative property development costs:			
At 1 April 2011	4,930,576	1,703,542	6,634,118
Cost incurred during the year	42,495	6,675,363	6,717,858
At 31 March 2012 and 1 April 2012	4,973,071	8,378,905	13,351,976
Cost incurred during the year	-	2,829,820	2,829,820
At 31 March 2013	4,973,071	11,208,725	16,181,796
Cumulative costs recognised in profit or loss:			
At 1 April 2011	811,006	238,964	1,049,970
Recognised during the year	2,836,041	5,538,741	8,374,782
At 31 March 2012 and 1 April 2012	3,647,047	5,777,705	9,424,752
Recognised during the year	385,227	2,818,755	3,203,982
At 31 March 2013	4,032,274	8,596,460	12,628,734
Property development costs:			
At 31 March 2012	1,326,024	2,601,200	3,927,224
At 31 March 2013	940,797	2,612,265	3,553,062

17. INVENTORIES

	Group 2013 RM	Group 2012 RM
Cost		
Raw materials	13,247,118	14,723,811
Work-in-progress	66,458	50,508
Finished goods	4,037,390	4,499,728
	17,350,966	19,274,047

During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group was RM162,744,210 (2012: RM193,695,178).

18. TRADE AND OTHER RECEIVABLES

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Trade receivables				
Third parties	31,498,159	25,885,122	-	-
Less: Allowance for impairment	(1,088,124)	(1,088,124)	-	-
Trade receivables, net	30,410,035	24,796,998	-	-
Other receivables				
Third parties	805,864	318,940	-	-
Amounts due from subsidiaries	-	-	28,305,577	28,014,267
Refundable deposits	444,386	323,867	5,500	-
Staff loans	101,950	184,620	-	-
	1,352,200	827,427	28,311,077	28,014,267
Total trade and other receivables	31,762,235	25,624,425	28,311,077	28,014,267
Add: Cash and bank balances (Note 22)	18,189,192	15,521,886	21,762	63,324
Total loans and receivables	49,951,427	41,146,311	28,332,839	28,077,591

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 120 days (2012: 30 to 120 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group 2013 RM	Group 2012 RM
Neither past due nor impaired	18,205,504	13,831,000
1 to 30 days past due not impaired	6,599,111	7,722,206
31 to 60 days past due not impaired	2,501,140	1,444,605
More than 61 days past due not impaired	3,104,280	1,799,187
	12,204,531	10,965,998
Impaired	1,088,124	1,088,124
	31,498,159	25,885,122

18. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables (continued)

Receivables that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM12,204,531 (2012: RM10,965,998) that are past due at the reporting date but not impaired. These receivables are active accounts which the management considers to be recoverable.

Receivables that are impaired

The Group's trade receivables that are individually impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2013 RM	2012 RM
Trade receivables - nominal amounts	1,088,124	1,088,124
Less: Allowance for impairment	(1,088,124)	(1,088,124)
	-	-

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and/or have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(b) Related party balances

The amounts due from subsidiaries are unsecured, non-interest bearing and are repayable upon demand.

(c) Staff loans

Staff loans are unsecured and non-interest bearing. The 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.

19. OTHER CURRENT ASSETS

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Amount due from customers for contract work (Note 20)	249,387	1,760,615	-	-
Advances to suppliers of property, plant and equipment	1,796,437	5,610,097	-	-
Prepaid operating expenses	563,415	863,763	6,241	4,248
Deposit placed in Bursa Malaysia Securities Berhad's dividend account	1,200,000	-	1,200,000	-
	3,809,239	8,234,475	1,206,241	4,248

20. AMOUNT DUE FROM CUSTOMERS FOR CONTRACT WORK-IN-PROGRESS

	Group 2013 RM	Group 2012 RM
Construction contract costs incurred to date	12,628,732	9,424,751
Attributable profits	5,675,105	4,372,114
	18,303,837	13,796,865
Less: Progress billings	(18,054,450)	(12,036,250)
	249,387	1,760,615
Presented as:		
Amount due from customers for contract work (Note 19)	249,387	1,760,615

21. DERIVATIVES

	2013 RM Contract/ Notional amount	2013 RM Liabilities	2012 RM Contract/ Notional amount	2012 RM Liabilities
Non-hedging derivatives:				
Forward currency contracts	4,326,700	(39,047)	46,341,900	(29,418)

The Group uses forward currency contracts to manage some of the transaction exposure. These contracts are not designated as cash flow or fair value hedges and entered into for periods consistent with currency transaction exposure. Such derivatives do not qualify for hedge accounting.

Forward currency contracts are used to hedge the Group's sales denominated in USD for which firm commitments existed at the reporting date, extending to October 2013 (2012: March 2013).

During the financial year, the Group recognised a loss of RM9,629 (2012: loss of RM98,759) arising from fair value changes of derivative liabilities. The fair value changes are attributable to changes in foreign exchange spot and forward rate. The method and assumptions applied in determining the fair values of derivatives are disclosed in Note 31.

22. CASH AND BANK BALANCES

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Cash at banks and on hand	11,195,120	8,754,751	21,762	63,324
Short term deposits with lincensed banks	6,994,072	6,767,135	-	-
Cash and bank balances	18,189,192	15,521,886	21,762	63,324

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of between one month and three months depending on the immediate cash requirements of the Group and earn interests at respective short term deposit rates. The weighted average effective interest rate as at 31 March 2013 for the Group was 3.06% (2012: 3.16%) per annum.

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following at the reporting date:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Cash and short term deposits	18,189,192	15,521,886	21,762	63,324
Bank overdraft (Note 23)	(3,023,598)	(3,904,826)	-	-
Cash and cash equivalents	15,165,594	11,617,060	21,762	63,324

23. LOANS AND BORROWINGS

		Group	
Current	**Maturity**	**2013 RM**	**2012 RM**
Unsecured:			
Bank overdraft (Note 22)	On demand	3,023,598	3,904,826
Bank loans:			
- RM loan at 4.57% p.a. fixed rate	2014	-	916,650
- RM loan at 4.55% p.a. fixed rate	2014	66,666	776,384
- USD loans at LIBOR + 0.48% p.a.	2014	259,024	494,970
- USD loans at COF + 0.75% p.a.	2014	548,254	1,572,738
- RM loan at COF + 0.50% p.a.	2014	1,522,802	1,714,218
		5,420,344	9,379,786

23. LOANS AND BORROWINGS (CONTINUED)

		Group	
		2013	2012
Non-current	**Maturity**	**RM**	**RM**
Unsecured:			
Bank loans:			
- RM loan at 4.55% p.a. fixed rate		-	90,282
- USD loans at LIBOR + 0.48% p.a.		-	257,224
- USD loans at COF + 0.75% p.a.		-	573,719
- RM loan at COF + 0.50% p.a.	2017	5,372,497	246,465
		5,372,497	1,167,690
Total loans and borrowings (Note 24)		10,792,841	10,547,476

The remaining maturities of the loans and borrowings as at reporting date are as follows:

	Group	
	2013	2012
	RM	RM
On demand or within one year	5,420,344	9,379,786
More than 1 year and less than 2 years	1,581,684	1,167,690
More than 2 years but less than 5 years	3,790,813	-
	10,792,841	10,547,476

Bank overdraft

Bank overdraft is denominated in RM and bears interest at BLR + 0.50% p.a..

Bank loans

These bank loans are subject to a negative pledge and are secured by way of corporate guarantees by the Company.

24. TRADE AND OTHER PAYABLES

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Trade payables				
Third parties	12,999,279	10,873,958	-	-
Other payables				
Third parties	3,994,312	3,013,978	-	-
Accrued operating expenses	2,698,068	3,579,168	316,592	233,056
Dividend payable	1,200,000	-	1,200,000	-
Provisions	12,000	350,000	-	-
	7,904,380	6,943,146	1,516,592	233,056
Total trade and other payables	20,903,659	17,817,104	1,516,592	233,056
Add: Loans and borrowings (Note 23)	10,792,841	10,547,476	-	-
Total financial liabilities carried at amortised cost	31,696,500	28,364,580	1,516,592	233,056

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on cash term and on average 60 days (2012: 60 days) terms.

(b) Other payables

These amounts are non-interest bearing. Other payables are normally settled on average 60 days (2012: 60 days) terms.

25. DEFERRED TAX LIABILITIES

Deferred income tax as at reporting date relates to the following:

	Deferred tax liabilities: Property, plant and equipment RM	← Deferred tax assets →: Unabsorbed reinvestment allowances RM	Others RM	Total RM
At 1 April 2011	10,790,815	(6,102,000)	-	4,688,815
Recognised in profit or loss	69,000	421,500	(151,500)	339,000
At 31 March 2012 and 1 April 2012	10,859,815	(5,680,500)	(151,500)	5,027,815
Recognised in profit or loss	883,041	634,000	30,500	1,547,541
At 31 March 2013	11,742,856	(5,046,500)	(121,000)	6,575,356

26. SHARE CAPITAL

	Group and Company Number of ordinary shares of RM1 each 2013	2012	Group and Company Amount 2013 RM	2012 RM
Authorised				
At beginning and end of the year	100,000,000	100,000,000	100,000,000	100,000,000
Issued and fully paid				
At beginning and end of the year	60,000,000	60,000,000	60,000,000	60,000,000

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company residual assets.

27. REVALUATION RESERVES

The asset revaluation reserves represent increases in the fair value of freehold land and buildings, net of tax, and decreases to the extent that such decreases relate to an increase on the same asset previously recognised in other comprehensive income.

28. RETAINED EARNINGS

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to their shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

During the financial year, the Company elected for the irrevocable option to disregard the 108 balance and as at 31 March 2013, the Company will be able to distribute dividends out of its retained earnings as at 31 March 2013 under the single tier system.

29. RELATED PARTY TRANSACTIONS

(a) Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

Group	2013 RM	2012 RM
Transaction with a company in which a director has interest:		
Sales of goods to Syarikat Perniagaan Chong Mah	4,993,271	5,030,541

Company		
Transaction with a subsidiary:		
Dividend income received from Oriental Food Industries Sdn. Bhd.	7,093,515	6,684,273

(b) Compensation of key management personnel

There is no other key management personnel other than the executive directors. The remuneration of executive directors during the financial year were as disclosed in Note 9 to the financial statements.

30. COMMITMENTS

Capital commitments

Capital expenditure as at the reporting date is as follows:

	Group 2013 RM	Group 2012 RM
Capital expenditure approved and contracted for:		
Property, plant and equipment	347,967	8,133,820

31. FAIR VALUE OF FINANCIAL INSTRUMENTS

A. Fair value of financial instrument that is not carried at fair value and whose carrying amount is not reasonable approximation of fair value

	Note	2013 Carrying amount RM	2013 Fair value RM	2012 Carrying amount RM	2012 Fair value RM
Financial asset:					
Equity instrument (unquoted), at cost	15	372,438	*	372,438	*

* Investment in equity instrument carried at cost (Note 15)

Fair value information has not been disclosed for the Group's investment in equity instrument that is carried at cost because fair value cannot be measured reliably. This equity instrument represent ordinary shares in a Malaysian property development company that is not quoted on any market and does not have any comparable industry peer that is listed. In addition, the variability in the range of reasonable fair value estimates derived from valuation techniques is significant. The Group does not intend to dispose of this investment in the foreseeable future.

B. Determination of fair value

<u>Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value</u>

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables	18
Trade and other payables	24
Loans and borrowings	23

The carrying amounts of the trade and other receivables and payables are reasonable approximation of their fair values due to their relatively short maturity periods.

The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

The carrying amounts of non-current portion of floating rate loans and borrowings are reasonable approximations of fair values as the interest charge on these loans and borrowings are pegged to, or close to, market interest rates near or at reporting date.

31. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

B. Determination of fair value (continued)

Fair value hierarchy

The Group and the Company use the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;

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

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at reporting date, the Group's financial liability measured at fair value, derivatives carried at fair value through profit or loss was classified in Level 2 of the hierarchy. There were no transfers between fair value measurements level during the reporting years ended 31 March 2013 and 2012.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks.

It is, and has been throughout the current and previous financial years, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting and there are no outstanding hedging instruments at reporting date.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment security and cash and bank balances), the Group and the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis. For transactions that do not occur in the country of the relevant operating unit, the Group does not offer credit terms without the approval of the directors.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

A nominal amount of RM33 million (2012: RM33 million) relating to corporate guarantees has been provided by the Company to banks on a subsidiary's bank loans.

Information regarding credit risk management for trade and other receivables is disclosed in Note 18(a).

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (continued)

Credit risk concentration profile

At the reporting date, approximately 10.1% (2012: 8.9%) of the Group's gross trade receivables were due from one (2012: one) customer totalling RM3.10 million (2012: RM2.29 million).

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 18.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 18.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities and collection from customers.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

As at 31 March 2013	On demand or within one year RM	One to five years RM	Total RM
Group			
Financial liabilities:			
Trade and other payables	20,903,659	-	20,903,659
Loans and borrowings	5,661,015	5,719,851	11,380,866
Total undiscounted financial liabilities	26,564,674	5,719,851	32,284,525
Company			
Financial liability:			
Trade and other payables	1,516,592	-	1,516,592

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (continued)

As at 31 March 2012	On demand or within one year RM	One to five years RM	Total RM
Group			
Financial liabilities:			
Trade and other payables	17,817,104	-	17,817,104
Loans and borrowings	9,504,755	1,174,460	10,679,215
Total undiscounted financial liabilities	27,321,859	1,174,460	28,496,319
Company			
Financial liability:			
Trade and other payables	233,056	-	233,056

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises primarily from its loans and borrowings. The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings and actively reviews its debt portfolio taking into account the investment holding period and nature of its assets.

The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes.

Sensitivity analysis for interest rate risk

Based on the utilisation of floating rate loans and borrowings throughout the reporting period, if interest rates had been 10 basis point lower (or higher), with all other variables held constant, the effect of the changes in the interest rates to the Group's profit net of tax would be immaterial. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional exposures arising from sales that are denominated in foreign currencies. The foreign currency in which these transactions are denominated is mainly United States Dollars ("USD").

Approximately 26% (2012: 20%) of the Group's gross trade receivables is denominated in USD.

The Group also holds cash and bank balances denominated in foreign currencies for working capital purposes. At the reporting date, the Group's cash and bank balances denominated in USD amounted to RM5,210,529 (2012: RM3,171,198).

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Foreign currency risk (continued)

Sensitivity analysis for foreign currency risk

The following table illustrates the hypothetical sensitivity of the Group's profit net of tax to a reasonably possible change in the USD exchange rate at the reporting date against RM, with all other variables held constant.

	Increase/(decrease) in Group's profit net of tax	
	2013 RM	2012 RM
USD strengthened by 3% (2012: 3%)	318,373	108,225
USD weakened by 3% (2012: 3%)	(318,373)	(108,225)

33. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 March 2013 and 2012.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital. The Group's policy is to keep the gearing ratio within acceptable level. The Group includes within net debt, loans and borrowings, trade and other payables, less cash and bank balances.

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Loans and borrowings	10,792,841	10,547,476	-	-
Trade and other payables	20,903,659	17,817,104	1,516,592	233,056
Less: - Cash and bank balances	(18,189,192)	(15,521,886)	(21,762)	(63,324)
Net debt	13,507,308	12,842,694	1,494,830	169,732
Equity attributable to the owners of the parent	132,804,842	124,831,280	67,232,402	67,054,255
Total capital	132,804,842	124,831,280	67,232,402	67,054,255
Capital and net debt	146,312,150	137,673,974	68,727,232	67,223,987
Gearing ratio	9%	9%	2.2%	0.3%

34. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

I. Manufacturing and marketing of snack food and confectioneries

II. Property development

III. Investment holding

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

31 March 2013	Manufacturing and marketing of snack food and confectioneries RM	Property development RM	Investment holding RM	Adjustments and eliminations RM	Notes	Per consolidated financial statements RM
Revenue:						
External customers	207,592,918	4,506,971	-	-		212,099,889
Inter-segment	-	-	7,093,515	(7,093,515)	A	-
Total revenue	207,592,918	4,506,971	7,093,515	(7,093,515)		212,099,889
Results:						
Interest income	228,871	273	-	-		229,144
Depreciation of:						
- Property, plant and equipment	6,259,651	-	-	-		6,259,651
- Investment properties	15,783	-	-	-		15,783
Other non-cash expenses	230,668	-	-	-	B	230,668
Segment profit	15,227,820	1,083,172	6,417,898	(6,417,898)	C	16,310,992
Assets:						
Additions to non-current assets	16,136,839	-	-	-	D	16,136,839
Segment assets	163,717,759	8,005,354	-	-	E	171,723,113
Segment liabilities	37,685,404	625,499	-	-	F	38,310,903

34. SEGMENT INFORMATION (CONTINUED)

31 March 2012	Manufacturing and marketing of snack food and confectioneries RM	Property development RM	Investment holding RM	Adjustments and eliminations RM	Notes	Per consolidated financial statements RM
Revenue:						
External customers	183,092,563	12,176,906	-	-		195,269,469
Inter-segment	-	-	6,684,273	(6,684,273)	A	-
Total revenue	183,092,563	12,176,906	6,684,273	(6,684,273)		195,269,469
Results:						
Interest income	228,849	1,936	-	-		230,785
Depreciation of:						
- Property, plant and equipment	6,152,169	-	-	-		6,152,169
- Investment properties	15,784	-	-	-		15,784
Other non-cash expenses	159,349	-	-	-	B	159,349
Segment profit	13,182,429	3,617,229	6,169,046	(6,169,046)	C	16,799,658
Assets:						
Additions to non-current assets	9,086,795	-	-	-	D	9,086,795
Segment assets	149,013,805	10,252,281	-	-	E	159,266,086
Segment liabilities	31,982,239	1,924,108	-	-	F	33,906,347

34. SEGMENT INFORMATION (CONTINUED)

A Inter-segment revenues are eliminated on consolidation.

B Other material non-cash expenses consist of the following item as presented in the note to the financial statements:

	2013 RM	2012 RM
Inventories written down	230,668	159,349
	230,668	159,349

C The following items are added to/(deducted from) segment profit to arrive at "Profit before tax" presented in the consolidated statement of comprehensive income:

	2013 RM	2012 RM
Dividend income from inter-segment	7,093,515	6,684,273
Unallocated corporate expenses	(675,617)	(515,227)
	6,417,898	6,169,046

D Additions to non-current assets consist of property, plant and equipment.

E Inter-segment assets are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position.

F Inter-segment liabilities are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position.

Geographical information

Revenue information based on the geographical location of customers are as follows:

	Revenues 2013 RM	 2012 RM
Malaysia	104,855,864	107,951,720
Asia	69,186,164	56,455,491
Middle East	12,505,225	11,546,284
Africa	1,904,830	1,634,298
Europe	758,571	1,461,846
America	17,369,863	12,771,868
Others	5,519,372	3,447,962
	212,099,889	195,269,469

35. DIVIDENDS

	Group and Company 2013 RM	2012 RM
Recognised during the financial year:		
Dividends on ordinary shares:		
- Final tax exempt dividend for 2012: 2 sen (2011: 2 sen) per share	1,200,000	1,200,000
- First interim tax exempt dividend for 2013: 1 sen (2012: 2 sen) per share	600,000	1,200,000
- Second interim single tier dividend for 2013: 3 sen (2012: 2 sen) per share	1,800,000	1,200,000
- Third interim single tier dividend for 2013: 2 sen (2012: 2 sen) per share	1,200,000	1,200,000
	4,800,000	4,800,000
Proposed but not recognised as a liability as at 31 March:		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
- Final single tier dividend for 2013: 2 sen (2012: 2 sen) per share	1,200,000	1,200,000

At the forthcoming Annual General Meeting, a final single tier dividend in respect of the financial year ended 31 March 2013, of 2% on 60,000,000 ordinary shares, amounting to a dividend payable of RM1,200,000 (2 sen per share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2014.

37. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 March 2013 were authorised for issue in accordance with a resolution of the directors on 2 July 2013.

38. SUPPLEMENTARY INFORMATION – BREAKDOWN OF REALISED AND UNREALISED RETAINED EARNINGS

The breakdown of the retained earnings of the Group and of the Company as at 31 March 2013 into realised and unrealised earnings is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 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.

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Total retained earnings of the Company and its subsidiaries:				
- Realised	99,348,641	89,265,300	1,701,408	1,523,261
- Unrealised	(6,379,768)	(4,348,898)	-	-
	92,968,873	84,916,402	1,701,408	1,523,261
Less: Consolidated adjustments	(30,123,647)	(30,044,738)	-	-
Retained earnings as per financial statements	62,845,226	54,871,664	1,701,408	1,523,261

Authorised Share Capital	:	RM100,000,000
Issued and Fully Paid-up	:	RM60,000,000
Class of Shares	:	Ordinary Shares of RM1.00 each
Voting Rights	:	One (1) Vote Per Ordinary Share

Distribution of Shareholders

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	23	2.1556	840	0.0014
100 - 1,000	150	14.0581	110,660	0.1844
1,001 - 10,000	689	64.5736	2,712,750	4.5213
10,001 - 100,000	160	14.9953	4,559,903	7.5998
100,001 - less than 5% of issued shares	43	4.0300	26,077,417	43.4624
5% and above of issued shares	2	0.1874	26,538,430	44.2307
	1,067	**100.0000**	**60,000,000**	**100.0000**

List of Thirty Largest Shareholders

No.	Name of Shareholders	Total No. of Shares Held	%
1	Datuk Son Chen Chuan	18,107,383	30.1790
2	Syarikat Perniagaan Chong Mah Sdn. Bhd.	8,431,047	14.0517
3	Thung Shung (M) Sdn Bhd	2,889,177	4.8153
4	Hoo Beng Lee	2,333,821	3.8897
5	DB (Malaysia) Nominee (Asing) Sdn. Bhd. Exempt an for British and Malayan Trustees Limited (Yeoman 3-Rights)	1,768,500	2.9475
6	Summer Legend Sdn. Bhd.	1,727,300	2.8788
7	HSBC Nominees (Asing) Sdn. Bhd. Exempt an for BNP Paribas Prime Brokerage, Inc.	1,291,900	2.1532
8	Son Tong Eng	1,230,124	2.0502
9	Chen Kwok Ming	1,159,762	1.9329
10	Lim Siew Guat	913,700	1.5228
11	Cimsec Nominees (Tempatan) Sdn. Bhd. CIMB Bank for Son Tong Leong (MY1225)	900,000	1.5000
12	Lee Siew Geok	858,521	1.4309
13	Lim Wei Hong	769,000	1.2817
14	Lim Keat Sear	733,753	1.2229
15	Affin Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Sew Hoey (Tan Siew Hoey) (TAN6986M)	638,000	1.0633
16	Lee Tack Ann	615,000	1.0250

List of Thirty Largest Shareholders (continued)

No.	Name of Shareholders	Total No. of Shares Held	%
17	Tan Jin Tuan	559,000	0.9317
18	Summer Legend Sdn. Bhd.	530,800	0.8847
19	Chew Tee Yong	428,900	0.7148
20	Ong Chin Chien	417,200	0.6953
21	JF Apex Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Teo Kwee Hock (Margin)	413,500	0.6892
22	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Wong Yee Hui (KLC-KEN)	412,100	0.6868
23	Son Mei Chin	404,800	0.6747
24	Son Kee Geok	397,224	0.6620
25	Son Chew Pheng	368,200	0.6137
26	Tan Song Cheng	360,500	0.6008
27	Malacca Equity Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Son Tong Leong	326,000	0.5433
28	Cartaban Nominees (Asing) Sdn. Bhd. RBC Investor Services Bank for Sextant Autour Du Monde	309,800	0.5163
29	Malacca Equity Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Hoo Beng Lee	300,000	0.5000
30	Apendo Capital Sdn. Bhd.	277,500	0.4625

Substantial Shareholders

Name	Direct No. of Shares	%	Indirect No. of Shares	%
Datuk Son Chen Chuan	18,107,383	30.18	8,876,444 (1)	14.79
Hoo Beng Lee	2,633,821	4.39	24,350,006 (2)	40.58
Lim Keat Sear	733,753	1.22	11,798,624 (3)	19.66
Son Tong Leong	1,306,175	2.18	25,677,652 (4)	42.79
Son Tong Eng	1,230,124	2.05	23,495,603 (5)	39.16
Son Kee Geok	397,224	0.66	24,050,503 (6)	40.08
Son Chew Pheng	368,200	0.61	24,079,527 (6)	40.13
Son Mei Chin	404,800	0.67	24,042,927 (6)	40.07
Lim Keit Sen	200,400	0.33	9,164,800 (7)	15.27
Lim Siew Guat	913,700	1.52	11,320,224 (8)	18.87
Syarikat Perniagaan Chong Mah Sdn. Bhd.	8,431,047	14.05	2,462,853 (9)	4.10
Thung Shung (M) Sdn. Bhd.	2,889,177	4.82	3,120,974 (10)	5.20
Lee Siew Geok	858,521	1.43	3,504,177 (11)	5.84
Lee Tack Ann	615,000	1.03	12,456,745 (12)	20.76
Apendo Capital Sdn. Bhd.	278,000	0.46	24,626,256 (13)	41.04
Summer Legend Sdn. Bhd.	2,258,100	3.76	22,047,379 (14)	36.75

Notes:

(1) Deemed interested by virtue of his directorship in Summer Legend Sdn. Bhd., substantial shareholdings in Apendo Capital Sdn. Bhd. and shares held by his brother and children.
(2) Deemed interested by virtue of his directorship in Summer Legend Sdn. Bhd., substantial shareholdings in Apendo Capital Sdn. Bhd. and shares held by his brother, nephews and nieces.
(3) Deemed interested by virtue of his controlling shareholdings in Syarikat Perniagaan Chong Mah Sdn. Bhd., Thung Shung (M) Sdn. Bhd., Apendo Capital Sdn. Bhd. and shares held by his brother, Mr. Lim Keit Sen.
(4) Deemed interested by virtue of his directorship in Summer Legend Sdn. Bhd., substantial shareholdings in Apendo Capital Sdn. Bh.d and shares held by his father, uncle, brother and sisters.
(5) Deemed interested by virtue of his substantial shareholdings in Apendo Capital Sdn. Bhd. and shares held by his father, uncle, brother and sisters.
(6) Deemed interested by virtue of shares held by her family members.
(7) Deemed interested by virtue of his substantial shareholdings in Syarikat Perniagaan Chong Mah Sdn. Bhd. and shares held by his brother, Mr. Lim Keat Sear.
(8) Deemed interested by virtue of her substantial shareholding in Syarikat Perniagaan Chong Mah Sdn. Bhd. and Thung Shung (M) Sdn. Bhd.
(9) Deemed interested by virtue of Mr. Lim Keat Sear, Mr. Lee Tack Ann, Mr. Lim Keit Sen and Ms. Lim Siew Guat's shareholdings in OFIH.
(10) Deemed interested by virtue of Mr. Lim Keat Sear, Mr. Lee Tack Ann, Ms. Lim Siew Guat and Ms. Lee Siew Geok's shareholdings in OFIH.
(11) Deemed interested by virtue of his controlling shareholdings in Thung Shung (M) Sdn. Bhd. and shares held by her brother, Mr. Lee Tack Ann in OFIH.
(12) Deemed interested by virtue of her controlling shareholdings in Syarikat Perniagaan Chong Mah Sdn. Bhd., Thung Shung (M) Sdn. Bhd., Apendo Capital Sdn. Bhd. and shares held by his sister, Ms. Lee Siew Geok in OFIH.
(13) Deemed interested by virtue of Datuk Son Chen Chuan, Mr. Hoo Beng Lee, Mr. Son Tong Leong, Mr. Son Tong Eng, Mr. Lim Keat Sear and Mr. Lee Tack Ann's shareholdings in OFIH.
(14) Deemed interested by virtue of Datuk Son Chen Chuan, Mr. Hoo Beng Lee and Mr. Son Tong Leong's shareholdings in OFIH.

Analysis of Shareholdings as at 28 June 2013

Directors Shareholdings

Name	Direct No. of Shares	%	Indirect No. of Shares	%
Y Bhg.Tan Sri Dato' Azizan Bin Husain	-	-	-	-
Datuk Son Chen Chuan	18,107,383	30.18	8,876,444 (1)	14.79
Hoo Beng Lee	2,633,821	4.39	24,350,006 (2)	40.58
Lim Keat Sear	733,753	1.22	11,798,624 (3)	19.66
Son Tong Leong	1,306,175	2.18	25,677,652 (4)	42.79
Son Tong Eng	1,230,124	2.05	23,495,603 (5)	39.16
Lim Hwa Yu	-	-	-	-
Datuk Jeffery Ong Cheng Lock	-	-	-	-

Notes:

(1) Deemed interested by virtue of his directorship in Summer Legend Sdn. Bhd., substantial shareholdings in Apendo Capital Sdn. Bhd. and shares held by his brother and children.
(2) Deemed interested by virtue of his directorship in Summer Legend Sdn. Bhd., substantial shareholdings in Apendo Capital Sdn. Bhd .and shares held by his brother, nephews and nieces.
(3) Deemed interested by virtue of his controlling shareholdings in Syarikat Perniagaan Chong Mah Sdn. Bhd. and Thung Shung (M) Sdn. Bhd., Apendo Capital Sdn. Bhd. and shares held by his brother, Mr Lim Keit Sen;
(4) Deemed interested by virtue of his directorship in Summer Legend Sdn. Bhd., substantial shareholdings in Apendo Capital Sdn. Bhd. and shares held by his father, uncle, brother and sisters.
(5) Deemed interested by virtue of his substantial shareholdings in Apendo Capital Sdn. Bhd. and shares held by his father, uncle, brother and sisters.

LIST OF PROPERTIES

No.	Description, Existing Use, Age of Building and Built Up Area	Location	Land Area Square Metres)	Tenure	Date of Acquisition	Net Book Value as at 31.03.2013 (RM)
1	Factory complex, warehouse and office block with a total built up area of approximately 26,848 square metres. The age of the buildings range from 1 to 14 years (1)	No. 65, Jalan Usaha 7, Ayer Keroh Industrial Estate, 75450 Melaka	40,660	Leasehold (99 years) expiring on 30 May 2072	24 Aug 2000	17,440,454
2	Factory complex with a total built up area of approximately 5,088.60 square metres. The age of the building range from 14 to 15 years	Plot No. 96A & 96B, Jalan Usaha 7, Ayer Keroh Industrial Estate, 75450 Melaka	9,519	Leasehold (99 years) expiring on 2 September 2078 & 13 January 2080 respectively	25 Nov 1993 12 Nov 1990	3,787,122
3	Factory complex with a built up area of approximately 4,153.2 square metres. The age of the buildings are approximately 24 years	No. 127-C, Jalan Usaha 9, Ayer Keroh Industrial Estate, 75450 Melaka	7,564	Leasehold (99 years) expiring 4 May 2082	9 Sept 1998	2,407,654
4	2 units of semi detached factory buildings with a total built up area of approximately 1,587 square metres. The age of the buildings are approximately 36 years	No. 85 & 86, Ayer Keroh Industrial Estate, 75450 Melaka.	4,140	Leasehold (99 years) expiring 30 May 2072	8 Sept 1986 *(No. 85)* 1980 *(No. 86)*	1,267,830
5	Vacant Industrial Land	Lot No. 7521 (Plot 5), Ayer Keroh Industrial Estate, Phase 4, 75450 Melaka.	19,066	Leasehold (99 years) expiring 24 May 2072	10 Aug 1991	2,504,898
6	2 units of 3-Storey Shop Office with a total built up area of approximately 662.21 square metres. The age of the buildings are approximately 16 years	No. 7, 7A & 7B and No. 9. 9A & 9B, Jalan Melaka Raya 11, Taman Melaka Raya, 75000 Melaka.	286	Leasehold (99 years) expiring 7 July 2093	19 Oct 1992 *(No. 7, 7A & 7B)* 21 Oct 1992 *(No. 9, 9A & 9B)*	511,403
7	Vacant Land (2)	Lot No. 6148, Mukim Bukit Katil, Daerah Melaka Tengah, Negeri Melaka.	1,077	Freehold	4 Dec 1999	173,895
8	Vacant Land (3)	Lot No. 6096, Mukim Bukit Katil, Daerah Melaka Tengah, Negeri Melaka.	2,157	Freehold	4 Dec 1999	238,576

No.	Description, Existing Use, Age of Building and Built Up Area	Location	Land Area (Square Metres)	Tenure	Date of Acquisition	Net Book Value as at 31.03.2013 (RM)
9	Semi detached factory with a built up area of approximately 478 square metres. The age of the building is approximately 7 years [(4)]	No. 20, Jalan TPP 1/1A, Taman Industri Puchong, Batu 12, Jalan Puchong, 47100 Puchong, Selangor	1,407	Freehold	10 Jul 2002	1,410,830
10	Property Development – 33 units of 3 storey shopoffice at Taman Ayer Keroh Height, Melaka. [(5)]	No. PT 21067 to PT21101, Mukim Bukit Katil, Daerah Melaka Tengah Melaka [(5A)]	21,020	Leasehold (99 years) expiring 15 February 2111	3 Apr 2006	4,510,831

Notes:

(1) The acquisition of this property was completed on 15 January 2001.

(2) The acquisition of this property was completed on 6 December 2000.

(3) The acquisition of this property was completed on 19 October 2000.

(4) The acquisition of this property was completed on 6 September 2004.

(5) The acquisition of this property was completed on 10 October 2006.

(5A) The separate individual title for 33 units of shopoffice under commercial category of land use and TNB substation with tenure of 99 years expiring 15 February 2111 have been issued and registered on 16 February 2012.

- All the above properties *(except for properties nos. 6, 7, 8 and 10)* were revalued by Messrs C. H. Williams Talhar & Wong in February 2009.

1. **Share Buyback**

   The Company did not make any share buyback during the financial year.

2. **American Depository Receipt ("ADR") or Global Depository Receipt ("GDR") Programmes**

   During the financial year, the Company did not sponsor any ADR or GDR programmes.

3. **Imposition of Sanctions and/or Penalties**

   During the financial year, there were no material sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or Management by the relevant regulatory bodies.

4. **Non-audit Fees**

   The amount of non-audit fees paid to the external auditors by the Group for the financial year ended 31 March 2013 amounted to RM5,000.00.

5. **Variation in Results for the Financial Year**

   There was no deviation of ten percent (10%) or more between the profit after tax and minority interest stated in the announced unaudited results and the audited financial statements accounts of the Group for the financial year ended 31 March 2013.

6. **Profit Guarantees**

   During the financial year, there was no profit guarantees given by the Company.

7. **Material Contracts**

   OFIH and its subsidiary companies have not entered into any contract which are or may be material during the two (2) years preceding the date of this Annual Report.

8. **Options, Warrants or Convertible Securities**

   No options, warrants or convertible securities were exercised by the Company in the financial year.

9. **Revaluation of Landed Properties**

   The Group has adopted the policy of regular revaluation on the Group's landed properties. The details of the revaluation are stated in Note 2.8 and 12 of the financial statements.

10. **Recurrent Related Parties Transactions**

    Pursuant to a Shareholders' Mandate obtained on 28 August 2012, the Company and its' subsidiaries have carried out recurrent related party transactions with Syarikat Perniagaan Chong Mah Sdn. Bhd. for distribution and wholesales of snack food and confectioneries products for a total value of RM4,678,933 from the effective date of Shareholders' Mandate until the date of this Annual Report.

    The Company is seeking a renewal of the Shareholders' Mandate for the Company and/or its subsidiaries to enter into a Recurrent Related Party Transactions with Related Parties under the Special Business in the forthcoming AGM.

FORM OF PROXY

ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD
(Company No : 389769-M)
(Incorporated in Malaysia)

No. of ordinary shares held	
CDS Account No.	

I/We ____
(Full Name in Capital Letters)

of ____
(Full address)

being a Member/Members of ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD hereby appoint * the Chairman of the meeting or

____

of ____

or failing him/her of ____

of ____

as * my/our proxy/proxies to attend and vote for *me/us and on *my/our behalf at the 17th Annual General Meeting of the Company, to be held at Tiara Banquet Hall, Tiara Melaka Golf and Country Club, Jalan Gapam, Bukit Katil, 75760 Melaka on Wednesday, 28 August 2013 at 2.30 p.m..and, at every adjournment thereof to vote as indicated below:

	Ordinary Business	**For**	**Against**
Resolution 1	To receive and adopt the statutory financial statements for the financial year ended 31 March 2013 together with the Directors' and Auditors' Reports thereon.		
Resolution 2	To approve the payment of single tier final dividend of RM0.02 per share for the financial year ended 31 March 2013.		
Resolution 3	To approve the payment of Directors' Fees of RM280,000 for the financial year ended 31 March 2013.		
Resolution 4	To re-elect Mr. Lim Hwa Yu who retires in accordance with Article 75 of the Company's Articles of Association.		
Resolution 5	To re-elect Mr. Son Tong Eng who retires in accordance with Article 75 of the Company's Articles of Association.		
Resolution 6	To re-elect Datuk Jeffery Ong Cheng Lock who retires in accordance with Article 75 of the Company's Articles of Association.		
Resolution 7	To re- appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to determine their remuneration.		
	Special Business		
Resolution 8	ORDINARY RESOLUTION I To approve continuation of Y Bhg Tan Sri Dato' Azizan Bin Husain as an Independent Non-Executive Director of the Company.		
Resolution 9	ORDINARY RESOLUTION II To authorise the Directors to issue shares pursuant to Section 132D of the Companies Act, 1965		
Resolution 10	ORDINARY RESOLUTION III To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature with Syarikat Perniagaan Chong Mah Sdn Bhd.		

(Please indicate with an "X" in the space provided above on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at this discretion.)

The proportion of my holdings to be represented by my *proxy/proxies are as follows:-

First name Proxy %
Second name Proxy %
100%

In case of a vote taken by a show of hands, the First Proxy shall vote on *my/our behalf. *Strike out whichever is not desired.

As witness my hand ________________ day of ________________ 2013.

____
Signature

Notes :

1. In regard of deposited securities, only members whose names appear in the Record of Depositors as at 16 August 2013 ("General Meeting Record of Depositors") shall be eligible to attend and vote at the Meeting.
2. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy may but need not be a member of the Company. Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
3. A member may appoint more than two (2) proxies to attend at the same meeting. Where a member appoints two (2) or more proxies, the proxies shall not be valid unless the member specifies the proportion of his shareholdings to be represented by each proxy.
4. 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 nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy in the case of an individual shall be signed by the appointor or his attorney and in the case of corporation the instrument appointing a proxy or proxies must be under seal or under the hand of an officer or attorney duly authorised.
6. The instrument appointing proxy shall be deemed to confer authority to demand or join in demanding a poll.
7. The instrument appointing a proxy must be deposited at the Registered Office at Level 8, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan at least forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
8. Proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting. There shall be no restriction as to the qualification of the proxy.

Fold this flap for sealing

AFFIX
STAMP
HERE

THE COMPANY SECRETARY

ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD
(Company No : 389769-M)
Level 8 Symphony House
Block D13 Pusat Dagangan Dana 1
Jalan PJU1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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ORIENTAL FOOD
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NO. SYARIKAT 389769-M

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