ORIENTAL

ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD

NO. SYARIKAT 389769-M

ANNUAL REPORT 2024

CONTENTS

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Eighteenth 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 Thursday, 28 August 2014 at 2.30 p.m. to transact the following businesses:-

AGENDA

ORDINARY BUSINESS

1. To receive the statutory financial statements for the financial year ended 31 March 2014 together with the Directors' and Auditors' Reports thereon. *(Resolution 1)*

2. To approve the payment of single tier final dividend of RM0.035 per share for the financial year ended 31 March 2014. *(Resolution 2)*

3. To approve the payment of Directors' Fees of RM280,000 for the financial year ended 31 March 2014. *(Resolution 3)*

4. To re-elect Datuk Son Chen Chuan who retires in accordance with Article 75 of the Company's Articles of Association. *(Resolution 4)*

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

6. To re-elect Mr. Son Tong Leong who retires in accordance with Article 75 of the Company's Articles of Association. *(Resolution 6)*

7. To consider and, if thought fit, pass the following resolution pursuant to Section 129 of the Companies Act, 1965 :- *(Resolution 7)*

   "THAT Y. Bhg. Tan Sri Dato' Azizan Bin Husain, retiring in accordance with Section 129 of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting."

8. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to determine their remuneration. *(Resolution 8)*

SPECIAL BUSINESS

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

9. **Approval to Continue In Office as an Independent Non-Executive Director** *(Resolution 9)*

   "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 the Independent Non-Executive Director of the Company."

10. **Approval to Continue In Office as an Independent Non-Executive Director** *(Resolution 10)*

    "THAT Mr. Lim Hwa Yu who has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years since 23 February 1999 be and is hereby retained and continue to act as the Independent Non-Executive Director of the Company."

11. **Authority to Allot Shares pursuant to Section 132D of the Companies Act, 1965** *(Resolution 11)*

    "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."

12. **Proposed Renewal Of Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature** *(Resolution 12)*

    "THAT approval be given, pursuant to Paragraph 10.09 of the Main Market Listing Requirements of 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 5 August 2014 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."

13. 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 2014, if approved by shareholders, will be paid on 26 September 2014 to all shareholders whose names appear in the Record of Depositors of the Company at the close of business at 5.00p.m. on 3 September 2014 :-

(a) Single tier final dividend of RM0.035 per share amounting to RM2,100,000 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 3 September 2014 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)
NURULUYUN BINTI ABDUL JABAR (MIA 9113)
Joint Secretaries
Selangor
Date: 5 August 2014

NOTES :

1. In regard of deposited securities, only members whose names appear in the Record of Depositors as at 21 August 2014 ("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. Resolution 9 and 10 – 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 and Mr. Lim Hwa Yu who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine years since 8 June 2000 and 23 February 1999 respectively, and hereby recommends them to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:-

(i) They have 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) They have been with the Company for more than nine years and therefore understand the Company's business operations which enable them to participate actively and contribute during deliberations or discussions at the Meetings;

(iii) They have contributed sufficient time and efforts and attended all the Meetings for informed and balanced decision making; and
(iv) They have exercised due care and diligence during their tenure as Independent Non-Executive Directors of the Company and carried out their fiduciary duty in the interest of the Company and shareholders without being subject to influence of management.

2. *Resolution 11 – Authority to Allot Shares pursuant to Section 132D of the Companies Act, 1965*

The Resolution 11, 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 2013 and accordingly no proceeds were raised.

3. *Resolution 12 – Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature*

The Resolution 12, 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. 12 is set out in the Circular to Shareholders dated 5 August 2014.

CHAIRMAN'S STATEMENT

To Our Valued Shareholders,

I am delighted to announce that this has been another successful year for Oriental Food Industries Holdings Berhad ("OFIH"; "the Group"), as we have made 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 2014 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 financial year ended 31 March 2014 ("FY 2014"). Revenue increased 7.0% on a year-on-year basis from RM212.1 million in financial year ended 31 March 2013 ("FY2013") to RM226.9 million in FY 2014. 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 RM225.2 million, representing 99.3% of the Group's total revenue. On the other hand, revenue from Property Development segment stood at RM1.7 million or 0.7%.

In terms of geographical segment, the Group's revenue mix comprised of 47.7% local sales against 52.3% export sales. Due to the emphasis that the Group put on export sales, an increase of 10.7% was seen on this segment as opposed to the increase of 3.2% in the local sales segment.

Pre-tax profit of the Group increased in line with the increase in revenue as compared to FY 2013. The Group recorded an increase of 26.4% from RM16.3 million in FY 2013 to RM20.6 million in FY 2014.

Looking at our product performance, the financial year under review saw encouraging growth of 9.1% 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 shareholders of RM16.2 million in FY 2014. This translates to basic earnings per share of 26.95 sen.

In terms of our balance sheet, total loans and borrowings stood at just a mere RM6.6 million against the backdrop of shareholders' fund of RM144.2 million and cash and bank balances of RM27.6 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 3.5 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 RM5.7 million of FY2014'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 First Research Inc., worldwide, the snack foods manufacturing industry generates about $300 billion in revenue. Europe and the US are the largest markets. Eastern Europe, Latin America, and the Asia/Pacific region are the fastest-growing snack food markets.

As for the future of confectionery industry, as reported by Lucintel in the "Global Confectionery Industry 2013- 2018: Trend, Profit, and Forecast Analysis", global revenue is estimated to reach $176 billion by 2018 with a Compound Annual Growth Rate ("CAGR") of 3.0% over the next five years (2013-2018). Rising disposable income, increasing awareness of health and wellness, higher population, and consumer spending are the major industry drivers.

The market for snack food and confectionary as always is highly fragmented and intensely competitive, with an abundance of industry players in all categories from small to large.

In view of the market competition and ever growing demands from consumers, the Research and Development ("R&D") division of the Group led by the top management has constantly focused on market research, overseas expert opinion and product development for both its snack food and confectionery products in addition to the development of new product, flavours and range.

Apart from the above, packaging sizes has been a key element in the industry, with options such as single-serving packages and bite-sized packs proving popular. As such, the Group has introduced mini packaging sizes and canisters for its products. In addition to that, packaging designs have undergone facelift from time to time to attract consumers of all ages. The Group feels that it is only ideal that quality products are presented in attractive packaging.

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 continuously improve 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 and being implemented with rigor, we are optimistic in bringing the Group to a higher platform of growth towards becoming a major snack food and confectionery manufacturer in the region.

Corporate Social Responsibility ("CSR")

We have at all times an acute sense of the Group's social, economic and environmental responsibilities. Apart from focusing on profitability to optimize shareholders' value, we also know that our role in society has never been more important.

We have the support, through our people to participate in various community events. In our local communities, we have continuously participate in various CSR initiatives to give back to the public which include monetary and products donations to various non-profitable organisation, accommodating industrial trainees from local institutions in our organisation and hosting educational visits for students of all ages, undergraduate and governmental organisation.

Furtherance to the above, we have organised various nationwide contests rewarding the winners with attractive prizes throughout the year in order to have a positive interaction with our consumers.

Environmentally, we continued to comply to all the laws and regulations with initiatives to contribute to an improved environmental performance.

CHAIRMAN'S STATEMENT

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

It has been my utmost privilege to serve as Chairman and to be part of this Group.

I wish to thank my fellow Directors and extend my utmost gratitude to our dedicated employees for their outstanding contribution over the last 12 months resulting in our growth and success throughout the years.

My sincere thanks go also to our customers, business partners, suppliers and governmental agencies for their trust and unwavering support, as well as to you, our shareholders, for we are encouraged by your continued confidence and loyalty.

TAN SRI DATO' AZIZAN BIN HUSAIN
Chairman

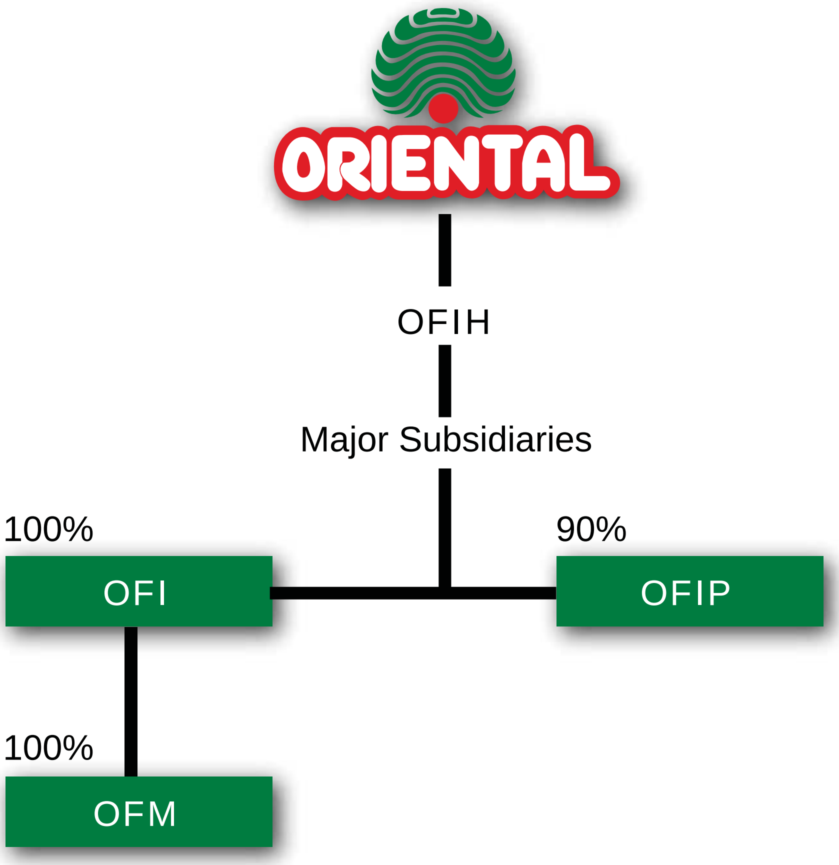
CORPORATE STRUCTURE

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 STRUCTURE

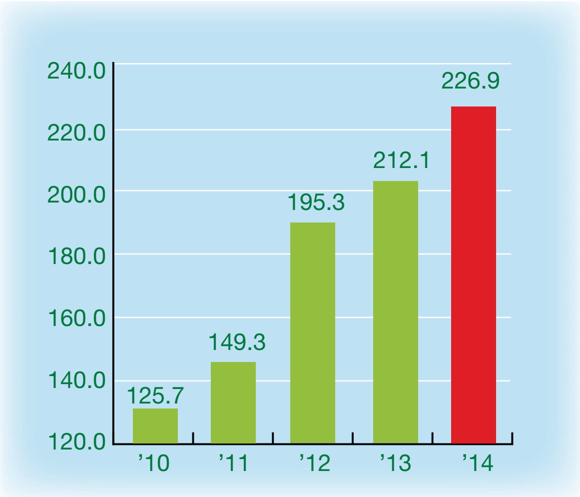


GROUP FINANCIAL HIGHLIGHTS

Income Statements RM'mil	2010	2011	2012	2013	2014
Revenue	125.71	149.29	195.27	212.10	226.89
Cost of sales	(89.48)	(110.49)	(152.31)	(166.43)	(174.34)
Gross Profit	36.23	38.801	42.96	45.67	52.55
Other operating income	1.90	0.61	1.28	0.78	0.43
Selling and distribution cost	(13.463)	(17.023)	(18.50)	(20.21)	(21.29)
Administrative expenses	(10.43)	(9.91)	(8.52)	(9.46)	(9.97)
Other operating expenses	-	(1.15)	(0.24)	(0.14)	(0.84)
Profit from operations	14.23	11.34	16.98	16.64	20.89
Finance cost	(0.40)	(0.25)	(0.18)	(0.33)	(0.24)
Profit before tax	13.83	11.09	16.80	16.31	20.64
Tax	(1.182)	(2.35)	(3.44)	(3.46)	(4.43)
Profit after tax	12.64	8.74	13.36	12.85	16.21
Non-controlling Interest	0.2430	0.0403	0.2693	0.0789	0.0363
Net Profit	12.40	8.70	13.09	12.77	16.17
Net dividend per share (sen)	10	8	8	8	8
Earnings per share	20.67	14.5	21.81	21.29	26.95
Depreciation & Amortisation	5.62	6.20	6.17	6.27	6.84
Number of Shares	60.000	60.000	60.000	60.000	60.000
EBITDA	19.85	17.53	23.14	22.91	27.72

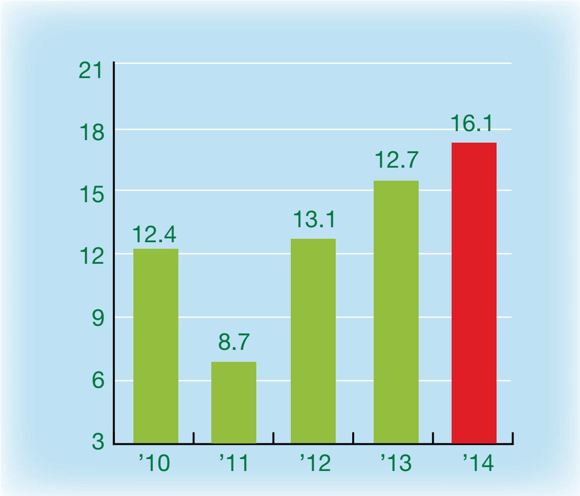
GROUP FINANCIAL HIGHLIGHTS

REVENUE (RM'mil)

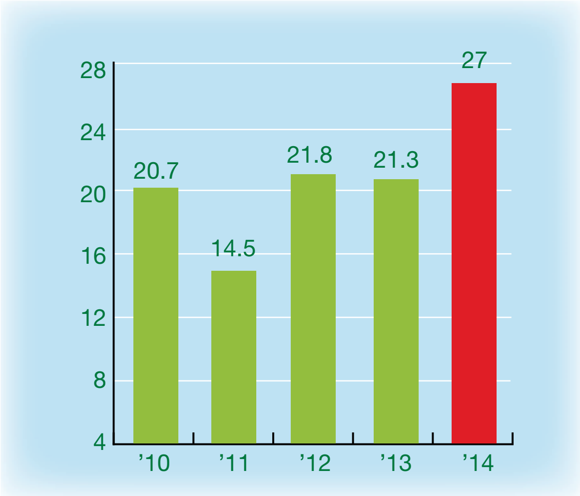


PROFIT BEFORE TAXATION (RM'mil)

NET PROFIT (RM'mil)



EARNING PER SHARE (RM'mil)



DIVIDEND PER SHARE (RM'mil)

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 (LS0009562)
Nuruluyun binti Abdul Jabar (MIA 9113)

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
Malayan Banking Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

STOCK NAME

OFI

STOCK CODE

7107

PROFILE OF THE BOARD OF DIRECTORS

Tan Sri Dato'Azizan Bin Husain
70 years of age/Malaysian
Independent Non-Executive Chairman

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 progressed on and gained vast experience from various departments in the civil service. During his years with the Government Service, 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
67 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 has 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 99, 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.

PROFILE OF THE BOARD OF DIRECTORS

Mr. Hoo Beng Lee
57 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 three (3) out of 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 99, 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
44 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 99, 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.

PROFILE OF THE BOARD OF DIRECTORS

Mr. Son Tong Eng
43 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 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 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 Apendo Capital Sdn. Bhd.. Other than the recurrent related party transactions as disclosed in page 99, 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
58 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.

PROFILE OF THE BOARD OF DIRECTORS

Datuk Jeffery Ong Cheng Lock
63 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
63 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 this Company in 1978.

He has attended all 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 99, 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.

STATEMENT ON CORPORATE GOVERNANCE

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 ("The Charter") adopted by the Board provides 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 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 together with Management ensures proper implementation of policies and strategies as adopted by the Board for 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 13 to 16 of this Annual Report.

Board Meetings

The Board meets at least once in a quarter. The Meeting agendas and a set of Board paper is issued prior to Board meetings in timely manner to ensure that the Directors can appreciate the matters for discussion and able to obtain further explanations, where necessary, to make informed decisions. Senior management is invited to attend these meeting to explain and clarify matter where necessary.

The Company Secretaries organise and attend all Board Meetings to ensure proper records of the proceedings.

Directors are 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 advice and services of the Company Secretaries who are responsible for ensuring that Board procedures are met and in accordance to regularly requirements.

During the financial year ended 31 March 2014, four (4) meetings were held and the Directors' attendance for the Board Meetings are 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	3/4	75
Son Tong Leong	Executive Director	4/4	100
Son Tong Eng	Executive Director	4/4	100
Lim Keat Sear	Non-Executive Director	4/4	100
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 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 ("AGM"), 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.

Pursuant to the Section 129 of the Companies Act, 1965, directors above the age of 70 need to seek re-election at the AGM.

Pursuant to the Malaysian Code of Corporate Governance ("MCCG"), an Independent Director who has served for a cumulative term of more than 9 years need to seek re-election at the AGM.

All directors seeking re-election need to be assessed and evaluated by the Nomination Committee on their capability and effectiveness serving Board and the Company.

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	• Managing GST Risk and Complying with Good Corporate Governance	19.05.2014
Datuk Son Chen Chuan	• Share Margin Financing • Singapore Reits • Cash Management Products	10.07.2014 10.07.2014 10.07.2014
Mr. Lim Hwa Yu	• Reinvestment Allowance & Industrial Building Allowance • Tax Audit and Investigation Framework • Latest Development & Tax Planning for Employment Income • Nation Tax Seminar 2013 • Corporate Governance Guide – Towards Boardroom Excellence (2nd Edition) – An Update • IERP Global Conference 2014 – Enterprise Rise Management Driving Sustainability, Agility and Resilience	30.01.2013 27.02.2013 25.03.2013 11.11.2013 26.03.2014 04.06.2014 & 05.06.2014
Mr. Hoo Beng Lee	• Share Margin Financing • Singapore Reits • Cash Management Products	10.07.2014 10.07.2014 10.07.2014
Mr. Son Tong Leong	• Share Margin Financing • Singapore Reits • Cash Management Products	10.07.2014 10.07.2014 10.07.2014
Mr. Lim Keat Sear	• Participating SME GST Application Workshop	20.06.2014
Mr. Son Tong Eng	• Share Margin Financing • Singapore Reits • Cash Management Products	10.07.2014 10.07.2014 10.07.2014
Datuk Jeffery Ong Cheng Lock	• Share Margin Financing • Singapore Reits • Cash Management Products	10.07.2014 10.07.2014 10.07.2014

The Board is also regularly updated by the Company Secretaries on the latest amendments to the Main Market Listing Requirements.

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 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 27 to 30 of this Annual Report.

(ii) Nomination Committee

The Nomination Committee was set up by the Board to ensure that it has an appropriate 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 Nomination and Election Process of Board Members public 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 following for the recommendation for the Board's approval:-
   - performance and effectiveness of the board as a whole, the committees of the board and the contribution of each existing individual director;
   - required mix of skills and experience and other qualities, including core competencies which non-executive directors should bring to the board;
   - re-election of directors pursuant to the Articles of Associations of the Company and the Companies Act, 1965;
   - independence of the Independent Directors as recommended by the Code.

There was one (1) meeting held during the financial year.

(iii) Remuneration Committee

The Remuneration Committee comprises of 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 under review.

C. DIRECTORS' REMUNERATION

The aggregate remuneration of Directors for the financial year ended 31 March 2014 are as follows:-

	Directors' fees (RM) Company (RM)	Subsidiaries (RM)	Salaries/ Allowances (RM)	Bonuses (RM)	Benefits-in-kind (RM)	Other emoluments (RM)	Total (RM)
Executive	140,000	96,000	1,659,010	426,000	28,000	414,092	2,763,102
Non-Executive	140,000	-	60,000	-	-	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 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, financial statements, corporate information and other relevant disclosure as stipulated by the regulatory bodies.

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 23 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 on Risk Management and Internal Control are set out on pages 24 to 26 of this Annual Report. The said Statement has been duly reviewed by the external auditor.

Relationship 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 decision making and has taken 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 the Company are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and the Company as at the end of the financial year and of the results and cash flows of the Group and the Company for that period.

The Directors are satisfied that in preparing the financial statements of the Group and the Company for the year ended 31 March 2014, the Group and the Company have 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 37 and 38 of this Annual Report.

This statement was made by the Board of Directors in accordance with a resolution of the Board of Directors dated 10 July 2014.

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. Kelab Rekreasi dan Perpaduan Mastana
2. Karnival Kesihatan 1 Malaysia
3. Sam Tiong Keng – Temple
4. B.Warga Emas Persatuan Bekas Polis Malaysia Negeri Selangor - Sumbangan untuk tabung kebajikan PBPMNS sempena Aidilfitri 2013
5. Tabung Pembinaan SMJK Yok Bin
6. SJAM Cawangan Bacang Melaka

At company level, the Company hosts its annual dinner for all its local and foreign employees to foster good relationship 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("the Board") of Oriental Food Industries Holdings Berhad ("the Group") acknowledges the importance of maintaining a good internal control system in the group and is pleased to provide the following Internal Control Statement which outlines the nature and scope of risk management and internal control of the Group for the financial year ended 31 March 2014 disclosed pursuant to Paragraph 15.26(b) of Main Market Listing Requirements. This statement was prepared by taking into account of the Statement on Risk Management and Internal Control: Guidelines for Director and Listed Issuers ("The Guidelines") pursuant to Practice Note 9 of Main Market Listing Requirements.

BOARD RESPONSIBILITIES

The Board of Directors ("the Board") affirms its overall responsibility for maintaining a sound risk management and internal control systems and for reviewing their adequacy and effectiveness so as to safeguard all its stakeholders' interests and protecting the Group's assets. The Board has delegated to the Audit Committee, through its terms of reference approved by the Board, the duty to review the maintenance of an effective risk management and internal control systems in the business process of the Group 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.

However, in view of the limitations that are inherent in any system of internal controls, the system of internal controls is designed to manage, rather than to eliminate, the risk of failure to achieve the Group's business objectives. Accordingly, the system of internal controls can only provide reasonable and not absolute assurance against material misstatement of losses and fraud.

RISK MANAGEMENT

The Board recognises that an important element of a sound system of internal control is to have in place a risk management practice for identifying, evaluating and managing significant risks faced by the Group systematically during the financial year under review. On strategic level, strategic business strategies are formulated by Managing Director and Executive Directors and presented to the Board for review to ensure proposed strategies are in line with the Group's risk appetite. Update of the implementation progress of the strategies approved are discussed in subsequent Board's meetings for follow-up and review.

On daily basis, the respective Head of Departments are responsible for managing the risk of their department. Changes in the key business risks faced by the Group or emergence of new key business risks and the corresponding internal controls are discussed during management meetings with material changes in the key business risks faced by the Group or emergence of new material business risks are highlighted to the Board by the Senior Management during the Board meeting, if any.

INTERNAL AUDIT FUNCTION

The Group relies on internal audit mechanisms to provide the Board and the Management with the required level of assurance that its business is operating adequately and effectively in order to provide reasonable assurance that the business objectives of the Group are achievable. The Group's internal audit function is outsourced to an independent professional firm which is reporting directly to the Audit Committee.

The Internal Audit function adopts a risk based approach in the preparation of the internal audit plan based on the Group's key risks profile and presents the proposed internal audit plan 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 to the approved plan is referred to the Audit Committee ("AC") for review and its recommendation to the Board for approval prior to the commencement of the audit.

During the financial year under review, two (2) cycles of internal audit review were performed based on the approved internal audit plan and, upon the completion of the internal audit works, internal audit reports were presented by the Internal Audit function to the Audit Committee for review and deliberation during the Audit Committee meetings and for their reporting to the Board. Update on the status of management action plans as identified in the previous internal audit reports were also presented during the financial year under review for the Audit Committee to ensure action plans were satisfactorily implemented to address the individual risks associated with the findings.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL SYSTEM

The key features of the Group's internal control systems are described below:

- **Board of Directors/Board Committees**

  Board Committees (i.e. Audit Committee, Remuneration Committee and Nomination Committee) being established to carry out duties and responsibilities delegated by the Board, governed by written terms of reference.

  Meetings of Board of Directors and respective Board Committees are carried out on scheduled basis to review the performance of the Group, from financial and operational perspective.

- **Integrity and Ethical Value**

  The tone from the top on integrity and ethical value are enshrined in formal Code of Conduct established and approved by the Board. This formal code forms the foundation of integrity and ethical value for the Group. Formal Whistle-Blowing Policy was put in place by the Board to provide a channel for employees and other interested parties to confidentially bring to the attention of the Audit Committee any concerns related to matters covered by the Group's Code of Conduct, legal issues and accounting or audit matters.

- **Organisation Structure and Authorisation Procedures**

  The Group has a formal organization structure in place for planning, organising and executing the business operations of the Group to ensure its objectives are met. The authorisation procedures for key processes are stated in the Group's policies and procedure.

- **Policies and Procedures**

  The Group has documented policies and procedures that are periodically reviewed and updated to ensure its relevance to regulate key operations in compliance with its International Organisation for Standardisation ("ISO") certifications (ISO 9001:2008), Hazard Analysis Critical Control Point system (for Potato Crisps products) and internal control requirements. The authorisation procedures for key processes are stated in the Group's policies and procedure.

- **Human Resource Policy**

  The Group put in place consistent human resource practice throughout the Group to ensure the Group's ability to operate in an effective and efficient manner by employing and retaining adequate competent employees possessing necessary knowledge, skill and experience in order to carry out their duties and responsibilities assigned effectively and efficiently. Training needs of employees are identified annually so that relevant trainings are provided to such employees to upgrade their knowledge and skill sets.

- **Information and Communication**

  At operational level, clear reporting lines established across the Group and operation and management reports are prepared for dissemination to relevant personnel for effective communication of critical Information throughout the Group for timely decision making and execution in pursuit of the business objectives. Matters that require the Board and Senior Management's attention are highlighted for review, deliberation and decision on a timely basis.

- **External Bodies Certification**

  The operating subsidiary is certified and in compliance with the ISO 9001:2008 (Quality Management System) for all products and Hazard and Critical Control Point certification for its potato crisps product.

- **Monitoring and Review Activities**

  - Daily management meetings of Head of Departments are held to review operational performance of key divisions/departments within the Group.

  - Monthly review of the management accounts of the Company and its subsidiaries by the Senior Management team.

  - Quarterly unaudited financial reports reviewed by Audit Committee together with management, and subsequently reported to the Board.

  - Conducting internal audit by Internal Audit function (which is reporting directly to the Audit Committee) on key risk areas identified during high level risk assessment. The Internal Audit function assesses the adequacy and effectiveness of internal controls in relation to specific critical control processes and highlights significant risks impacting the Group to the Audit Committee as well as recommending improvements to various processes to minimise the risks.

  - Independent review of compliance with relevant laws and regulations in relation to specific areas of safety, health and environment by independent consultants engaged by the Group and/or relevant regulatory bodies

ASSURANCE PROVIDED BY THE MANAGING DIRECTOR AND EXECUTIVE DIRECTOR

During the meetings of Board of Directors in the financial year under review, the performance of the Group were reviewed and deliberated by the Board, including, but not limited to, the adequacy and effectiveness of specific risk management and internal control system of the Group put in place to address potential business risks identified by the Board during such reviews and deliberation. Through such reviews by the Board with Managing Director and Senior Management of the Group and independent internal control reviews conducted and reported to the Board, the Board is of the view that the risk management and internal control systems are satisfactory and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report.

In line with the Guidelines, the Managing Director, being highest ranking executive in the Company and Executive Director, being the person primarily responsible for the management of the financial affairs of the Company have provided assurance to the Board in writing stating that the Group's risk management and internal control systems have operated adequately and effectively, in all material aspects, to meet the Group's objectives during the financial year under review.

CONCLUSION

The Board is committed towards maintaining an effective risk management and internal control systems throughout the Group and where necessary put in place appropriate plans to further enhance the Group's systems of internal control. Notwithstanding this, the Board will continue to evaluate and manage the significant business risks faced by the Group in order to meet its business objectives in the current and challenging business environment.

AUDIT COMMITTEE REPORT

A. MEMBERSHIP

The Audit Committee of the Company comprises the following Board members :-

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 and internal 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 auditor 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 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 result 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.

- Reviewed independency of external auditors.
- 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 on Internal Control and Audit Committee Report prior to the Board approval for inclusion in the Company's Annual Report.
- Reviewed the recurrent related party transaction to ensure the transaction entered is undertaken on the group's normal commercial terms and the procedures with regards to such transaction are sufficient.
- Conducted independent meetings with the external and internal auditors.

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 RM28,231.40.

FINANCIAL STATEMENTS

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 2014.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are described in Note 18 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	16,170,506	3,196,620
Non-controlling interest	36,340	-
	16,206,846	3,196,620

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 2013 were as follows:

	RM
In respect of the financial year ended 31 March 2013 as reported in the directors' report of that year:	
Final single tier dividend of 2 sen per ordinary share, declared on 1 August 2013 and paid on 1 October 2013	1,200,000
In respect of the financial year ended 31 March 2014:	
First interim tax exempt dividend of 2 sen per ordinary share, declared on 28 August 2013 and paid on 1 October 2013	1,200,000
Second interim single tier dividend of 2 sen per ordinary share, declared on 21 November 2013 and paid on 2 January 2014	1,200,000
Third interim single tier dividend of 2 sen per ordinary share, declared on 25 February 2014 and paid on 7 April 2014	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 2014 of 3.5% on 60,000,000 ordinary shares, amounting to a dividend payable of RM2,100,000 (3.5 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 2015.

DIRECTORS' REPORT

DIRECTORS

The names of the directors of the Company in office since the date of the last report and 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 13 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 33 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			
	1.4.2013	**Acquired**	**Sold**	**31.3.2014**
Direct interest:				
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	-	(60,000)	1,230,124
Lim Keat Sear	733,753	-	-	733,753
Deemed interest:				
Datuk Son Chen Chuan	8,936,444	-	(60,000)	8,876,444
Hoo Beng Lee	24,410,006	-	(60,000)	24,350,006
Son Tong Leong	25,737,652	-	(60,000)	25,677,652
Son Tong Eng	23,495,603	-	-	23,495,603
Lim Keat Sear	11,798,624	-	-	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 interest.

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) 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 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 its 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.

DIRECTORS' REPORT

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 10 July 2014.

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 39 to 92 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 2014 and of their financial performance and cash flows for the year then ended.

The information set out in Note 41 on page 93 of the financial statements 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 10 July 2014.

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 39 to 92 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.

Subscribed and solemnly declared by
the abovenamed, Son Tong Leong
on 10 July 2014 **Son Tong Leong**

Before me,

WEE AI YEN
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD
(Incorporated in Malaysia)

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 2014 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 39 to 92.

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 2014 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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD
(Incorporated 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 41 on page 93 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. 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

Lee Ah Too
2187/09/15(J)
Chartered Accountant

Melaka, Malaysia
Date: 10 July 2014

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Note	Group		Company	
		2014 RM	2013 RM	2014 RM	2013 RM
Revenue	8	226,889,306	212,099,889	4,146,978	7,093,515
Cost of sales		(174,335,441)	(166,429,312)	-	-
Gross profit		52,553,865	45,670,577	4,146,978	7,093,515
Other income	9	426,697	786,881	27	57
Other items of expense					
General and administrative		(10,810,297)	(9,605,221)	(583,990)	(675,617)
Selling and distribution		(21,285,164)	(20,213,943)	-	-
Finance costs	10	(243,687)	(327,302)	-	-
Profit before tax	11	20,641,414	16,310,992	3,563,015	6,417,955
Income tax expense	14	(4,434,568)	(3,458,521)	(366,395)	(1,439,808)
Profit net of tax, representing total comprehensive income for the year		16,206,846	12,852,471	3,196,620	4,978,147
Attributable to:					
Owners of the parent		16,170,506	12,773,562	3,196,620	4,978,147
Non-controlling interest		36,340	78,909	-	-
		16,206,846	12,852,471	3,196,620	4,978,147
Earnings per share attributable to owners of the parent (sen per share)					
Basic	15	26.95	21.29		

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

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014

	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Assets					
Non-current assets					
Property, plant and equipment	16	92,370,963	93,262,459	-	-
Land held for property development	20	957,769	957,769	-	-
Investment properties	17	908,091	923,874	-	-
Investment in subsidiaries	18	-	-	38,968,751	38,968,751
Investment security	19	372,438	372,438	-	-
		94,609,261	95,516,540	38,968,751	38,968,751
Current assets					
Development property	20	-	3,553,062	-	-
Inventories	21	26,507,073	17,350,966	-	-
Trade and other receivables	22	32,087,559	31,762,235	27,828,076	28,311,077
Other current assets	23	1,328,604	3,809,239	11,152	1,206,241
Income tax recoverable		1,425,417	1,541,879	171,085	241,163
Cash and bank balances	26	27,585,523	18,189,192	190,391	21,762
		88,934,176	76,206,573	28,200,704	29,780,243
Total assets		183,543,437	171,723,113	67,169,455	68,748,994
Equity and liabilities					
Current liabilities					
Income tax payable		561,588	-	-	-
Loans and borrowings	27	2,858,609	5,420,344	-	-
Trade and other payables	28	22,990,855	20,903,659	1,540,433	1,516,592
Derivatives	25	40,650	39,047	-	-
		26,451,702	26,363,050	1,540,433	1,516,592
Net current assets		*62,482,474*	*49,843,523*	*26,660,271*	*28,263,651*

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014

		Group		Company	
	Note	2014 RM	2013 RM	2014 RM	2013 RM
Non-current liabilities					
Deferred tax liabilities	29	8,481,783	6,575,356	-	-
Loans and borrowings	27	3,790,896	5,372,497	-	-
		12,272,679	11,947,853	-	-
Total liabilities		38,724,381	38,310,903	1,540,433	1,516,592
Net assets		144,819,056	133,412,210	65,629,022	67,232,402
Equity attributable to owners of the parent					
Share capital	30	60,000,000	60,000,000	60,000,000	60,000,000
Share premium		-	-	5,530,994	5,530,994
Revaluation reserves	31	9,959,616	9,959,616	-	-
Retained earnings	32	74,215,732	62,845,226	98,028	1,701,408
		144,175,348	132,804,842	65,629,022	67,232,402
Non-controlling interest		643,708	607,368	-	-
Total equity		144,819,056	133,412,210	65,629,022	67,232,402
Total equity and liabilities		183,543,437	171,723,113	67,169,455	68,748,994

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 2014

Group 2014	Note	Equity, total RM	Equity attributable to owners of the parent, total RM	← Non-distributable Share capital RM	Non-distributable → Revaluation reserves RM	Distributable Retained earnings RM	Non-controlling interest RM
Opening balance at 1 April 2013		133,412,210	132,804,842	60,000,000	9,959,616	62,845,226	607,368
Total comprehensive income		16,206,846	16,170,506	-	-	16,170,506	36,340
Transaction with owners							
Dividends paid on ordinary shares	39	(4,800,000)	(4,800,000)	-	-	(4,800,000)	-
Closing balance at 31 March 2014		144,819,056	144,175,348	60,000,000	9,959,616	74,215,732	643,708
2013							
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	39	(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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

Company			← Non-distributable	→	Distributable
	Note	Equity, total	Share capital	Share premium	Retained earnings
2014		RM	RM	RM	RM
Opening balance at 1 April 2013		67,232,402	60,000,000	5,530,994	1,701,408
Total comprehensive income		3,196,620	-	-	3,196,620
Transaction with owners					
Dividends paid on ordinary shares	39	(4,800,000)	-	-	(4,800,000)
Closing balance at 31 March 2014		65,629,022	60,000,000	5,530,994	98,028
2013					
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	39	(4,800,000)	-	-	(4,800,000)
Closing balance at 31 March 2013		67,232,402	60,000,000	5,530,994	1,701,408

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Operating activities				
Profit before tax:	20,641,414	16,310,992	3,563,015	6,417,955
Adjustments for:				
Depreciation of:				
- Property, plant and equipment	6,823,877	6,259,651	-	-
- Investment properties	15,783	15,783	-	-
Dividend income	-	-	(4,146,978)	(7,093,515)
Finance costs	243,687	327,302	-	-
Interest income	(248,106)	(229,144)	(27)	(57)
Inventories written down	862,046	230,668	-	-
Loss on disposal of property, plant and equipment	39,380	141,489	-	-
Net fair value loss on derivatives	1,603	9,629	-	-
Property, plant and equipment written off	2,105	-	-	-
Allowance/(reversal of allowance) for slow moving inventories	85,002	(491)	-	-
Reversal of allowance for impairment of trade receivable	(14,042)	-	-	-
Unrealised loss/(gain) on foreign exchange	649,048	(205,217)	-	-
Total adjustments	8,460,383	6,549,670	(4,147,005)	(7,093,572)
Operating cash flows before changes in working capital	**29,101,797**	**22,860,662**	**(583,990)**	**(675,617)**
Changes in working capital				
Decrease in development property	3,553,062	373,538	-	-
(Increase)/decrease in inventories	(10,117,197)	1,692,904	-	-
Decrease/(increase) in receivables	755,589	(952,557)	(14,411)	(1,207,493)
Increase in payables	2,116,217	995,107	16,341	83,536
Total changes in working capital	(3,692,329)	2,108,992	1,930	(1,123,957)
Cash flows from/(used in) operations	**25,409,468**	**24,969,654**	**(582,060)**	**(1,799,574)**
Interest received	248,106	229,144	27	57
Interest paid	(243,687)	(327,302)	-	-
Income taxes paid	(2,573,418)	(3,899,642)	(7,000)	(6,414)
Income taxes refunded	723,327	513,978	119,926	62,715
Net cash flows from/(used in) operating activities	23,563,796	21,485,832	(469,107)	(1,743,216)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Investing activities				
Purchase of property, plant and equipment	(6,032,816)	(16,136,839)	-	-
Proceeds from disposal of property, plant and equipment	43,950	336,300	-	-
Dividend income	-	-	3,737,736	4,501,654
Net cash flows (used in)/from investing activities	**(5,988,866)**	**(15,800,539)**	**3,737,736**	**4,501,654**
Financing activities				
Dividends paid on ordinary shares	(3,600,000)	(3,600,000)	(3,600,000)	(3,600,000)
Proceeds from loans and borrowings	-	6,039,317	-	-
Repayment of loans and borrowings	(2,396,666)	(4,936,758)	-	-
Advances from subsidiaries	-	-	500,000	800,000
Net cash flows used in financing activities	**(5,996,666)**	**(2,497,441)**	**(3,100,000)**	**(2,800,000)**
Net increase/(decrease) in cash and cash equivalents	**11,578,264**	**3,187,852**	**168,629**	**(41,562)**
Effect of exchange rate changes on cash and cash equivalents	(435,263)	360,682	-	-
Cash and cash equivalents at 1 April	**15,165,594**	**11,617,060**	**21,762**	**63,324**
Cash and cash equivalents at 31 March (Note 26)	**26,308,595**	**15,165,594**	**190,391**	**21,762**

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 18 to the financial statements. There have been no significant changes in the nature of the principal activities during the financial year.

2. 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 a historical cost basis except as disclosed in the accounting policies below.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

(i) power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) exposure, or rights, to variable returns from its investment with the investee; and

(iii) the ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) the contractual arrangement with the other vote holders of the investee;

(ii) rights arising from other contractual arrangements; and

(iii) the Group’s voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation

Profit or loss and each component of other comprehensive income (OCI) are attributed to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary;
- derecognises the carrying amount of any non-controlling interests;
- derecognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

3.2 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of FRS 139 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised either in either profit or loss or as a change to OCI. If the contingent consideration is not within the scope of FRS 139, it is measured in accordance with the appropriate FRS. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Business combinations and goodwill (continued)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

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.

3.3 Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Current versus non-current classification (continued)

All other assets are classified as non-current. A liability is current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax liabilities are classified as non-current assets and liabilities.

3.4 Fair value measurement

The Group measures financial instruments, such as, derivatives, at fair value at each statement of financial position date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Fair value measurement (continued)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.5 Revenue recognition

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, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to inventory and credit risks.

The specific recognition criteria described below must also be met before revenue is recognised.

(i) Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

(ii) Dividends

Revenue is recognised when the Company’s right to receive the payment is established.

(iii) Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the profit or loss due to its operating nature.

(iv) Sale of development properties

Revenue from sale of development properties under development is accounted for by the stage of completion method.

Revenue from sale of completed development properties is recognised net of discount and upon significant risks and rewards of ownership have passed to the buyer. Revenue is not recognised to the extent were there are significant uncertainties regarding recovery of the consideration due, associated costs or possible return of completed development properties.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Taxes

(i) Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in Malaysia, where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

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

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

- when the deferred tax liability arises from the initial recognition of goodwill or 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; or

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when 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, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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:

- when 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; or

- 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, if any, 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 re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Taxes (continued)

(ii) Deferred tax (continued)

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 OCI or directly in equity.

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

(iii) Sales tax

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

- when the sales tax incurred on 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; or

- When receivables and payables 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 statement of financial position.

3.7 Foreign currencies

The Group's consolidated financial statements are presented in RM, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and has elected to recycle the gain or loss that arises using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Cash dividend and non-cash distribution to owners of the parent

The Company recognises a liability to make cash or non-cash distributions to owners of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the profit or loss.

3.9 Property, plant and equipment

Freehold land is stated at fair value, net of accumulated impairment losses, if any. Leasehold land and buildings are stated at fair value, net of accumulated depreciation and accumulated impairment losses, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the 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. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

A revaluation surplus is recorded in OCI and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

The asset revaluation reserve will be transferred to retained earnings in full, upon disposal of the asset. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation is calculated 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

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

(i) Group as a lessee

Finance leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the Group, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in the profit or loss on a straight-line basis over the lease term.

(ii) Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an 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 basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.12 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the profit or loss in the period of derecognition.

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. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

(a) Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

(b) Subsequent measurement

For purposes of subsequent measurement financial assets are classified in four categories:

- Financial assets at fair value through profit or loss;
- Loans and receivables;
- Held-to-maturity investments; and
- Available-for-sale financial assets.

<u>Financial assets at fair value through profit or loss</u>

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments as defined by FRS 139. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the profit or loss.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Re-assessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

The Group did not have any financial assets at fair value through profit or loss during the financial years 31 March 2014 and 2013, except for the derivatives.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Financial instruments – initial recognition and subsequent measurement (continued)

(i) Financial assets (continued)

(b) Subsequent measurement (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Group has the positive intention and ability to hold them to maturity. After initial measurement, held to maturity investments are measured at amortised cost using the EIR, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss as finance costs.

The Group did not have any held-to-maturity investments during the financial years 31 March 2014 and 2013.

Available-for-sale (AFS) financial assets

AFS financial assets include equity investments and debt securities. Equity investments classified as AFS are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, AFS financial assets are subsequently measured at fair value with unrealised gains or losses recognised in OCI and credited in the AFS reserve until the asset is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the asset is determined to be impaired, when the cumulative loss is reclassified from the AFS reserve to the profit or loss in finance costs. Interest earned whilst holding AFS financial assets is reported as interest income using the EIR method.

Equity investments whose fair values cannot be reliably measured are measured at cost net of impairment loss, if any.

The Group evaluates whether the ability and intention to sell its AFS financial assets in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if the management has the ability and intention to hold the assets for foreseeable future or until maturity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Financial instruments – initial recognition and subsequent measurement (continued)

(i) Financial assets (continued)

(b) Subsequent measurement (continued)

Available-for-sale (AFS) financial assets (continued)

For a financial asset reclassified from the AFS category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on the asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the profit or loss.

(c) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired, or

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

(ii) Impairment of financial assets

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Financial instruments – initial recognition and subsequent measurement (continued)

(ii) Impairment of financial assets (continued)

(a) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income (recorded as finance income in the profit or loss) continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the profit or loss.

(b) Available-for-sale (AFS) financial assets

For AFS financial assets, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as AFS, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the profit or loss – is removed from OCI and recognised in the profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognised in OCI.

Impairment losses on equity investments measured at cost are directly recognised in the profit or loss.

In the case of debt instruments classified as AFS, the impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Financial instruments – initial recognition and subsequent measurement (continued)

(ii) Impairment of financial assets (continued)

(b) Available-for-sale (AFS) financial assets (continued)

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the profit or loss, the impairment loss is reversed through the profit or loss.

(iii) Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

(b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

<u>Financial liabilities at fair value through profit or loss</u>

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 are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by FRS 139. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in FRS 139 are satisfied.

The Group did not have any financial liabilities at fair value through profit or loss during the financial years 31 March 2014 and 2013, except for the derivatives.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Financial instruments – initial recognition and subsequent measurement (continued)

(iii) Financial liabilities (continued)

(b) Subsequent measurement (continued)

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the profit or loss.

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, 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 recognised less cumulative amortisation.

(c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the profit or loss.

(iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.14 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: purchase cost on a weighted average basis;

- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs; and

- Completed commercial properties: cost of land, construction and appropriate development overheads.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 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 indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows 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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses, including impairment on inventories, are recognised in the profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.16 Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the statements of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts.

3.17 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 resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the profit or loss net of any reimbursement.

3.18 Pensions benefits

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.19 Subsidiaries

A subsidiary is an entity over which the Group has all the following:

(i) Power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

3.20 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.

(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 and the excess of billings to purchasers over revenue recognised in profit or loss is classified as progress billings.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.21 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 its 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.

3.22 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 38, including the factors used to identify the reportable segments and the measurement basis of segment information.

4. CHANGES IN ACCOUNTING POLICIES

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

On 1 April 2013, the Group adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 April 2013.

Description	**Effective for annual periods beginning on or after**
Amendments to FRS 101 Presentation of Items of Other Comprehensive Income	1 July 2012
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
FRS 127 Separate Financial Statements	1 January 2013
FRS 128 Investment in Associate and Joint Ventures	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
Improvements to FRSs (2012)	1 January 2013
Amendments to FRS 1 Government Loans	1 January 2013
Amendments to FRS 10, FRS 11 and FRS 12 Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group except as discussed below:

4. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

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. FRS 13 defines fair value as an exit price. As a result of the guidance in FRS 13, the Group re-assessed its policies for measuring fair values, in particular, its valuation inputs such as non-performance risk for fair value measurement of liabilities. FRS 13 also requires additional disclosures.

Application of FRS 13 has not materiality impacted the fair value measurement of the Group. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined.

5. 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 financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
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
Amendments to FRS 136 Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to FRS 139 Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21 Levies	1 January 2014
FRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009)	To be announced
FRS 9 Financial Instruments (IFRS 9 issued by IASB in October 2010)	To be announced
FRS 9 Financial Instruments (Hedge Accounting and Amendments to FRS 9, FRS 7 and FRS 139)	To be announced

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:

FRS 9 Financial Instruments

FRS 9 reflects the first phase of work on the replacement of FRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139. The adoption of the first phase of FRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will not have an impact on classification and measurements of the Group's financial liabilities. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

6. 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 (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities are allowed to defer the adoption of the new MFRS Framework and may in the alternative, apply Financial Reporting Standards (FRS) as its financial reporting framework for annual periods beginning on or after 1 January 2014.

6. MALAYSIAN FINANCIAL REPORTING STANDARDS (MFRS FRAMEWORK) (CONTINUED)

The Group falls within the scope definition of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. Accordingly, the Group will present its first set of MFRS financial statements when the MFRS Framework is mandated by the MASB. 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. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

The Group has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the financial performance and financial position as disclosed in these financial statements for the year ended 31 March 2014 could be different if prepared under the MFRS Framework.

7. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's and the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

(i) Judgments

In the process of applying the Group's accounting policies, the management did not make any judgment which has significant effect on the amounts recognised in the financial statements.

(ii) Estimates and assumptions

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 described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Depreciation of plant and machinery

The costs of plant and machinery for the manufacture of snack food and confectioneries are 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 16.

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 22.

7. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

(ii) Estimates and assumptions (continued)

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.

Property development

The Group recognises property development revenue and expenses in the 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.

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

8. REVENUE

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Sale of goods	225,189,212	207,592,918	-	-
Sale of properties	1,700,094	4,506,971	-	-
Dividend income from a subsidiary	-	-	4,146,978	7,093,515
	226,889,306	212,099,889	4,146,978	7,093,515

9. OTHER INCOME

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Gain on foreign exchange:				
- realised	-	203,034	-	-
- unrealised	-	205,217	-	-
Interest income	248,106	229,144	27	57
Rental income	90,000	90,000	-	-
Miscellaneous	74,549	59,486	-	-
Reversal of allowance for impairment of trade receivables (Note 22)	14,042	-	-	-
	426,697	786,881	27	57

10. FINANCE COSTS

	Group 2014 RM	Group 2013 RM
Interest expense on:		
- Bank loans	240,408	315,168
- Bank overdrafts	3,279	12,134
Total finance costs	243,687	327,302

11. PROFIT BEFORE TAX

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

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Auditors' remuneration:				
- Current year	78,000	75,000	25,000	22,000
- Other services	5,000	5,000	5,000	5,000
Depreciation of:				
- Property, plant and equipment (Note 16)	6,823,877	6,259,651	-	-
- Investment properties (Note 17)	15,783	15,783	-	-
Direct operating expenses arising from investment properties				
- Rental generating properties	6,263	5,506	-	-
Employee benefits expense (Note 12)	21,395,979	18,585,495	156,800	196,800
Loss on disposal of property, plant and equipment	39,380	141,489	-	-
Loss on foreign exchange:				
- Realised	128,154	-	-	-
- Unrealised	649,048	-	-	-
Net fair value loss on derivatives	1,603	9,629	-	-
Inventories written down	862,046	230,668	-	-
Operating leases:				
- Minimum lease payments for premises	251,263	208,420	-	-
Property, plant and equipment written off	2,105	-	-	-
Allowance for slow moving inventories	85,002	-	-	-

12. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Salaries, bonus and allowances	18,988,093	16,055,766	140,000	180,000
Defined contribution plans	1,479,498	1,356,309	16,800	16,800
Other employee benefits	928,388	1,173,420	-	-
	21,395,979	18,585,495	156,800	196,800

Included in employee benefits expense of the Group and the Company are executive directors' remuneration amounting to RM2,735,102 (2013: RM2,631,540) and RM156,800 (2013: RM196,800) respectively.

13. DIRECTORS' REMUNERATION

The details of directors' remuneration during the year are as follows:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Executive:				
- Fees - current year	236,000	236,000	140,000	140,000
- underprovision	-	40,000	-	40,000
- Salaries and other emoluments	2,085,010	1,950,000	-	-
- Defined contribution plans	414,092	405,540	16,800	16,800
Total executive directors' remuneration (excluding benefits-in-kind)	2,735,102	2,631,540	156,800	196,800
Estimated money value of benefits-in-kind	28,000	91,650	-	-
Total executive directors' remuneration (including benefits-in-kind)	2,763,102	2,723,190	156,800	196,800
Non-executive:				
- Fees - current year	140,000	140,000	140,000	140,000
- underprovision	-	40,000	-	40,000
- Other emolument	60,000	60,000	60,000	60,000
- Defined contribution plans	8,400	8,400	8,400	8,400
Total non-executive directors' remuneration	208,400	248,400	208,400	248,400
Total directors' remuneration	2,971,502	2,971,590	365,200	445,200

14. INCOME TAX EXPENSE

Major components of income tax expense

The major components of tax expense for the years ended 31 March 2014 and 2013 are:

	Group		Company	
	2014 RM	**2013 RM**	**2014 RM**	**2013 RM**
Statements of comprehensive income:				
- Current income tax	2,569,654	1,798,849	366,395	1,374,500
- (Over)/underprovision in respect of previous years	(41,513)	112,131	-	65,308
	2,528,141	1,910,980	366,395	1,439,808
Deferred income tax (Note 29):				
Relating to origination and reversal of temporary differences	1,765,000	1,465,126	-	-
Underprovision in respect of previous years	141,427	82,415	-	-
	1,906,427	1,547,541	-	-
Income tax expense recognised in profit or loss	4,434,568	3,458,521	366,395	1,439,808

Reconciliation between income tax expense and accounting profit

The reconciliation between income tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 March 2014 and 2013 are as follows:

	Group		Company	
	2014 RM	**2013 RM**	**2014 RM**	**2013 RM**
Profit before tax	20,641,414	16,310,992	3,563,015	6,417,955
Tax at Malaysian statutory tax rate of 25 % (2013: 25%)	5,160,353	4,077,748	890,754	1,604,489
Adjustments:				
Income not subject to taxation	-	(75,994)	(562,605)	(272,828)
Non-deductible expenses	324,029	455,787	38,238	42,839
Effect on certain expenses eligible for double deduction	(1,149,728)	(1,193,541)	-	-
Others	-	(25)	8	-
Underprovision of deferred income tax in respect of previous years	141,427	82,415	-	-
(Over)/underprovision of income tax in respect of previous years	(41,513)	112,131	-	65,308
Income tax expense recognised in profit or loss	4,434,568	3,458,521	366,395	1,439,808

Income tax is calculated at the Malaysian statutory tax rate of 25% (2013: 25%) of the estimated assessable profit for the year.

14. INCOME TAX EXPENSE (CONTINUED)

Reconciliation between income tax expense and accounting profit (continued)

The Malaysian corporate statutory tax rate is expected to reduce from 25% to 24% with effect from year of assessment 2016 as announced in the 2014 Budget. The reduction in the corporate statutory tax rate has no significant impact to the Group and the Company.

The amount available for carry forward to offset against future taxable income is as follows:

	Group	
	2014	**2013**
	RM	**RM**
Unutilised reinvestment allowances	13,856,618	20,184,652

15. 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	
	2014	**2013**
Profit net of tax attributable to owners of the parent (RM)	16,170,506	12,773,562
Weighted average number of ordinary shares	60,000,000	60,000,000
Basic earnings per share (sen)	26.95	21.29

(b) Diluted

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

16. PROPERTY, PLANT AND EQUIPMENT

Group	* Land and buildings RM	Renovation 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 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 and 1 April 2013	34,832,175	352,209	93,664,508	5,839,215	12,905,038	8,208,843	155,801,988
Additions	-	-	4,421,907	272,012	698,161	640,736	6,032,816
Disposals	-	-	(80,000)	(241,525)	(34,400)	-	(355,925)
Written off	-	-	(11,800)	-	(644)	-	(12,444)
Reclassifications	2,158,050	-	5,895,528	-	88,242	(8,141,820)	-
At 31 March 2014	36,990,225	352,209	103,890,143	5,869,702	13,656,397	707,759	161,466,435
Representing:							
At cost	19,130,225	352,209	103,890,143	5,869,702	13,656,397	707,759	143,606,435
At valuation	17,860,000	-	-	-	-	-	17,860,000
At 31 March 2014	36,990,225	352,209	103,890,143	5,869,702	13,656,397	707,759	161,466,435
Accumulated depreciation							
At 1 April 2012	4,760,157	-	40,915,171	3,195,225	7,945,114	-	56,815,667
Depreciation charge for the year (Note11)	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 and 1 April 2013	6,013,387	2,935	44,516,034	3,123,196	8,883,977	-	62,539,529
Depreciation charge for the year (Note 11)	1,305,130	35,221	4,165,352	421,796	896,378	-	6,823,877
Disposals	-	-	(36,051)	(216,520)	(5,024)	-	(257,595)
Written off	-	-	(9,818)	-	(521)	-	(10,339)
At 31 March 2014	7,318,517	38,156	48,635,517	3,328,472	9,774,810	-	69,095,472

16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	* Land and buildings RM	Renovation 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	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
At cost	17,345,813	314,053	55,254,626	2,541,230	3,881,587	707,759	80,045,068
At valuation	12,325,895	-	-	-	-	-	12,325,895
At 31 March 2014	29,671,708	314,053	55,254,626	2,541,230	3,881,587	707,759	92,370,963

*** Land and buildings**

Group	Freehold land RM	Leasehold land RM	Buildings RM	Total RM
Cost or valuation				
At 1 April 2012	1,150,000	13,701,132	16,710,000	31,561,132
Reclassifications	-	-	3,271,043	3,271,043
At 31 March 2013 and 1 April 2013	1,150,000	13,701,132	19,981,043	34,832,175
Reclassifications	-	-	2,158,050	2,158,050
At 31 March 2014	1,150,000	13,701,132	22,139,093	36,990,225
Representing:				
At cost	-	13,701,132	5,429,093	19,130,225
At valuation	1,150,000	-	16,710,000	17,860,000
At 31 March 2014	1,150,000	13,701,132	22,139,093	36,990,225
Accumulated depreciation				
At 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 and 1 April 2013	-	1,604,450	4,408,937	6,013,387
Depreciation charge for the year	-	175,800	1,129,330	1,305,130
At 31 March 2014	-	1,780,250	5,538,267	7,318,517

16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

*** Land and buildings**

Group	Freehold land RM	Leasehold land RM	Buildings RM	Total RM
Net carrying amount				
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
At cost	-	11,920,882	5,424,931	17,345,813
At valuation	1,150,000	-	11,175,895	12,325,895
At 31 March 2014	1,150,000	11,920,882	16,600,826	29,671,708

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 2014 RM	2013 RM
Freehold land	911,381	911,381
Buildings	8,668,386	7,031,529
	9,579,767	7,942,910

17. INVESTMENT PROPERTIES

	Group 2014 RM	Group 2013 RM
Cost:		
At 1 April 2012/31 March 2013 and 31 March 2014	1,077,209	1,077,209
Accumulated depreciation:		
At 1 April	153,335	137,552
Depreciation charge for the year (Note 11)	15,783	15,783
At 31 March	169,118	153,335
Net carrying amount	908,091	923,874
Fair value	2,893,000	1,760,000

18. INVESTMENT IN SUBSIDIARIES

	Company 2014 RM	Company 2013 RM
Unquoted shares in Malaysia, 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 2014	Proportion (%) of ownership interest 2013
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

19. INVESTMENT SECURITY

	Group 2014 RM	Group 2013 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 assets as it is not expected to be realised within 12 months after the reporting date.

20. PROPERTY DEVELOPMENT COSTS

Group

(a) Land held for property development

Cost/carrying amount:	**Leasehold land RM**
At 1 April 2012/31 March 2013 and 31 March 2014	957,769

20. PROPERTY DEVELOPMENT COSTS (CONTINUED)

(b) Property development costs

	Leasehold land RM	Development costs RM	Total RM
Cumulative property development costs:			
At 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 and 1 April 2013	4,973,071	11,208,725	16,181,796
Cost incurred during the year	-	750,256	750,256
Unsold units transferred to inventories	(1,126,397)	(2,708,699)	(3,835,096)
Reversal of completed project	(3,846,674)	(9,250,282)	(13,096,956)
At 31 March 2014	-	-	-
Cumulative costs recognised in profit or loss:			
At 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 and 1 April 2013	4,032,274	8,596,460	12,628,734
Recognised during the year	282,213	747,169	1,029,382
Reversal of costs recognised for a cancelled sale	(467,813)	(93,347)	(561,160)
Reversal of completed project	(3,846,674)	(9,250,282)	(13,096,956)
At 31 March 2014	-	-	-
Property development costs:			
At 31 March 2013	940,797	2,612,265	3,553,062
At 31 March 2014	-	-	-

21. INVENTORIES

	Group 2014 RM	Group 2013 RM
Cost		
Raw materials	17,214,280	13,247,118
Work-in-progres	77,386	66,458
Finished goods	5,380,311	4,037,390
Development properties	3,835,096	-
	26,507,073	17,350,966

During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group was RM170,240,788 (2013: RM162,744,210).

22. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Trade receivables				
Third parties	31,381,262	31,498,159	-	-
Less: Allowance for impairment	(1,063,326)	(1,088,124)	-	-
Trade receivables, net	30,317,936	30,410,035	-	--
Other receivables				
Third parties	720,195	805,864	-	-
Amounts due from subsidiaries	-	-	27,813,076	28,305,577
Refundable deposits	966,428	444,386	15,000	5,500
Staff loans	83,000	101,950	-	-
	1,769,623	1,352,200	27,828,076	28,311,077
Total trade and other receivables	32,087,559	31,762,235	27,828,076	28,311,077
Add: Cash and bank balances (Note 26)	27,585,523	18,189,192	190,391	21,762
Total loans and receivables	59,673,082	49,951,427	28,018,467	28,332,839

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 120 days (2013: 30 to 120 days) term. 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	
	2014 RM	2013 RM
Neither past due nor impaired	15,529,633	18,205,504
1 to 30 days past due not impaired	8,507,986	6,599,111
31 to 60 days past due not impaired	2,987,055	2,501,140
More than 61 days past due not impaired	3,293,262	3,104,280
	14,788,303	12,204,531
Impaired	1,063,326	1,088,124
	31,381,262	31,498,159

22. 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 RM14,788,303 (2013: RM12,204,531) 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	
	2014	**2013**
	RM	**RM**
Trade receivables - nominal amounts	1,063,326	1,088,124
Less: Allowance for impairment	(1,063,326)	(1,088,124)
	-	-

Movement in allowance accounts:	Group	
	2014	**2013**
	RM	**RM**
At 1 April	1,088,124	1,088,124
Impairment loss recovered during the year (Note 9)	(14,042)	-
Written off	(10,756)	-
At 31 March	1,063,326	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.

23. OTHER CURRENT ASSETS

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Amount due from customers for contract work (Note 24)	-	249,387	-	-
Advances to suppliers of property, plant and equipment	635,455	1,796,437	-	-
Prepaid operating expenses	693,149	563,415	11,152	6,241
Deposit placed in Bursa Malaysia Securities Berhad's dividend account	-	1,200,000	-	1,200,000
	1,328,604	3,809,239	11,152	1,206,241

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

	Group	
	2014 RM	2013 RM
Construction contract costs incurred to date	13,114,428	12,628,732
Attributable profits	6,317,544	5,675,105
	19,431,972	18,303,837
Less: Progress billings	(19,431,972)	(18,054,450)
	-	249,387
Presented as:		
Amount due from customers for contract work (Note 23)	-	249,387

25. DERIVATIVES

	2014 RM		2013 RM	
	Contract/ Notional amount	Liabilities	Contract/ Notional amount	Liabilities
Non-hedging derivatives:				
Forward currency contracts	939,000	(40,650)	4,326,700	(39,047)

The Group uses forward currency contracts to hedge the foreign currency risk exposure arising from the trade receivables denominated in USD. 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.

During the financial year, the Group recognised a net fair value loss of RM1,603 (2013: RM9,629). 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 35.

26. CASH AND BANK BALANCES

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Cash at banks and on hand	20,418,624	11,195,120	190,391	21,762
Short term deposits with licensed banks	7,166,899	6,994,072	-	-
Cash and bank balances	27,585,523	18,189,192	190,391 -	21,762

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 2014 for the Group was 3.17% (2013: 3.06%).

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

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Cash and bank balances	27,585,523	18,189,192	190,391	21,762
Bank overdraft (Note 27)	(1,276,928)	(3,023,598)	-	-
Cash and cash equivalents	26,308,595	15,165,594	190,391	21,762

27. LOANS AND BORROWINGS

		Group	
Current	**Maturity**	**2014 RM**	**2013 RM**
<u>Unsecured:</u>			
Bank overdraft (Note 26)	On demand	1,276,928	3,023,598
Bank loans:			
- RM loan at 4.55% p.a. fixed rate	2014	-	66,666
- USD loan at LIBOR + 0.48% p.a.	2014	-	259,024
- USD loan at COF + 0.75% p.a.	2014	-	548,254
- RM loan at COF + 0.50% p.a.	2014	1,581,681	1,522,802
		2,858,609	5,420,344

27. LOANS AND BORROWINGS (CONTINUED)

Non-Current	Maturity	Group 2014 RM	Group 2013 RM
Unsecured:			
Bank loan:			
- RM loan at COF + 0.50% p.a.	2017	3,790,896	5,372,497
Total loans and borrowings (Note 28)		6,649,505	10,792,841

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

	Group 2014 RM	Group 2013 RM
On demand or within one year	2,858,609	5,420,344
More than 1 year and less than 2 years	1,642,843	1,581,684
More than 2 years but less than 5 years	2,148,053	3,790,813
	6,649,505	10,792,841

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.

28. TRADE AND OTHER PAYABLES

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Trade payables				
Third parties	14,716,907	12,999,279	-	-
Other payables				
Third parties	3,951,097	3,994,312	-	-
Accrued operating expenses	3,122,851	2,698,068	332,933	316,592
Amount due to a subsidiary	-	-	7,500	-
Dividend payable	1,200,000	1,200,000	1,200,000	1,200,000
Provisions	-	12,000	-	-
	8,273,948	7,904,380	1,540,433	1,516,592
Total trade and other payables	22,990,855	20,903,659	1,540,433	1,516,592
Add: Loans and borrowings (Note 27)	6,649,505	10,792,841	-	-
Total financial liabilities carried at amortised cost	29,640,360	31,696,500	1,540,433	1,516,592

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on average 60 days (2013: 60 days) term.

(b) Other payables

These amounts are non-interest bearing. Other payables are normally settled on average 60 days (2013: 60 days) term.

29. Deferred tax liabilities

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

	Deferred tax liabilities	← Deferred tax assets →		
	Property, plant and equipment RM	Unabsorbed reinvestment allowances RM	Others RM	Total RM
At 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 and 1 April 2013	11,742,856	(5,046,500)	(121,000)	6,575,356
Recognised in profit or loss	380,170	1,581,845	(55,588)	1,906,427
At 31 March 2014	12,123,026	(3,464,655)	(176,588)	8,481,783

30. SHARE CAPITAL

	Group and Company Number of ordinary shares of RM1 each		Group and Company Amount	
	2014	2013	2014 RM	2013 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.

31. 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.

32. RETAINED EARNINGS

The Company may distributes dividends out of its entire retained earnings as at 31 March 2014 and 31 March 2013 under the single tier system.

33. 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	2014 RM	2013 RM
Transaction with a company in which a director has interest:		
Sales of goods to Syarikat Perniagaan Chong Mah	4,738,381	4,993,271
Company		
Transaction with a subsidiary:		
Dividend income received from Oriental Food Industries Sdn. Bhd.	4,146,978	7,093,515

(b) Compensation of key management personnel

There is no other key management personnel other than the executive directors. The remuneration of executive directors is disclosed in Note 13.

34. COMMITMENTS

Capital commitments

Capital expenditure as at the reporting date is as follows:

	Group 2014 RM	Group 2013 RM
Capital expenditure approved and contracted for:		
Property, plant and equipment	12,441,922	347,967

35. 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 approximations of fair value

	Note	2014 Carrying amount RM	2014 Fair value RM	2013 Carrying amount RM	2013 Fair value RM
Financial asset:					
Equity instrument (unquoted), at cost	19	372,438	*	372,438	*

* Fair value information has not been disclosed for the Group's investment in equity instrument that is carried at cost because of the fair value cannot be measured reliably. This equity instrument represents 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 intends to dispose of this investment in the foreseeable future.

B. Determination of fair value

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

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	22
Trade and other payables	28
Loans and borrowings	27

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.

35. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

B. Determination of fair value (continued)

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value (continued)

The carrying amounts of the current portion of loans and borrowings are reasonable approximation 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 approximation 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.

Fair value hierarchy

The Group classifies fair value measurement using the fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

As at reporting date, the Group's financial asset/(liability) measured at fair value, derivatives carried at fair value through profit or loss was classified in Level 2 of the hierarchy. There have been no transfers between Level 1, Level 2 and Level 3 fair value measurements during the financial years ended 31 March 2014 and 31 March 2013.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Group also holds available-for-sale financial asset and enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks to ensure that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, available-for-sale financial assets and derivative financial instruments.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's non-current loans and borrowings with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and floating rate loans and borrowings.

Interest rate sensitivity

At the reporting date, if interest rates had been 10 basis points lower/higher, with all other variables held constant, the effect of the changes in the market interest rates to the Group's profit before tax would be immaterial, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(ii) 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's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's functional currency).

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").

The Group holds cash and bank balances denominated in foreign currencies for working capital purposes. The other financial instruments denominated in foreign currencies includes trade receivables, trade payables and loans and borrowings.

At the reporting date, the Group's cash and bank balances denominated in USD amounted to RM5,246,113 (2013: RM5,210,529). Approximately 26% (2013: 26%) of the Group's gross trade receivables is denominated in USD.

The Group hedges its exposure to fluctuations on the trade receivables in foreign currencies by using forward currency contracts. Further details of foreign currency forwards are disclosed in Note 25.

Sensitivity analysis for foreign currency risk

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

	Increase/(decrease) in Group's profit net of tax	
	2014	**2013**
	RM	**RM**
USD strengthened by 3% (2013: 3%)	322,152	347,857
USD weakened by 3% (2013: 3%)	(322,152)	(347,857)

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

(i) Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an individual credit limits and are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major receivables. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in statements of financial position. The Group does not hold collateral as security.

At the reporting date, approximately 10.7% (2013: 10.1%) of the Group's gross trade receivables were due from one (2013: one) customer totaling RM3.20 million (2013: RM3.10 million).

A nominal amount of RM33 million (2013: RM33 million) relating to a corporate guarantee provided by the Company to banks for a subsidiary's bank loans.

(ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed in accordance with the Group's policy. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure to make payments. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in statements of financial position except for trade receivables as disclosed above.

(c) 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 objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk (continued)

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

As at 31 March 2014	On demand or within one year RM	One to five years RM	Total RM
Group			
Financial liabilities:			
Trade and other payables	22,990,855	-	22,990,855
Loans and borrowings	3,035,408	3,961,371	6,996,779
Total undiscounted financial liabilities	26,026,263	3,961,371	29,987,634
Company			
Financial liability:			
Trade and other payables	1,540,433	-	1,540,433
As at 31 March 2013			
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

37. CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to owners of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and bank balances.

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Loans and borrowings	6,649,505	10,792,841	-	-
Trade and other payables	22,990,855	20,903,659	1,540,433	1,516,592
Less: - Cash and bank balances	(27,585,523)	(18,189,192)	(190,391)	(21,762)
Net debt	2,054,837	13,507,308	1,350,042	1,494,830
Equity attributable to owners of the parent	144,175,348	132,804,842	65,629,022	67,232,402
Capital and net debt	146,230,185	146,312,150	66,979,064	68,727,232
Gearing ratio	1.4%	9.2%	2.0%	2.2%

38. 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.

38. SEGMENT INFORMATION (CONTINUED)

31 March 2014	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	225,189,212	1,700,094	-	-		226,889,306
Inter-segment	-	-	4,146,978	(4,146,978)	A	-
Total revenue	225,189,212	1,700,094	4,146,978	(4,146,978)		226,889,306
Results:						
Interest income	247,509	570	27	-		248,106
Depreciation of:						
- Property, plant and equipment	6,823,877	-	-	-		6,823,877
- Investment properties	15,783	-	-	-		15,783
Other non-cash expenses	1,511,094	-	-	-	B	1,511,094
Segment profit	20,142,010	499,404	3,563,015	(3,563,015)	C	20,641,414
Assets:						
Additions to non-current assets	6,032,816	-	-	-	D	6,032,816
Segment assets	176,455,052	7,088,385	-	-	E	183,543,437
Segment liabilities	38,073,080	651,301	-	-	F	38,724,381
31 March 2013						
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

38. SEGMENT INFORMATION (CONTINUED)

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
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

A Inter-segment revenues are eliminated on consolidation.

B Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements:

	2014 RM	2013 RM
Inventories written down	862,046	230,668
Unrealised loss on foreign exchange	649,048	-
	1,511,094	230,668

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:

	2014 RM	2013 RM
Dividend income from inter-segment	4,146,978	7,093,515
Unallocated corporate expenses	(583,963)	(675,617)
	3,563,015	6,417,898

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.

38. SEGMENT INFORMATION (CONTINUED)

Geographical information

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

	Revenues 2014 RM	Revenues 2013 RM
Malaysia	108,219,958	104,855,864
Asia	74,431,092	69,186,164
Others	44,238,256	38,057,861
	226,889,306	212,099,889

39. DIVIDENDS

	Group and Company 2014 RM	Group and Company 2013 RM
Recognised during the financial year:		
Dividends on ordinary shares:		
- Final tax exempt dividend for 2013: 2 sen (2012: 2 sen) per share	1,200,000	1,200,000
- First interim tax exempt dividend for 2014: 2 sen (2013: 1 sen) per share	1,200,000	600,000
- Second interim single tier dividend for 2014: 2 sen (2013: 3 sen) per share	1,200,000	1,800,000
- Third interim single tier dividend for 2014: 2 sen (2013: 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 2014: 3.5 sen (2013: 2 sen) per share	2,100,000	1,200,000

At the forthcoming Annual General Meeting, a final single tier dividend in respect of the financial year ended 31 March 2014, of 3.5% on 60,000,000 ordinary shares, amounting to a dividend payable of RM2,100,000 (3.5 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 2015.

40. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 March 2014 were authorised for issue in accordance with a resolution of the directors on 10 July 2014.

41. 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 2014 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	
	2014 RM	2013 RM	2014 RM	2013 RM
Total retained earnings of the Company and its subsidiaries:				
- Realised	113,547,200	99,348,641	98,028	1,701,408
- Unrealised	(9,171,481)	(6,379,768)	-	-
	104,375,719	92,968,873	98,028	1,701,408
Less: Consolidated adjustments	(30,159,987)	(30,123,647)	-	-
Retained earnings as per financial statements	74,215,732	62,845,226	98,028	1,701,408

ANALYSIS OF SHAREHOLDINGS
as at 30 June 2014

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	2.2265	842	0.0014
100 - 1,000	155	15.0048	115,660	0.1928
1,001 - 10,000	654	63.3107	2,490,898	4.1515
10,001 - 100,000	154	14.9080	4,226,653	7.0444
100,001 - less than 5% of issued shares	45	4.3562	26,627,517	44.3792
5% and above of issued shares	2	0.1936	26,538,430	44.2307
	1,033	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. Deutsche Bank AG Singapore for British and Malayan Trustees Limited (Yeoman 3-Rights)	1,875,000	3.1250
6	Summer Legend Sdn. Bhd.	1,727,300	2.8788
7	HSBC Nominees (Asing) Sdn. Bhd. Exempt an for BNP Paribas Prime Brokerage, Inc.	1,269,400	2.1157
8	Son Tong Eng	1,230,124	2.0502
9	Chen Kwok Ming	1,135,462	1.8924
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	827,100	1.3785
14	Lim Keat Sear	733,753	1.2229
15	Tan Sew Hoey (Tan Siew Hoey)	728,500	1.2142
16	Lee Tack Ann	615,000	1.0250

ANALYSIS OF SHAREHOLDINGS
as at 30 June 2014

No.	Name of Shareholders	Total No. of Shares Held	%
17	Tan Jin Tuan	543,000	0.9050
18	Summer Legend Sdn. Bhd.	530,800	0.8847
19	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Wong Yee Hui (KLC/KEN)	438,100	0.7302
20	Chew Tee Yong	428,900	0.7148
21	Ong Chin Chien	417,200	0.6953
22	Son Mei Chin	404,800	0.6747
23	Son Kee Geok	397,224	0.6620
24	HDM Nominees (Asing) Sdn Bhd DBS Vickers Secs (S) Pte Ltd for Punit Khanna	387,200	0.6453
25	Son Chew Pheng	368,200	0.6137
26	Tan Song Cheng	350,500	0.5842
27	Malacca Equity Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Son Tong Leong	326,000	0.5433
28	HDM Nominees (Asing) Sdn Bhd DBS Vickers Secs (S) Pte Ltd for Lim Mee Hwa	300,000	0.5000
29	Malacca Equity Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Hoo Beng Lee	300,000	0.5000
30	DB (Malaysia) Nominee (Tempatan) Sendiri Deutsche Trustees Malaysia Berhad for Hong Leong Consumer Products Sector Fund	288,600	0.4810

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)	42.80
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 her 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 his 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 30 June 2014

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)	42.80
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 31.03.2014 (RM)
1	Factory complexes, warehouses and an office block with a total built up area of approximately 26,848 square metres. The age of the buildings range from 2 to 15 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	18,720,510
2	Factory complexes with a total built up area of approximately 5,088.60 square metres. The age of the building range from 15 to 16 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 *(Plot No. 96A)* 12 Nov 1990 *(Plot No. 96B)*	3,568,451
3	Factory complex with a built up area of approximately 4,153.2 square metres. The age of the buildings are approximately 25 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	2,289,119
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 37 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)*	1,214,315
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	2,490,359
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 17 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)*	495,620
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

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 31.03.2014 (RM)
9	Semi detached factories with a built up area of approximately 478 square metres. The age of the building is approximately 9 years [4]	No. 20, Jalan TPP 1/1A, Taman Industri Puchong, Batu 12, Jalan Puchong, 47100 Puchong, Selangor	1,407	Freehold	10 Jul 2002	1,388,955

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.

- All the above properties *(except for properties nos. 6, 7, 8 and 9)* were revalued by Messrs C. H. Williams Talhar & Wong in March 2013.

OTHER INFORMATION

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 2014 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 2014.

6. **Profit Guarantees**

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

7. **Material Contracts**

   Except for the following Agreement, neither OFIH nor its subsidiary companies has entered into any other contract which are or may be material during the two (2) years preceding the date of this Circular, other than contract entered into in the ordinary course of business –

   - Sale and Purchase Agreement dated 23 June 2014 Oriental Food Industries Sdn Bhd (Company No. 38289-A), and Yodoshi Malleable (Malaysia) Sdn Bhd (In Liquidation) for the purchase of all that piece of leasehold industrial land expiring on 30 May 2072 and held under No. H.S.(D): 74318, No. PT 22144, Mukim Bukit Katil, Daerah Melaka Tengah Melaka measuring 4.264 hectares together with a factory building built thereon bearing the postal address of Lot 97, Air Keroh Industrial Estate, Air Keroh, 75450 Melaka and the Other Assets ("the Property") for a total cash consideration of RM12,800,000.

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 16 of the financial statements.

10. **Recurrent Related Parties Transactions**

    Pursuant to a Shareholders' Mandate obtained on 28 August 2013, 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 RM4,043,393.75 as at 18 July 2014.

    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.

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FORM OF PROXY

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

No. of ordinary shares held	

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

____
(Full Name in Capital Letters)

of ____
(Full address)

or failing him/her of ____
(Full Name in Capital Letters)

of ____
(Full address)

as * my/our proxy/proxies to attend and vote for *me/us and on *my/our behalf at the 18th 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 Thursday, 28 August 2014 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 2014 together with the Directors' and Auditors' Reports thereon.		
Resolution 2	To approve the payment of single tier final dividend of RM0.035 per share for the financial year ended 31 March 2014.		
Resolution 3	To approve the payment of Directors' Fees of RM280,000 for the financial year ended 31 March 2014.		
Resolution 4	To re-elect Datuk Son Chen Chuan who retires in accordance with Article 75 of the Company's Articles of Association.		
Resolution 5	To re-elect Mr. Hoo Beng Lee who retires in accordance with Article 75 of the Company's Articles of Association.		
Resolution 6	To re-elect Mr Son Tong Leong who retires in accordance with Article 75 of the Company's Articles of Association.		
Resolution 7	To consider and, if thought fit, pass the following resolution pursuant to Section 129 of the Companies Act, 1965 :- "THAT Y.Bhg. Tan Sri Dato' Azizan Bin Husain, retiring in accordance with Section 129 of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting."		
Resolution 8	To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to determine their remuneration.		
	Special Business		
Resolution 9	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 10	ORDINARY RESOLUTION II To approve continuation of Mr. Lim Hwa Yu as an Independent Non-Executive Director of the Company.		
Resolution 11	ORDINARY RESOLUTION III To authorise the Directors to issue shares pursuant to Section 132D of the Companies Act, 1965.		
Resolution 12	ORDINARY RESOLUTION IV 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 ________________ 2014.

____
Signature

Notes :

1. In regard of deposited securities, only members whose names appear in the Record of Depositors as at 21 August 2014 ("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

Fold this flap for sealing

ORIENTAL FOOD
INDUSTRIES HOLDINGS BERHAD
NO. SYARIKAT 389769-M

Level 8 Symphony House,
Block D13 Pusat Dagangan Dana 1,
Jalan PJU1A/46,
47301 Petaling Jaya,
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www.ofih.com.my
www.jacker.com.my