



**ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD**  
Registration No.199601017418 (389769-M)

# ANNUAL REPORT

# 2022



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# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Twenty-Eighth Annual General Meeting (“28<sup>th</sup> AGM”) of Oriental Food Industries Holdings Berhad will be convened and held at Adam Glass Hall, Tiara Melaka Golf and Country Club, Jalan Gapam, Bukit Katil, 75760 Melaka on Wednesday, 28 August 2024 at 2.30 p.m. to transact the following businesses:

## A G E N D A

### ORDINARY BUSINESS

1. To receive the Statutory Financial Statements for the financial year ended 31 March 2024 together with the Directors’ and Auditors’ Reports thereon.
2. To approve the payment of Directors’ fees amounting to RM377,163.95 for the financial year ended 31 March 2024. **(Resolution 1)**
3. To approve the proposed payment of Directors’ remuneration and benefits (excluding Directors’ fees) up to an amount of RM145,000.00 to the Directors with effect from 28 August 2024 until the next Annual General Meeting. **(Resolution 2)**
4. To re-elect the following Directors, each of whom retires by rotation in accordance to Clause 122 of the Constitution of the Company:
  - a) Mr. Lim Keat Sear **(Resolution 3)**
  - b) Mr. Chong Peng Khang **(Resolution 4)**
5. To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company for the financial year ending 31 March 2025 and to authorise the Directors to determine their remuneration. **(Resolution 5)**

### SPECIAL BUSINESS

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

6. **Authority to Allot Shares pursuant to Sections 75 and 76 of the Companies Act, 2016** **(Resolution 6)**

“THAT subject always to the Companies Act, 2016 (“the Act”), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Company’s Constitution and the approval of the relevant government/regulatory authorities, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Act to issue and allot new shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may in their absolute discretion, deem fit and expedient in the interest of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next AGM of the Company.

THAT in connection with the above, pursuant to Section 85 of the Act and Clause 72.1 of the Constitution of the Company, the shareholders of the Company do hereby waive their statutory pre-emptive rights over all New Shares issued from the exercise of the authority granted pursuant to Sections 75 and 76 of the Act.

AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares.”



## NOTICE OF ANNUAL GENERAL MEETING

### 7. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")** **(Resolution 7)**

"THAT authority be and is hereby given in line with Paragraph 10.09 of the Main Market Listing Requirements of Bursa Securities for the Company and/or its subsidiaries to enter into any of the transactions falling within the types of the Recurrent Related Party Transactions, particulars of which are set out in Part A, Circular to Shareholders dated 31 July 2024, with the Related Parties as described in the said Circular, provided that such transactions are of revenue or trading nature, which are necessary for the day-to-day operations of the Company and/or its subsidiaries within the ordinary course of business of the Company and/or its subsidiaries, made on an arm's length basis and on normal commercial terms which are generally available to the public and are not detrimental to the minority shareholders of the Company;

AND THAT such authority shall commence immediately upon the passing of this Resolution until:

- i. the conclusion of the next AGM of the Company at which time the authority shall lapse, unless by Ordinary Resolution passed at a general meeting, the authority is renewed; or
- ii. the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or
- iii. revoked or varied by a Resolution passed by the shareholders of the Company at a general meeting.

whichever is earlier.

AND FURTHER, THAT the Board of Directors be and is hereby authorised to do all acts, deeds and things as may be deemed fit, necessary, expedient and/or appropriate in order to implement the Proposed Shareholders' Mandate with full power to assent to all or any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities or otherwise and to deal with all matters relating thereto and to take all such steps and to execute, sign and deliver for and on behalf of the Company all such documents, agreements, arrangements and/or undertakings, with any party or parties and to carry out any other matters as may be required to implement, finalise and complete, and give full effect to the Proposed Shareholders' Mandate in the best interest of the Company."

### 8. **Proposed Renewal of Share Buy-Back Authority for the Purchase by the Company of its Own Shares ("Proposed Renewal of Share Buy-Back Authority")** **(Resolution 8)**

THAT, subject to the compliance with Section 127 of the Act, the provisions of the Constitution of the Company, the Main Market Listing Requirements of Bursa Securities and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares in the Company as may be determined by the Board of Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Board of Directors may deem fit and expedient in the interest of the Company provided that:-



## NOTICE OF ANNUAL GENERAL MEETING

- i. the aggregate number of shares purchased does not exceed ten per cent (10%) of the total issued and paid-up share capital of the Company as quoted on Bursa Malaysia as at the point of purchase;
- ii. the maximum amount of funds to be allocated for the Proposed Share Buy-Back shall not exceed the aggregate of retained profits of the Company based on the latest audited financial statements and/or the latest management accounts of the Company (where applicable) available at the time of the purchase(s); and
- iii. the Board of Directors of the Company may decide either to retain the shares purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder or to resell the shares or distribute the shares as dividend.

THAT such authority shall commence upon the passing of this resolution and shall continue to be in force until:

- a. the conclusion of the next AGM of the Company at which time the authority will lapse, unless by ordinary resolution passed at the next AGM, the authority is renewed, either unconditionally or subject to conditions; or
- b. the expiration of the period within which the next AGM after that date is required by law to be held; or
- c. revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting,

whichever occurs first.

**AND THAT** authority be and is hereby given unconditionally and generally to the Board of Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities and with the fullest power to do all such acts and things thereafter (including without limitation, the cancellation and/or retention and/ or distribution and/or selling of all or any part of the purchased shares in accordance with the Companies Act, 2016, the provisions of the Constitution of the Company and the requirements and/or guidelines of Bursa Securities for the Main Market and all other relevant governmental and/or regulatory authorities.”

9. To transact any other business of the Company which due notices shall be given in accordance with the Constitution of the Company and the Companies Act, 2016.

### BY ORDER OF THE BOARD

**KARINA CHONG MEI YING** (LS 0009542) [SSM PC No. 201908000667]

**LEAN YUNG KWANG** (MAICSA 7072369) [SSM PC No. 202008001902]

Joint Secretaries

Melaka

31 July 2024



## NOTICE OF ANNUAL GENERAL MEETING

### NOTES:

1. In regard of deposited securities, only members whose names appear in the Record of Depositors as at 20 August 2024 ("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 need not be a member of the Company. There shall be no restriction as to the qualifications of the proxy.
3. A member may appoint more than one (1) proxy to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he 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 to the office of the Company's Share Registrar, Sectrars Management Sdn. Bhd. at Level 9-7, Menara Sentral Vista, No 150 Jalan Sultan Abdul Samad, Brickfields, 50470, Kuala Lumpur, Malaysia not less than twenty-four (24) hours before the time appointed for holding the meeting or any adjournment thereof as Paragraph 8.29(A) of the Main Market Listing Requirements of Bursa Securities requires all resolutions set out in the Notice of General Meeting to be put to vote by poll.
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.
9. Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/ or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof), and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

### EXPLANATORY NOTES:

#### 1. Statutory Financial Statements for the financial year ended 31 March 2024

This agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Act requires the Statutory Financial Statements to be laid at the AGM. As such, this agenda item does not require shareholders' approval and hence, is not put forward for voting.



## NOTICE OF ANNUAL GENERAL MEETING

### 2. Resolution 2- Directors' remuneration and benefits (excluding Directors' fees)

Resolution 2 relates to the proposed payment of Directors' remuneration and benefits (excluding Directors' fees) to the Directors from 28 August 2024 until the next AGM of the Company, which comprise the followings:

Description	Chairman	Independent Non-Executive Directors & Non-Independent Non-Executive Directors	Executive Directors
Monthly fixed allowance	RM7,000.00 per month	Not Applicable	Not Applicable
Meeting Allowance for attendance of Board and Board Committee Meetings, and general meetings	RM1,000.00 per month	RM1,000.00 per meeting	Not Applicable
Monthly claims	RM27,720.00 per annum	Not Applicable	Not Applicable

### 3. Resolution 6 – Authority to allot shares pursuant to Sections 75 and 76 of the Companies Act, 2016

The Resolution 6, if approved, will empower the Directors of the Company, from the date of the above AGM, authority to issue and allot shares in the Company up to an aggregate amount not exceeding 10% of the total number of issued shares 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 AGM of the Company.

The mandate is to provide flexibility to the Company to allot and issue new shares without the need to convene a separate general meeting to obtain shareholders' approval to eliminate any delay and avoid incurring additional cost. The purpose of this mandate is to facilitate the Company to undertake possible fund-raising exercises including but not limited to further placement of shares for purposes of funding current and/or future investment projects, working capital and/or acquisitions.

The waiver of pre-emptive rights pursuant to Section 85 of the Act and Clause 72.1 of the Constitution will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the mandate.

The Mandate is as renewal of the Mandate granted by the members at the last AGM held on 23 August 2023. The Mandate granted at the last AGM was not utilised by the Company and thus, no proceeds were raised.

Should there be a decision to issue new shares after the mandate is obtained, the Company will make an announcement in respect thereof.

### 4. Resolution 7 – Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The Resolution 7, 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 AGM.

Further information on the proposed Ordinary Resolution No. 7 is set out in Part A, Circular to Shareholders dated 31 July 2024 which is dispatched together with the Annual Report 2024 of the Company.



## NOTICE OF ANNUAL GENERAL MEETING

### 5. Resolution 8 – Proposed Renewal of Share Buy-Back Authority

The Resolution 8, if approved, will empower the Board of Directors to allocate an amount not exceeding the retained profits of the Company for the purpose of and to purchase such amount of ordinary shares in the Company from time to time on the market of Bursa Securities upon such terms and conditions as the Board of Directors may deem fit in the interest of the Company provided that the aggregate number of shares purchased pursuant to this Resolution does not exceed 10% of the total issued and paid-up share capital of the Company.

Further information on the proposed Ordinary Resolution No. 8 is set out in Part B, Statement to Shareholders in relation to the Proposed Renewal of Share Buy-Back Authority dated 31 July 2024 which is dispatched together with the Annual Report 2024 of the Company.

## STATEMENT ACCOMPANYING NOTICE OF TWENTY-EIGHTH ANNUAL GENERAL MEETING

### NAMES OF DIRECTORS STANDING FOR RE-ELECTION

#### 1. Resolution 3 and 4 - Re-election of Directors

The Directors who are retiring pursuant to Clause 122 of the Constitution of the Company and seeking for re-election at the forthcoming 28th AGM are as follows:

- (a) Mr. Lim Keat Sear
- (b) Mr. Chong Peng Khang

Details of the above Directors are set out in the Directors' Profiles section, and their shareholdings in the Company, where applicable, are set out in the Analysis of Shareholdings section appearing on pages 14 to 16 and 117 to 118 respectively of the Company's Annual Report respectively.





# CHAIRMAN'S STATEMENT



## Dear Valued Shareholders,

As the Chairman of Oriental Food Industries Holdings Berhad (the "Company"), and together with the Board of Directors, it is my privilege to present to you the Annual Report and Audited Financial Statements for the Group, covering the financial year ended 31 March 2024 ("FYE 2024").

I am delighted to report that the Group achieved outstanding financial results for the year 2024.

### Financial and Operations Review

We are delighted to share that the Group recorded a strong financial and operational performance in the financial year ended 31 March 2024 ("FY 2024"). Revenue increased on a year-on-year basis from RM360.01 million in the financial year ended 31 March 2023 ("FY 2023") to RM 431.72 million in FY 2024.

The Group's revenue is derived primarily from the snack food, biscuits, cookies, cakes, wafer, potato chips and crisps and confectioneries segment, representing 100% of the Group's total revenue.

In terms of geographical segment, the Group's mixed revenue comprised 35% local sales against 65% export sales.

The pre-tax profit of the Group increased as compared to FY 2023. The Group recorded an increase of 125.51% from RM24.66 million in FY 2023 to RM55.62 million in FY 2024.

The Group's total net profit attributable to the shareholders is RM43.29 million in FY 2024. This translates to basic earnings per share of 18.04sen.

In terms of our balance sheet, total loans and borrowings stood at a nominal amount of RM 2.42 million against the backdrop of shareholders' fund of RM 263.08 million and cash and bank balances of RM 58.07 million. The Group's good financial leverage has put the Group in a position that allows us to undertake further expansion activities.

### Dividends

In line with the commendable financial performance of the Group, the total dividend payout for the year amounted to RM 15.60 million of FY 2024's net profits.

## CHAIRMAN'S STATEMENT

### Business Outlook & Strategies

In the face of unprecedented challenges and transformative changes, I am immensely proud to present our company's strategic roadmap for the forthcoming period.

Our strategy canters on three core pillars: resilience, innovation, and growth.

Firstly, resilience is the cornerstone of our operations. We have weathered storms before i.e. during the Covid-19 era, and our ability to withstand adversity is a testament to the strength of our organization. We remain steadfast in our commitment to operational excellence, prudent financial management, and unwavering consumer satisfaction. By fortifying our resilience, we are better positioned to navigate uncertainty and emerge stronger from any challenges that may arise.

Secondly, innovation lies at the heart of our approach. In a rapidly changing marketplace, the ability to innovate is not just a competitive advantage – it is a necessity to ensure that we keep up with customers' satisfaction and optimize our production capacity by having state of art machineries. We are committed to fostering a culture of creativity and forward thinking, where new ideas are encouraged, and bold initiatives are embraced. Whether it's through product development or process optimization, we are relentless in our pursuit of innovative ideas, constantly striving to exceed customer expectations and stay ahead of the curve. I am pleased to announce that we are embarking on an exciting phase of production expansion with the construction of new factory blocks including warehouse facilities. This project is a testament to our commitment to growth and innovation. Equipped with cutting-edge automated machinery, the new production line will not only enhance efficiency but also elevate the quality and consistency of our products. Currently in the initial stages of obtaining the necessary approvals, we anticipate the project to be completed well within the timeline, aiming for its conclusion before the end of the next financial year. This strategic investment underscores our dedication to meeting the evolving needs of our customers while solidifying our position as a leader in the industry.

Lastly, growth remains our ultimate objective. While challenges abound, so too do opportunities. We are committed to seizing these opportunities with confidence and conviction, expanding our market presence, diversifying our product portfolio, and driving sustainable growth across all aspects of our business. Through strategic investments, targeted expansion initiatives, and proactive market engagement, we aim to unlock new avenues of growth and create lasting value for our stakeholders.

As we embark on this journey, I am confident in our collective ability to succeed. Together, we will overcome challenges, capitalize on opportunities, and chart a course towards a brighter future for our company.

### Corporate Social Responsibility ("CSR")

The Company acknowledges the importance of contributing to the communities where it conducts its business. This commitment is apparent in our corporate philanthropic endeavours and prioritization of health, safety, and environmental standards, as outlined in the Sustainability Statement on pages 20.





## CHAIRMAN'S STATEMENT

### Corporate Governance

I am honoured to address you on behalf of our esteemed company, reflecting on our commitment to corporate governance.

At the heart of our operations lies a steadfast dedication to upholding the highest standards of corporate governance. We recognize that robust governance practices are fundamental to fostering trust among our stakeholders, driving sustainable growth, and ensuring long-term success.

We operate with transparency, integrity, and accountability as guiding principles through regular evaluation and refinement of our governance framework, we strive to enhance decision-making processes, mitigate risks, and optimize performance.

We are committed to maintaining an independent and diverse board, comprising individuals with a wealth of experience and expertise across various industries. Their invaluable insights and perspectives enable us to navigate complexities, capitalize on opportunities, and uphold the best interests of our shareholders.

Furthermore, we place great emphasis on effective communication and engagement with our shareholders, valuing their input and feedback as integral to our governance practices. By fostering an open dialogue and promoting shareholder rights, we aim to cultivate a culture of trust and transparency.

Our dedication to corporate governance extends beyond compliance with regulatory requirements. It is ingrained in our corporate culture and embedded in everything we do. We hold ourselves accountable to the highest ethical standards, ensuring fairness, honesty, and integrity in all our business dealings.

As we continue to evolve and grow, our commitment to exemplary corporate governance remains unwavering. We are confident that our robust governance practices will continue to serve as a solid foundation for our organization's sustainable growth and success into the future.

The Company's corporate governance efforts are outlined in the Corporate Governance Statement of this Annual Report.

### Acknowledgment

On behalf of my esteemed colleagues on the Board, I extend heartfelt appreciation to our shareholders, consultants, suppliers, partners, and business associates for their steadfast support as we continue our journey of growth and value creation together.

Last but certainly not least, the Company expresses sincere appreciation for the resilience, dedication, and hard work demonstrated by all our exceptional employees and teams across the organization throughout the year.

**TAN SRI DATO' AZIZAN BIN HUSAIN**  
Chairman



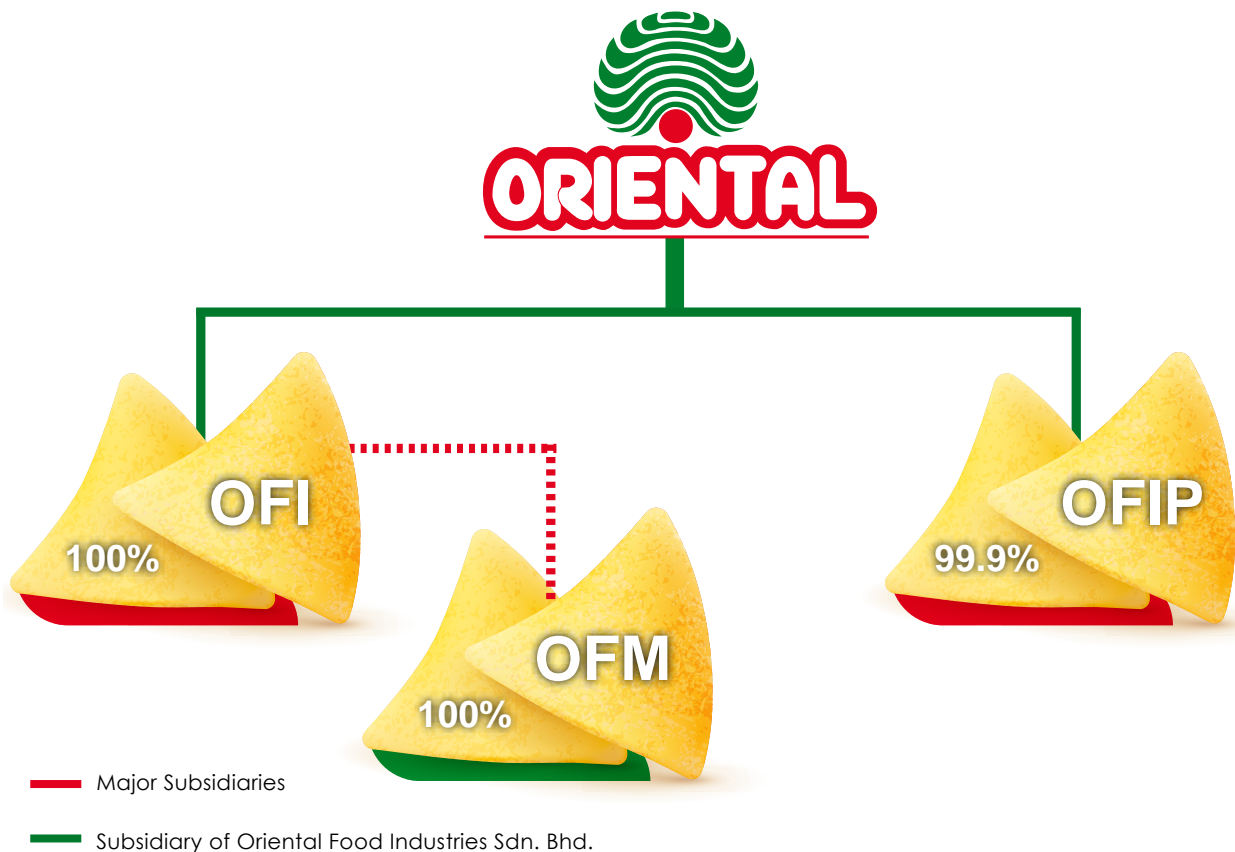
## CORPORATE STRUCTURE

Oriental Food Industries Holdings Berhad (“OFIH”) was incorporated on 8 June 1996 in 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 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 with a group of subsidiaries that are engaged in the following activities:

NAME OF MAJOR SUBSIDIARIES	EQUITY INTEREST (%)	PRINCIPAL ACTIVITIES
<b>Subsidiaries of OFIH</b> <ul style="list-style-type: none"> <li>• Oriental Food Industries Sdn. Bhd. (“OFI”)</li> <li>• OFI Properties Sdn. Bhd. (“OFIP”)</li> </ul>	100    99.99	Manufacturing and Marketing of Biscuits, Cakes, Snack Food and Confectioneries.   Property Development.
<b>Subsidiary of OFI</b> <ul style="list-style-type: none"> <li>• Oriental Food Marketing (M) Sdn. Bhd. (“OFM”)</li> </ul>	100	Sales and Marketing of Biscuits, Cakes, Snack Food and Confectioneries.

### OFIH Group Corporate Structure





## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**Tan Sri Dato' Azizan bin Husain** (*Chairman*)  
*Senior Non-Independent Non-Executive Director*

**Datuk Seri Son Chen Chuan**  
*Group Managing Director*

**Datuk Son Tong Leong**  
*Group Chief Executive Officer*

**Datuk Son Tong Eng**  
*Executive Director*

**Mr. Lim Keat Sear**  
*Non-Independent Non-Executive Director*

**Mr. Chong Peng Khang**  
*Independent Non-Executive Director*

**Ms. You Chen Kei**  
*Independent Non-Executive Director*



### JOINT COMPANY SECRETARIES

Ms. Karina Chong Mei Ying  
(LS 0009542)  
[SSM PC No. 201908000667]

Mr. Lean Yung Kwang  
(MAICSA 7072369)  
[SSM PC No. 202008001902]

### REGISTERED OFFICE

No. 65, Jalan Usaha 7  
Air Keroh Industrial Estate  
75450 Melaka  
Tel : +606 231 0333  
Fax : +606 232 2066

### SHARE REGISTRAR

Sectrars Management Sdn Bhd  
Lot 9-7, Menara Sentral Vista  
No. 150, Jalan Sultan Abdul Samad Brickfields  
50470 Kuala Lumpur  
Malaysia  
Tel : +603 2276 6138  
Fax : +603 2276 6131

### AUDITORS

Crowe Malaysia PLT  
201906000005(LLP0018817-LCA) & AF1018

### 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](mailto:info@ofi.com.my)  
Websites : [www.ofih.com.my](http://www.ofih.com.my)  
: [www.jacker.com.my](http://www.jacker.com.my)

### PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad  
OCBC Bank (Malaysia) Berhad  
Public Bank Berhad  
CIMB Bank Berhad

### STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

**STOCK NAME** OFI  
**STOCK CODE** 7107





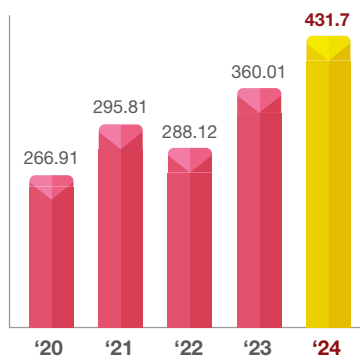
## GROUP FINANCIAL HIGHLIGHTS

Financial Year Ended 31 March No. of Months Actual / Restated		2020 12 Actual	2021 12 Actual	2022 12 Actual	2023 12 Actual	2024 12 Actual
Revenue	RM'000	266,910	295,809	288,124	360,013	431,724
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	RM'000	26,151	36,132	38,208	38,660	69,730
Profit Before Taxation	RM'000	12,699	22,834	24,184	24,663	55,619
Profit After Taxation	RM'000	10,019	18,496	18,163	19,126	43,294
Profit Attributable To Shareholders	RM'000	10,019	18,496	18,163	19,126	43,294
Shareholders' Equity	RM'000	194,936	209,177	220,820	231,196	263,078
Net Operating Cash Flow	RM'000	27,598	33,804	26,025	12,841	41,123
Net Assets Per Share	RM	0.81	0.87	0.92	0.96	1.10
Basic Earnings Per Share	sen	4.17	7.71	7.57	7.97	18.04
Total Borrowings	RM'000	14,429	9,637	5,650	3,603	2,421
Net Gearing Ratio	%	1.38	-	-	-	-
Net Dividends Per Share **	sen	1.80	1.90	2.80	3.70	5.00

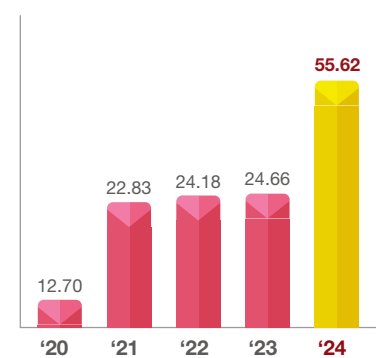
### Notes:

\*\* Dividend recognised/paid during the financial year and is excluding the dividend paid after the respective financial year end and the final dividend proposed for the shareholders' approval.

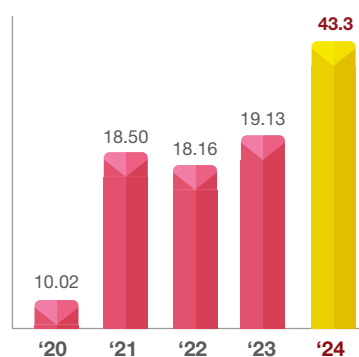
#### REVENUE (RM'mil)



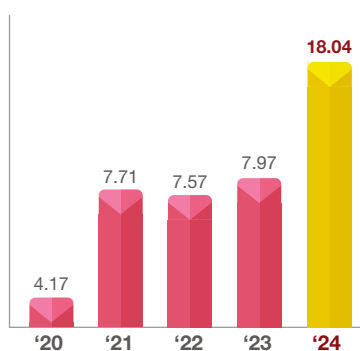
#### PROFIT BEFORE TAXATION (RM'mil)



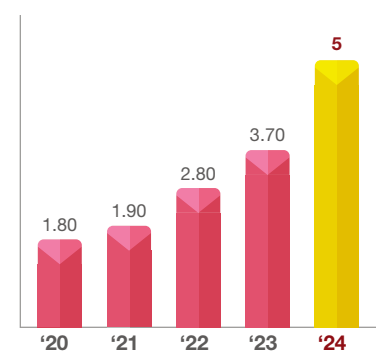
#### NET PROFIT (RM'mil)



#### EARNING PER SHARE (Sen)



#### DIVIDEND PER SHARE (Sen)





## PROFILE OF THE BOARD OF DIRECTORS



### **Tan Sri Dato' Azizan Bin Husain**

80 years of age | Male | Malaysian  
Senior Non-Independent Non-Executive Chairman

Tan Sri Dato' Azizan bin Husain ("Tan Sri Azizan") was appointed the Independent Non-Executive Chairman on 8 June 2000. Tan Sri Dato' Azizan who has served as a Senior Independent Non-Executive Director of the Company for a cumulative term of more than fifteen (15) years since 8 June 2000. To be in compliance with the MCCG 2021, he has been re-designated as a Senior Non-Independent Non-Executive Director with effect from 23 May 2023.

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, Malaysia in 1967 and retired in 1999 as the Secretary-General in the Ministry of Defence, Malaysia. Prior to his retirement, he 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 does not hold shares in the Company and is not related to any Director 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 five (5) years.



### **Datuk Seri Son Chen Chuan**

77 years of age | Male | Malaysian  
Group Managing Director

Datuk Seri Son Chen Chuan ("Datuk Seri Son") was appointed as Managing Director on 8 June 2000 and is currently holding the position of Group Managing Director.

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

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

Datuk Seri Son is related to Datuk Son Tong Leong (son) and Datuk Son Tong Eng (son). He is a substantial shareholder in the Company by virtue of his direct and indirect interests in the shareholdings held by himself and his children and via his shareholding in Apendo Capital Sdn. Bhd. and Summer Legend Sdn. Bhd. Other than the recurrent related party transactions as disclosed on page 123, he does not have any conflict of interest with the Company and has not been convicted of any offence within the past five (5) years.



## PROFILE OF THE BOARD OF DIRECTORS



### **Datuk Son Tong Leong**

54 years of age | Male | Malaysian  
Group Chief Executive Officer

Datuk Son Tong Leong (“Datuk TL Son”) was appointed to the Board on 8 June 2000 and is currently the Group Chief Executive Director. He holds a Bachelor’s degree in Business from the Edith Cowan University, Australia.

He started his career back in 1994 as the Factory Manager of OFI and thereafter held the position of the General Manager of the Company in 1998.

Datuk TL Son oversees the overall corporate administration, human resources, marketing and operations of the Company. He maintains excellent relationships with staff of all levels, customers, suppliers and the Company’s business partners. He also oversees the factory operations and ensures that production activities are carried out smoothly in compliance with international standards,

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

He is a shareholder of the Company and is related to Datuk Seri Son Chen Chuan (father) and Datuk Son Tong Eng (brother), all of whom are Directors 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 five (5) years.



### **Datuk Son Tong Eng**

53 years of age | Male | Malaysian  
Executive Director

Datuk 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 eleven (11) years of experience in the food industry and is currently the Executive Director of OFI. He oversees the factory operations and human resource related matters.

He has attended all three (3) Board meetings held in the financial year.

He is a shareholder of the Company and is related to Datuk Seri Son Chen Chuan (father) and Datuk Son Tong Leong (brother), all of whom are the Directors 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 five (5) years.



### **Mr. Lim Keat Sear**

73 years of age | Male | Malaysian  
Non Independent Non-Executive Director

Mr. Lim Keat Sear (“Mr. Lim”) was appointed to the Board on 8 June 2000. He also serves as a member of the Nomination Committee, Remuneration Committee and Risk Management and Audit Committee.

He has been in the snack and confectionery business for more than twenty-one (21) years. He joined Syarikat Perniagaan Chong Mah Sdn. Bhd., a distributor of snack food and confectionery in 1973 and became a director of the Company in 1978.

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

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 Summer Legend Sdn. Bhd and is not related to any of the Directors of the Company. Other than the recurrent related party transactions as disclosed on page 123, he does not have any conflict of interest nor is he related to any of the Directors of the Company and has not been convicted of any offence within the past five (5) years.





## PROFILE OF THE BOARD OF DIRECTORS



### **Mr. Chong Peng Khang**

44 years of age | Male | Malaysian  
Independent Non-Executive Director

Mr. Chong Peng Khang ("Mr. Chong") was appointed to the Board on 22 September 2020. He also serves as the Chairman of Remuneration Committee and Risk Management and Audit Committee and a member of the Nomination Committee.

He holds a Bachelor Degree in Accounting from Multimedia University (MMU), Malaysia with 1st Class Honours. He also holds the professional qualification from the Association of Chartered Certified Accountants (ACCA) and the Malaysian Institute of Accountants (MIA).

Mr. Chong began his career as an auditor with Deloitte Kassim Chan and subsequently Ernst & Young, involving in audit and business advisory of companies from various industries. His experience covers audit and assurance engagements, corporate reporting and compliance, taxation and wide-ranging overseas exposures.

He has also headed the accounting and finance division of a public listed company listed on the Main Market of Bursa Malaysia Securities Berhad and responsible for the corporate finance, accounting, tax and cash flow functions of the company and its subsidiaries.

He has then held several senior finance roles in some major Malaysian conglomerate companies covering industries from manufacturing, heavy and process equipment, energy and automotive.

He sits on the Board of Directors of DFCity Group Berhad (formerly known as Hock Heng Stone Industries Berhad) and TPC Plus Berhad.

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

Mr. Chong is not related to any of the Directors of the Company and has not been convicted of any offence within the past five (5) years.



### **Ms. You Chen Kei**

33 years of age | Female | Malaysian  
Independent Non-Executive Director

Ms. You Chen Kei ("Ms. You") was appointed to the Board on 23 May 2023. She also serves as the Chairman of Nomination Committee and a member of the Risk Management and Audit Committee and Remuneration Committee.

She holds a Bachelor Degree in Accounting, the professional qualification from the Association of Chartered Certified Accountants (ACCA) and the Malaysian Institute of Accountants (MIA).

Ms. You began her career as an auditor with Ernst & Young Malaysia, involving in audit and business advisory having 5 years' experience as Group Accountant in other public listed companies. Her key accounting and financial competencies include but not limited to managing budget, risk management and business strategy reviews.

Presently, Ms. You is the Group Finance Manager of a multinational corporation in Melaka.

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

She is not related to any of the Directors of the Company and has not been convicted of any offence within the past five (5) years.

## PROFILE OF KEY SENIOR MANAGEMENT



### Ms. Karina Chong Mei Ying

53 years of age | Female | Malaysian  
Group Company Secretary

Ms. Karina Chong Mei Ying (“Ms. Chong”) initially joined the Group from 1996 to 2005 before rejoining on 1 February 2007. She holds a Bachelor of Laws (LL.B) degree from the University of London and is a Registered License Secretary with the Companies Commission of Malaysia. With over twenty-seven (27) years of experience, she brings extensive expertise to her role.

Ms. Chong oversees multiple key divisions within the company, including company secretarial, legal, investor relations, human resources, and administration. In her capacity, she directly reports to the Directors of the Group and serves as the Joint Company Secretary, ensuring seamless coordination and compliance across various functions.

She does not hold shares in the Company and is not related to any Director and/or major shareholders of the Company. She does not have any conflict of interest with the Company and has not been convicted of any offence within the past five (5) years.



### Ms. Yap Siew Kuan

55 years of age | Female | Malaysian  
Group Accountant

Ms. Yap Siew Kuan (“Ms. Yap”) commenced her tenure with the Company on 15 January 2015. She is a graduate of the Chartered Institute of Management Accountants and holds membership with the Malaysian Institute of Accountants. With an impressive thirty-one (31) years of experience in the accounting and audit sector, she brings a wealth of expertise to her role.

In her capacity, Ms. Yap oversees the corporate accounts and finances of the Group, ensuring proper financial management and reporting practices. She directly reports to the Directors of the Company, providing comprehensive insights and guidance on financial matters.

Ms. Yap does not hold any shares in the Company and has no familial ties to any Director or major shareholders. Importantly, she maintains a conflict-free relationship with the Company and has not been convicted of any offence within the past five (5) years.





# MANAGEMENT DISCUSSION AND ANALYSIS

## OVERVIEW OF THE GROUPS' BUSINESS AND OPERATIONS

Oriental Food Industries Holdings Berhad ("the Company" or "the Group") has made its mark in the snack food and confectionery manufacturing industry today as one of the companies holding the leading position in the said industry in Malaysia.

The Group remains focused on placing the needs and interests of its customers first by manufacturing an assortment of snack food and confectionery products that focuses on quality. Generally, these products can be divided into five (5) broad categories, which are snack food, wafer, biscuits, potato snacks and bakery products.

The Group has various product brand names, most of which are commercially strong and generating the required sales and profit both locally and overseas. Super Ring, Jacker, Rota and Oriental are currently well-known household brand names in Malaysia.

## FINANCIAL RESULTS AND FINANCIAL CONDITION

Despite undergoing a challenging year in 2024, the Group has managed to secure continued growth in revenue as seen in the financial year ended 31 March 2024 ("FY 2024") results as reflected in the table below:

	2024 RM'000	2023 RM'000	Y-O-Y RM'000	%
Revenue	431,724	360,013	71,711	19.92%
Gross Profit	89,150	54,447	34,703	63.74%
Profit Before Tax ("PBT")	55,619	24,663	30,956	125.51%
Financial Costs	146	186	40	21.51%
Profit After Tax ("PAT")	43,294	19,126	24,168	126.36%
Shareholders' Fund	263,078	231,196	31,882	13.79%
Total Assets	328,969	288,125	40,844	14.18%
Borrowings	2,421	3,603	1,182	32.81%
*Debt/ Equity (%)	-	-		
Earnings Per Share	18.04	7.97		
Net Assets Per Share	1.10	0.96		

\* The debt-to-equity ratio is Nil as the cash and cash equivalents exceeded the total external borrowings.

## REVENUE

The Group recorded higher revenue of RM431.72 million in the financial year 2024, an increase of 19.92% as compared to the previous financial year of RM360.01 million. The increase was due to higher sales from export markets in the snack food and confectioneries segment.

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

	Revenue			
	01.04.2023 - 31.03.2024		01.04.2022 - 31.03.2023	
	RM'000	%	RM'000	%
Malaysia	150,702	35%	154,308	43%
Asia	223,046	52%	158,040	44%
Others	57,976	13%	47,665	13%
Total reported segments	431,724	100%	360,013	100%

## MANAGEMENT DISCUSSION AND ANALYSIS

### NET PROFITS

The Group's profit after tax is higher at RM43.29 million as compared to RM19.13 million in the previous financial year. Earnings per share of the Group stood at 18.04 sen.

### FINANCIAL POSITION

The Group's financial position remains strong with total assets of RM328.97 million against total liabilities of RM65.89 million. The Group has a cash reserve of RM58.07 million at the financial year-end as compared to RM32.87 million in the previous financial year. The Group expects a positive contribution in the coming years from the investment made earlier by one of its major subsidiaries.

Net tangible assets per share, attributable to the owner improved to RM1.10 (2023: RM0.96). The debt/equity ratio of the Group stood at Nil (2023: Nil) and the shareholders' fund is RM263.08 million. The Group's liquidity, measured by the current ratio is 3.75.

### DIVIDEND

The Group has constantly declared a dividend payout for every quarter for the past years. The total dividend declared during the financial year 2024 was 5.0 sen (2023: 3.70 sen) per share.

### GROUP'S PROSPECTS

The sustainability of revenue growth is promising as the Group has a solid business foundation in this industry. The Group will continuously strive to pursue higher productivity and lower operation costs by improving efficiency through capital investment.

The Board expects that the performance of the Group will be satisfactory for the next financial year ending 31 March 2025, despite facing various challenges from the competitive and uncertain markets.





# SUSTAINABILITY STATEMENT



*“The greatest threat to our planet is the belief that someone else will save it.”*

*Robert Swan - advocate for environmental conservation and sustainability*

Oriental Food Industries Holdings Berhad (“OFIH Group” or “the Company”) aims to lead in corporate sustainability through a business approach that adds value for stakeholders, focusing on the three pillars of environment, social responsibility, and governance (ESG).

OFIH believes that achieving this goal requires raising awareness and consistently integrating corporate responsibility values and sustainability management principles into its core values, work practices, and policy statements.

The primary focus of OFIH’s sustainability framework is to assess the economic, environmental, and social risks and opportunities in line with the Company’s corporate governance framework and social responsibilities, aligning with Bursa Malaysia Securities Berhad’s Sustainability recommendations.

This Sustainability Statement provides an overview of the Group’s efforts and sustainability practices during the financial year to uphold stakeholders’ interests, foster a safe, healthy, and harmonious working environment, and contribute to the community.

## GOVERNANCE STRUCTURE

The management and operations of the OFIH Group are overseen and led by Datuk Seri Son Chen Chuan, Group Managing Director, and Datuk Son Tong Leong, Group Chief Executive Officer.

Assisting them, the Top Management receives support from the Senior Management, Departmental Managers, and Heads of Departments.

The OFIH Group comprises three (3) subsidiary companies exercising different scope of duties as follows:

### **Subsidiaries of OFIH**

- Oriental Food Industries Sdn. Bhd. (“OFI”)      Manufacturing and marketing of biscuits, cakes, snack food and confectioneries.
- OFI Properties Sdn. Bhd.      Property development.

### **Subsidiary of OFI**

- Oriental Food Marketing (M) Sdn. Bhd.      Sales and marketing of biscuits, cakes, snack food and confectioneries.



## SUSTAINABILITY STATEMENT

### MATERIAL SUSTAINABILITY MATTERS

#### ECONOMIC

The OFIH Group is committed to ensuring profitability while implementing practices that foster long-term economic growth without adverse effects on the social, environmental, and cultural aspects of the community. Sustainable business growth is facilitated by bolstering consumer confidence, satisfaction and demand, all of which are crucial for the Company's positive advancement.

The Company's primary focus is on the manufacturing and marketing of biscuits, cakes, snack food, and other confectionery products under well-known brand names such as "Super Ring", "Jacker", "Rota", and "Zess", both domestically and internationally.

Adhering strictly to the principles of high corporate ethics and complying with the laws and regulations of Malaysia and other export destinations are fundamental for the Group.

In essence, our commitment to quality means offering our customers "peace of mind," ensuring the safety of the products they consume. This assurance is attained through our adherence to recognized international compliance standards, such as ISO 9001, ISO 22000, Food Safety, MESTI, Halal Malaysia (JAKIM), Halal Indonesia (MUI), FSSC 22000 accreditation (Food Safety System Certification), and HACCP certifications.

The Group has a proven track record of maintaining an effective quality management system to meet the expectations of regulators, customers, and consumers. Its dedication to excellence and continual quality enhancement is also evident in the Quality & Food Safety Policy and the various accreditations achieved by the Group.

#### STATEMENT OF ASSURANCE

This Sustainability Statement has not been subjected to an assurance process.

#### SUSTAINABILITY POLICY

The Sustainability Policy of the Group is designed to integrate sustainable practices across all operations, aiming to reduce environmental impact, enhance social responsibility, and foster economic sustainability.

This policy applies to all stakeholders associated with OFIH Group, including employees, suppliers, customers, and wider community interests. At its core, OFIH Group seeks to lead in corporate sustainability through a comprehensive approach focusing on economy, environment and social responsibility.

In terms of environmental stewardship, OFIH Group commits to minimizing waste generation, increasing recycling efforts, conserving water and energy resources, and promoting sustainable sourcing and procurement practices. These efforts are intended to mitigate environmental impact while enhancing operational efficiency.

Social responsibility is another key pillar, encompassing fair labour practices, diversity, and inclusion initiatives, community engagement, and ensuring a safe and healthy workplace environment for all employees. Economic sustainability is equally prioritized through cost-effective sustainable practices, innovation in product development, and maintaining transparency and accountability in all endeavours.

Practical procedures are outlined to support these objectives, including the establishment of a Sustainability Committee to oversee implementation and monitoring, the appointment of a dedicated Sustainability Officer, and specific measures in energy management, waste reduction, water conservation, and sustainable procurement.

Employee engagement and training are integral, with provisions for sustainability education and encouraging active participation in sustainability initiatives. Community engagement is also emphasized, encouraging partnerships with local organizations and fostering employee volunteerism in community sustainability projects.

Regular monitoring and reporting mechanisms ensure ongoing assessment of sustainability efforts, with an annual sustainability report published to communicate progress and future goals to stakeholders. Continuous review by the Sustainability Committee ensures that the policy remains relevant and effective, with necessary revisions made to align with regulatory changes and evolving organizational objectives.

By adhering to this Sustainability Policy, OFIH Group demonstrates its commitment to responsible business practices that contribute positively to environmental preservation, social well-being, and long-term economic viability.



## SUSTAINABILITY STATEMENT

### INTERNAL AND EXTERNAL AUDITS

The Group has established an internal audit system to ensure the effectiveness and compliance of its Management System implementation, aligning with globally recognized standards. Internal audits are carried out at least once a year. Furthermore, external audits are conducted annually by an accredited third-party certification body.

### INTERNAL COMMUNICATION

At OFIH, internal communication is fundamental to fostering a cohesive and productive workplace environment. We prioritize the exchange of information, ideas, and feedback among all levels of employees, managers, and executives. Our internal communication channels include regular meetings, emails, newsletters, and instant messaging apps.

Led by senior management, we conduct regular communication sessions to ensure that all employees are well-informed about company updates, goals, and strategies. These sessions provide an opportunity for open dialogue and alignment of business objectives across the organization.

Furthermore, our open-door policy encourages transparency and collaboration, allowing employees to voice their opinions, concerns, and suggestions. We value feedback from our employees and have established mechanisms to ensure that it is heard and addressed appropriately.

By fostering effective internal communication, we nurture our company culture, promote employee engagement, and drive the success of the Company.

### PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

Procurement and supply chain management are integral to the success of OFIH. Our supply chain plays a crucial role in ensuring the effectiveness and efficiency of our operations.

At OFIH, our procurement policy serves as a guiding principle in the assessment of suppliers and service providers. We prioritize selecting partners who demonstrate the ability to consistently deliver high-quality products and services over the long term, while also operating ethically and responsibly.

To maintain the highest standards, we conduct a thorough assessment of key suppliers annually to ensure they meet our stringent requirements and remain on our Approved Supplier List. This meticulous control process enables us to cultivate a pool of trusted and reliable suppliers for the procurement of our main materials, thereby minimizing disruptions in our production process.

Moreover, OFIH is deeply committed to upholding integrity standards throughout our supply chain. We hold our suppliers to the same professional and ethical conduct that we expect from ourselves. By maintaining transparency, accountability, and ethical practices at every stage of our supply chain, we ensure the continued success and sustainability of our operations.

### RESEARCH AND DEVELOPMENT

Through strategic investment in R&D, OFIH remains steadfast in its mission to deliver cutting-edge, premium-quality food products that resonate with the evolving preferences of our consumers. Our unwavering dedication to sustainability and environmental stewardship is intrinsic to our R&D initiatives.

Under the visionary leadership of our Group Managing Director, Datuk Seri Son Chen Chuan, OFIH's R&D endeavours are at the forefront of driving growth and excellence within the Company. Through continuous innovation and meticulous research, we aim to develop food products that not only meet the highest standards of quality and taste but also prioritize environmental sustainability throughout the production process.

By harnessing the latest advancements in food science and technology, we strive to create innovative solutions that minimize waste, reduce environmental impact, and promote a healthier planet. At OFIH, R&D serves as a catalyst for progress, enabling us to stay ahead of market trends, delight consumers, and contribute positively to the global food industry.



## SUSTAINABILITY STATEMENT

### SHAREHOLDERS' SUPPORT & COMMUNICATION

At OFIH, we recognize the paramount importance of clear communication in fostering and nurturing strong relationships with our valued shareholders. It is our steadfast commitment to ensure that material information pertaining to the Group is promptly disclosed to all interested parties.

OFIH deeply values the unwavering support and investment of our shareholders, many of whom have remained steadfast partners with the Company for numerous years. This enduring loyalty underscores the strong foundation of trust and cooperation that characterizes our business environment. The Board of Directors extends its heartfelt appreciation to our shareholders for their continued loyalty, which forms the cornerstone of our mutual success.

The annual general meeting serves as an invaluable platform for direct communication between the board and our esteemed shareholders. It provides an opportunity for meaningful dialogue, transparent exchange of insights, and alignment of objectives to drive the Company forward.

Moreover, to facilitate seamless communication and enhance transparency, OFIH maintains an Investor Relations section on our corporate website [<http://www.ofih.com.my/investor-centre>]. This dedicated section offers shareholders access to up-to-date corporate information, announcements, and comprehensive financial performance reports. By leveraging this platform, we not only engage with shareholders effectively but also foster greater awareness of OFIH within the investment community.

### TRANSPARENT COMMUNICATION AND STAKEHOLDERS ENGAGEMENTS

The Group has established a robust communication platform to enhance transparency and engagement with its shareholders and stakeholders. Our corporate website features a dedicated Investor Relations section, providing access to comprehensive corporate information, financial performance updates, and Bursa announcements. This segment serves as a valuable resource for investors seeking timely and relevant information about the Company's operations and performance.

In addition, we leverage various social media platforms to connect with consumers and disseminate information about our activities, products, and business updates. Through these channels, we aim to foster open communication, build trust, and keep our stakeholders informed about the latest developments within the Group.

### RISK MANAGEMENT

The contemporary business landscape is characterized by constant change, unpredictability, and volatility, exacerbated by unforeseen events. In this dynamic environment, companies face a multitude of risks that require proactive management and mitigation strategies.

To address these challenges, the Risk Management and Audit Committee (RMAC), supported by dedicated internal teams collaborate closely to identify, assess, and minimize uncertainties, as well as respond to and manage various risks effectively.

The RMAC, chaired by an Independent Non-Executive Director, comprises two other members: an Independent Non-Executive Director and a Non-Independent Non-Executive Director. This diverse composition ensures comprehensive oversight and unbiased decision-making.

The committee convenes at least four times annually to review potential and existing risk issues within the Group, assessing their adequacy and effectiveness in light of the evolving local and global business landscape. Regular reports are submitted to the Board to keep them apprised of emerging risks and mitigation efforts.

Furthermore, the RMAC conducts closed-session meetings with independent Internal Audit consultants at least once a year, fostering candid discussions and ensuring thorough evaluation of risk management processes. Through these structured mechanisms, OFIH remains committed to proactive risk management and safeguarding the interests of stakeholders in an ever-changing business environment.





## SUSTAINABILITY STATEMENT

### CORPORATE GOVERNANCE PRACTICES

The Group is guided by a highly effective board, which assumes responsibility for its leadership and control, collectively working towards promoting its success by directing and supervising its affairs. Upholding the principles of good Corporate Governance, the Directors make decisions objectively, always prioritizing the best interests of the Group.

Operating within an integrated business management system, our business units interact seamlessly through an ERP system, complemented by adherence to multiple ISO standards for quality assurance. This streamlined approach eliminates duplication of workload and ensures alignment with the operational and business objectives.

Our integrated business management system fosters transparency, visibility, traceability, and cross-departmental collaboration. Documented policies, procedures, and processes establish clear roles and responsibilities, facilitating effective communication of commitments across the organization.

As part of our commitment to maintaining high standards of corporate governance, the Company conducts routine internal audits conducted by independent auditors. These audits serve not only to identify issues and vulnerabilities but also to provide insight into the Company's corporate culture, ensuring alignment with our values and objectives.

Furthermore, the Group has implemented robust Policies and Procedures to strengthen its corporate governance framework. These policies cover various critical areas, including Corporate Disclosure, Whistle-Blowing, Corporate Social Responsibility, Environmental Sustainability, Anti-Bribery, Anti-Corruption, and Fraud Prevention.

The Board and top-level management have proactively taken measures to ensure compliance with the Malaysian Anti-Corruption Commission's (MACC) corporate liability law. Committed to fighting corruption and enhancing integrity, the Group consistently takes appropriate steps to ensure that it does not engage in any corrupt activities, thereby upholding its commitment to good governance and ethical business practices.

### SAFE WORK ENVIRONMENT

In our commitment to fostering a safe work environment, we prioritize the well-being of our employees above all else. We believe that every individual has the right to work in an environment that is free from hazards and risks to their health and safety.

Our proactive approach to safety encompasses stringent measures and continuous improvement initiatives. Through comprehensive training programs, regular safety audits, and the implementation of best practices, we strive to mitigate risks and prevent accidents in the workplace.

We recognize that a safe work environment not only protects our employees but also enhances productivity and fosters a positive organizational culture. By promoting a safety-first mind-set and encouraging open communication, we empower our workforce to actively participate in maintaining a safe workplace for everyone.

As we move forward, we remain steadfast in our commitment to upholding the highest standards of safety across all aspects of our operations. Together, we will continue to prioritize safety as a core value, ensuring that every member of our team returns home safely each day.

### MEASURES TO MITIGATE RISKS OF SERIOUS DISEASES

The Company has established comprehensive protocols for Preventive Measures against communicable diseases, comprising detailed action plans and recommendations aimed at preventing, controlling, and mitigating the risk of any diseases.

Prioritizing the management of risks associated with food safety, the Group is dedicated to safeguarding public health by effectively controlling these risks through the selection and implementation of appropriate measures. These measures are meticulously implemented in accordance with the Food Safety Procedures established by the Company.



## SUSTAINABILITY STATEMENT

### ENVIRONMENTAL COMMITMENT

*“ESG isn’t just a trend; it’s the future of investing, where profit meets purpose.”*

OFIH Group remains steadfast in its commitment to enhancing and refining its environmental sustainability across its operations. The Group is dedicated to minimizing its environmental impact through initiatives that focus on reducing energy consumption, implementing efficient waste management practices, and promoting the use of renewable resources.

#### (a) Use of Natural Gas in Manufacturing Processes

OFIH continues to prioritize the use of natural gas across all manufacturing processes due to its environmentally friendly attributes. Recognized for its clean combustion and absence of harmful emissions, natural gas stands out as the lowest carbon hydrocarbon, boasting odourless, colourless, and non-toxic properties.

#### (b) Water Treatment Plant

Maintaining its water treatment plant, OFIH ensures that wastewater from its operations undergoes a thorough treatment process. This includes physical, chemical, and biological treatment stages to effectively remove contaminants, yielding treated wastewater (or effluent) that meets stringent environmental safety standards.

#### (c) Management of Manufacturing Waste

While waste generation is an inherent aspect of production processes, OFIH is steadfast in its efforts to minimize waste through the establishment of innovative processes and practices. By prioritizing waste reduction, the Company promotes sustainability practices in waste management. Additionally, OFIH ensures that all manufacturing waste disposal is carried out by government-approved and licensed contractors.

#### (d) Solar Energy

Embracing renewable energy sources, OFIH has initiated the integration of solar energy at select manufacturing plants. Beyond showcasing corporate commitment to reducing carbon emissions, the adoption of solar panels presents an effective strategy for reducing operating costs while advancing environmental sustainability goals.

### SOCIAL RESPONSIBILITY

Social responsibility is integral to OFIH Group’s corporate culture. We prioritize the well-being and safety of our employees, promote diversity and inclusion, and uphold fair labour practices throughout our supply chain. We actively engage with local communities through partnerships and initiatives that support education, and social welfare programs. By investing in the development and welfare of our people and communities, we aim to create a positive impact and contribute to sustainable social development.

Throughout the last financial year, we have undertaken several initiatives aimed at fostering social well-being, and following are the key highlights:

#### (a) Contribution to Old Folks Homes

During the last financial year, we have extended our support to several old folk’s homes in our communities. Through monetary donations, provision of essential supplies, and volunteer engagement, we have sought to enhance the quality of life for elderly residents and provide them with the care and companionship they deserve. Our employees have volunteered their time to organize social events, fostering a sense of belonging and happiness among the elderly residents.



## SUSTAINABILITY STATEMENT

### SOCIAL RESPONSIBILITY (CONTINUED)

#### (a) Contribution to Old Folks Homes (Continued)



#### (b) Contribution to Schools and Educational Institution



## SUSTAINABILITY STATEMENT

### SOCIAL RESPONSIBILITY (CONTINUED)

#### (b) Contribution to Schools and Educational Institution (Continued)



Education is a cornerstone of societal development, and we are committed to supporting schools and educational institutions in our communities. Over the past year, we have partnered with schools in their social events.

Looking ahead, we remain dedicated to advancing our efforts in contributing toward social well-being. We understand that our responsibilities as a corporate citizen extend far beyond financial performance, and we are committed to leveraging our resources and expertise to create a positive impact on society.

#### (c) Employee Career Growth through Educational Sponsorship & Training

The Company is dedicated to fostering career growth and development among its employees through Education Assistance Programmes and Training initiatives. Recognizing the importance of continuous learning, deserving employees are granted financial support to participate in various competency programmes aimed at enhancing their professional skills and knowledge.

In addition to these programmes, all employees benefit from regular training and development opportunities designed to improve their performance, understanding, and overall success in their roles. With the ever-evolving nature of the market, employees are empowered to upskill and stay updated with industry trends through a variety of training sessions tailored to sharpen both management and technical skills, thereby supporting personal effectiveness and meeting business needs.

#### (d) Employment Culture

The Group embraces diversity as a cornerstone of our recruitment philosophy and workforce strategy.

We actively promote diversity and inclusion throughout our recruitment processes. Our hiring practices are designed to attract and welcome individuals from diverse backgrounds, including different ethnicities, genders, ages, cultures, and abilities. We believe that a diverse workforce enriches our company culture and brings a wide range of perspectives that contribute to our success.

By nurturing a diverse talent pool, we leverage a broad spectrum of skills, ideas, and perspectives that drive business growth and sustainability.

Our commitment to diversity extends beyond recruitment to encompass policies and practices that promote equality and fairness in the workplace. We uphold non-discriminatory practices and provide training and resources to foster cultural competence and sensitivity among our employees.

We continually review and refine our diversity initiatives to ensure alignment with best practices and evolving societal norms. Through regular assessments and feedback mechanisms, we strive to create an environment where diversity thrives, contributing to a more inclusive and harmonious workplace.

By prioritizing diversity in recruitment and fostering an inclusive workplace culture, OFIH Group demonstrates our dedication to building a workforce that reflects the diversity of the communities we serve. We believe that embracing diversity not only strengthens our organizational resilience but also enhances our ability to innovate and achieve sustainable growth in a globalized economy.



## SUSTAINABILITY STATEMENT

### SOCIAL RESPONSIBILITY (CONTINUED)

#### (e) Ladies' Leadership

The Group is deeply committed to fostering an environment of equal opportunity, diversity, and inclusion, staunchly opposed to any form of discrimination. By cultivating a fair workplace culture, the Company endeavours to develop, recruit, and retain a diverse workforce, enabling personnel to leverage a wide range of competencies and solutions without bias or coercion.

In pursuit of this objective, the Company promotes a merit-based approach to work and advancement, valuing individuals based on their ability, merit, potential, and experience, free from prejudice. Discrimination based on factors such as race, age, caste, nationality, religion, disability, gender, or political affiliation is vehemently condemned by the Group.

Emphasizing equality regardless of race or gender, the Group ensures that female employees are afforded equal opportunities for career advancement and are empowered to hold senior positions across various departments and divisions. Presently, the Company boasts female employees occupying senior management and managerial roles, serving as a beacon of inspiration for others within the organization. This commitment to gender equality not only fosters a culture of inclusivity but also demonstrates to both prospective and current employees that upward mobility within the Company is attainable for all.

#### (f) Internship Programme



The Group extends a valuable opportunity to students and recent graduates through its Internship Programme, providing them with first hand practical experience within the Company. Interns who demonstrate exceptional performance and dedication during their assignment may be offered permanent employment opportunities upon completion of their internship.

#### (g) Work-Life Balance toward Sustainable Productivity

The Group understands that a content and fulfilled workforce significantly contributes to organizational profitability. Therefore, it places importance on fostering a healthy work-life balance for its employees, acknowledging the need for time allocation not only for work but also for other aspects of life.

## SUSTAINABILITY STATEMENT

### SOCIAL RESPONSIBILITY (CONTINUED)

#### (h) Accommodation for Foreign Workers



The Group is committed to upholding the standards set forth in ACT 446 by providing accommodation for foreign workers that not only meets but exceeds regulatory requirements.

Our company takes pride in owning and maintaining the foreign worker hostel building with 24-Hour Security and CCTV Surveillance managed by the Hostel Management Team of the Human Resource Department. These accommodations are thoughtfully designed and equipped with essential facilities and amenities to ensure the safety, comfort, and well-being of our foreign workers.

#### (i) Occupational Safety and Health

At OFIH, occupational safety and health are paramount concerns that are diligently overseen by our Safety and Health Officer and a dedicated safety team members. Their proactive initiatives and stringent measures ensure a safe and secure working environment for all employees.

##### Leadership

Our Safety and Health Officer (“SHO”) leads the charge in implementing and monitoring safety protocols across all OFIH Group facilities. The SHO is supported by a team who conduct regular inspections, risk assessments, and safety audits to identify and address potential hazards promptly.

##### Safety Initiatives

The safety team at OFIH Group initiates various proactive measures to enhance workplace safety. This includes developing and implementing robust safety procedures and protocols tailored to each department and operational area. They organize regular safety training sessions to educate employees on best practices, emergency procedures, and the proper use of safety equipment.

##### Fire Fighting and Emergency Response

In the event of emergencies, including fires, our safety team is well-prepared to respond swiftly and effectively. They conduct trainings to ensure all employees are familiar with evacuation procedures and the operation of firefighting equipment. The Group’s manufacturing facilities are equipped with firefighting systems and equipment, and our team is trained in fire prevention strategies to mitigate risks proactively.



## SUSTAINABILITY STATEMENT

### SOCIAL RESPONSIBILITY (CONTINUED)

#### (i) Occupational Safety and Health (Continued)

##### Fire Fighting and Emergency Response (Continued)



##### Continuous Improvement

At OFIH Group, we believe in continuous improvement in occupational safety and health. Our safety team conducts incident investigations to learn from any safety breaches or near misses, implementing corrective actions to prevent recurrence. They also stay updated on industry best practices and regulatory requirements to maintain compliance and uphold the highest standards of safety across our operations.

By prioritizing occupational safety and health under the leadership of our Safety and Health Officer and their dedicated team, OFIH Group ensures a workplace where employees can perform their duties with confidence and peace of mind. Our commitment to safety extends beyond compliance—it reflects our core values of protecting our most valuable asset: our people.

#### (j) Anti-Bribery and Corruption

OFIH upholds an Anti-Bribery and Corruption Policy as a cornerstone of our corporate governance framework. This policy is designed to ensure ethical conduct and compliance with legal standards, including Section 17A of the Malaysian Anti-Corruption Commission Act 2009.

##### Policy Implementation and Training

All staff members undergo training on our Anti-Bribery and Corruption Policy to understand their responsibilities and the consequences of non-compliance. This training is a mandatory component of our employee induction program, ensuring that new hires are introduced to our ethical standards from the outset of their employment.

##### No Gift Policy

To further reinforce our commitment to integrity, OFIH Group has implemented a strict No Gift Policy. This policy prohibits employees from accepting or offering gifts, favours, or other forms of undue influence that could compromise our ethical standards or integrity.

##### Legal Compliance

We adhere strictly to Section 17A of the Malaysian Anti-Corruption Commission Act 2009, which imposes corporate liability on commercial organizations for acts of corruption committed by their employees, agents, or associates. Our compliance with this legislation underscores our dedication to preventing bribery and corruption in all forms across our operations.



## SUSTAINABILITY STATEMENT

### SOCIAL RESPONSIBILITY (CONTINUED)

#### (j) Anti-Bribery and Corruption (Continued)

##### Whistleblowing Policy

Our Whistleblowing Policy provides a confidential channel for employees, stakeholders, and third parties to report any suspected misconduct, including bribery, corruption, fraud, or unethical behaviour. Reports can be made anonymously, and whistleblowers are protected from retaliation. Reports are thoroughly investigated by an independent committee to ensure fair and impartial handling of allegations.

At OFIH Group, we recognize that maintaining a culture of integrity is essential for sustainable business success. Our Anti-Bribery and Corruption Policy, supported by ongoing training and strict adherence to legal requirements, reflects our commitment to conducting business ethically and responsibly in Malaysia and beyond.

#### (k) Data and Privacy Security & Cybersecurity

At Oriental Food Industries Holdings Berhad, safeguarding data and privacy is a top priority. We have implemented the Personal Data Protection Act (PDPA) throughout our operations to ensure the secure handling and protection of personal information.

OFIH Group maintains a dedicated IT department tasked with ensuring cybersecurity measures are in place to protect our systems, networks, and data assets. Our IT team adopts industry best practices to safeguard against cyber threats, including malware, phishing attacks, and unauthorized access. They continuously monitor our IT infrastructure, conduct regular security assessments, and implement necessary updates and patches to mitigate risks effectively.

In addition to legal compliance and cybersecurity measures, we enforce strict internal controls to protect sensitive data. Access to confidential information is restricted to authorized personnel only, and encryption technologies are employed to secure data both in transit and at rest.

By integrating these measures into our corporate governance framework, OFIH Group aims to ensure that data and privacy security remain a cornerstone of our operations, enabling us to responsibly manage and protect the information entrusted to us.

#### (l) SEDEX Membership

The Group have implemented Sedex ethical practices as part of our commitment to responsible business conduct and ethical sourcing throughout our supply chain.

##### Sedex Membership

Oriental Food Industries Sdn Bhd ("OFISB"), a subsidiary company of OFIH is a member of Sedex, a global organization dedicated to driving improvements in ethical and responsible business practices in supply chains. As a member, we adhere to Sedex rigorous standards and guidelines, which encompass four key pillars: labour standards, health and safety, the environment, and business ethics.

##### Labour Standards

We uphold fair labour practices across our operations and supply chain. This includes ensuring safe working conditions, fair wages, and reasonable working hours for all employees. We prohibit child labour and forced labour in any form and require our suppliers to adhere to these same standards.

##### Health and Safety

Health and safety of workers are paramount concerns at OFIH Group. We implement robust health and safety measures to protect the well-being of our employees and contractors. This includes providing necessary training, conducting regular audits, and maintaining compliance with relevant health and safety regulations.

##### Continuous Improvement

We have engaged a reputable consultation firm to guide us through the implementation of Sedex ethical practices. Their expertise helps us establish systems and processes aligned with Sedex requirements, ensuring that ethical standards are embedded throughout our supply chain.





## SUSTAINABILITY STATEMENT

### SOCIAL RESPONSIBILITY (CONTINUED)

#### (I) SEDEX Membership (Continued)

##### Scheduled External Audit

OFISB has scheduled an external audit by a certified third-party body. This audit is aimed at assessing our compliance with Sedex standards and verifying the effectiveness of our ethical practices implementation. It serves as a critical milestone in our journey towards achieving certification and demonstrating our commitment to ethical business conduct.

##### Impact and Benefits

By adhering to Sedex ethical practices, OFIH Group strengthens relationships with suppliers, builds trust with stakeholders, and mitigates risks associated with unethical practices in the supply chain. Our commitment to ethical sourcing not only enhances our reputation but also contributes to sustainable development and social responsibility.

In conclusion, our implementation of Sedex ethical practices at OFIH Group underscores our dedication to conducting business responsibly and ethically. We strive to uphold these principles across our operations and supply chain, ensuring that we make a positive impact on workers, communities, and the environment while maintaining high standards of corporate integrity.

### PERFORMANCE DATA TABLE

This ESG Performance Data Table was generated from Bursa Malaysia's ESG Reporting Platform. It is included in this Sustainability Statement as mandated by Bursa Malaysia's enhanced Sustainability Reporting requirements.

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	3.21
Executive	Percentage	6.77
Non-executive/Technical Staff	Percentage	20.01
General Workers	Percentage	70.01
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	37,350.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	12
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0
Management Between 30-50	Percentage	1.99
Management Above 50	Percentage	1.21
Executive Under 30	Percentage	2.64
Executive Between 30-50	Percentage	3.7
Executive Above 50	Percentage	0.43
Non-executive/Technical Staff Under 30	Percentage	10.11
Non-executive/Technical Staff Between 30-50	Percentage	7.83
Non-executive/Technical Staff Above 50	Percentage	2.07
General Workers Under 30	Percentage	37.61



## SUSTAINABILITY STATEMENT

Indicator	Measurement Unit	2024
General Workers Between 30-50	Percentage	32.05
General Workers Above 50	Percentage	0.36
Gender Group by Employee Category		
Management Male	Percentage	2.07
Management Female	Percentage	1.14
Executive Male	Percentage	2.49
Executive Female	Percentage	4.27
Non-executive/Technical Staff Male	Percentage	13.03
Non-executive/Technical Staff Female	Percentage	6.98
General Workers Male	Percentage	59.48
General Workers Female	Percentage	10.54
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	85.71
Female	Percentage	14.29
Under 30	Percentage	0
Between 30-50	Percentage	28.57
Above 50	Percentage	71.43
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	18154
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	7
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	2.80
Bursa C5(c) Number of employees trained on health and safety standards	Number	21
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	232
Executive	Hours	294
Non-executive/Technical Staff	Hours	196
General Workers	Hours	636
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	2
Executive	Number	38
Non-executive/Technical Staff	Number	68
General Workers	Number	336
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	81
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	131.38

The Group places great importance and is steadfast in its commitment to enhancing its sustainability performance. We are dedicated to prioritizing the interests of all stakeholders while continuously improving our environmental, social, and governance initiatives.

This Sustainability Statement was approved by the Board of Directors on 24 July 2024.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) observes the Malaysian Code on Corporate Governance 2021 (“MCCG 2021”) and ensures the highest standards of corporate governance is practiced throughout Oriental Food Industries Holdings Berhad’s group of companies (“the Group”) as a fundamental part of discharging its responsibilities to protect and enhance shareholders’ value and the financial performance of the Group.

This Corporate Governance Overview Statement (“CG Statement”) provides the summary of the Company’s corporate governance practices during the financial year ended 31 March 2024 with reference to the following three (3) principles set out in the MCCG 2021:

- Principle A: Board leadership and effectiveness;
- Principle B: Effective audit and risk management; and
- Principle C: Integrity in corporate reporting and meaningful relationship with stakeholders

The Group’s corporate governance structure has been developed and enhanced based on the principles and recommendations of best practices prescribed in the MCCG 2021. The Company has disclosed its application of each practice set out in MCCG 2021 in a prescribed format of Corporate Governance Report (“CG Report”) and the said CG Report can be viewed and downloaded in the Company’s corporate website [www.ofih.com.my](http://www.ofih.com.my).

This CG Statement is to be read together with CG Report, based on a prescribed format as outlined under paragraph 15.25(2) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“MMLR”).

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](http://www.ofih.com.my):

- (a) Board Charter
- (b) Code of Conduct
- (c) Board Remuneration Policy
- (d) Corporate Disclosure Policy
- (e) Whistle-Blowing Policy
- (f) Corporate Social Responsibility, Environmental and Sustainability Policy
- (g) Anti-Bribery and Anti-Corruption Policy
- (h) Fraud Policy
- (i) Terms of Reference of Risk Management & Audit Committee
- (j) Terms of Reference of Nomination Committee
- (k) Terms of Reference of Remuneration Committee

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### PART I - BOARD RESPONSIBILITIES

#### 1. Supply Of Information

All Directors are provided with information on a timely basis. The agenda and Board Papers are circulated to the Board members prior to the meeting and if required, the Board 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 Secretaries and independent professional advisers whenever appropriate at the Company’s expense. Members of the Board are regularly updated on any new statutory and regulatory requirements.

#### 2. Board Charter and Code of Conduct

The Board Charter and Code of Conduct (“The Charter”) adopted by the Board guides the Board in the fulfilment of its roles, duties and responsibilities which are in line with the principles of good corporate governance. The Charter is subject to periodical review to ensure consistency with the Board’s strategic intent as well as relevant standards of corporate governance.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### PART I - BOARD RESPONSIBILITIES (CONTINUED)

##### 2. Board Charter and Code of Conduct (continued)

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 guides the Directors on ethical and behavioural considerations and/or actions as they address their duties and obligations during the appointment.

The Board is responsible to determine its optimised size in order to carry out its responsibility and authority effectively and efficiently.

The Charter will be reviewed periodically and updated in accordance with the needs of the Company and any new regulations that may have an impact in discharging the Board's responsibilities. The Board Charter and Code of Conduct were last reviewed and approved on 25 February 2021.

##### 3. Corporate Disclosure Policies

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

Apart from the above, the Company also has implemented a whistle-blowing policy programme. Through this program, employees are encouraged to discreetly disclose concerns about illegal, unethical or improper business conduct within the Company. In this manner, the employees can help the Company to monitor and keep track of such illegal, unethical or improper business conduct within the Company which otherwise may not be easily detected through normal processes or transactions.

This Policy is designed to facilitate employees to disclose any improper conduct (misconduct or criminal offence) through an internal channel. Such misconduct or criminal offences include (but are not limited to) the following:

- i) Whistle-Blowing Policy
- ii) Anti-Bribery and Anti-Corruption Policy
- iii) Fraud Policy

This Policy is for the employees to raise matters in an independent and unbiased manner. Employees are not required to prove the cases but rather to provide sufficient information for the management to take appropriate steps.

This Policy is administered by the Group's Top Management and overseen by the Risk Management and Audit Committee.

##### 4. Sustainability Strategy and Policy

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

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

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



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### PART II - BOARD COMPOSITIONS

##### 5. Composition of the Board

The Board currently has seven (7) members, three (3) of whom are Executive Directors and two (2) Non-Independent Non-Executive Directors and two (2) Independent Non-Executive Director. The Board is led by Tan Sri Dato' Azizan Bin Husain, a Senior Non-Independent Non-Executive Chairman, while the executives are led by Datuk Seri Son Chen Chuan, the Group Managing Director.

The role of the Chairman and Group Managing Director of the Company are separated to ensure a balance of power and authority. The Non-Independent Non-Executive Chairman is responsible for the orderly conduct and effectiveness of the Board, whilst the Group Managing Director together with the Group Chief Executive Officer and Management ensures proper implementation of policies and strategies as adopted by the Board for the business operations of the Group.

The evaluation of the potential candidate for new directorship and director nominated for re-election are delegated to Nomination Committee ("NC") with the recommendation being made to the Board for decision. On the appointment of the new director, such new director is required to commit sufficient time to discharge his/her duty and responsibility with reasonable due care, skills and diligence. Members of the Board is expected to devote sufficient time and effort to discharge their respective responsibilities with reasonable due care, skills and diligence. Individual members of the Board are required to inform the Chairman before accepting the new appointment and to communicate the time he/she expects to spend for the new appointment.

The Board composition is governed by the Constitution of the Company. The Board shall comprise at least two (2) directors and not more than fifteen (15) directors, in accordance with the Constitution of the Company. Furthermore, in order to assert the independence element along with the check and balance role to the Board, at least two (2) Directors or one third (1/3) of the Board (whichever is higher), shall be independent, in accordance with the Main LR of Bursa Malaysia Securities Berhad ("Bursa Securities").

The tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, such Independent Director may continue to serve on the Board subject to the Directors' re-designation as a Non-Independent Director. Otherwise, the Board must justify and seek Shareholders' approval in the event it retains as an Independent Director. As for the retention of an Independent Director above twelve (12) years, the Board shall seek shareholders' approval through the two-tier voting process.

The retirement and re-election of Directors are in accordance with the Constitution of the Company, which provides that all Directors of the Company, including the Managing Director are subject to retirement. At least one-third (1/3) of the board members who have been longest in office are subject to retirement by rotation during the annual general meeting. A newly appointed Director shall retire at the next annual general meeting. A retiring Director is eligible for re-election.

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

The Directors' profiles are set out in pages 14 - 16 of this Annual Report.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### PART II - BOARD COMPOSITIONS (CONTINUED)

##### 6. Board Meetings

The Board meets at least once a quarter. The Meeting agendas and a set of Board Papers are circulated to the Board at least seven (7) days before the Board Meetings to ensure that the Directors can peruse the matters for discussion and able to obtain further explanations, where necessary, to make informed decisions. Senior Management is invited to attend these meetings to explain and clarify matters, where necessary.

The Company Secretaries organise and attend all Board Meeting 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 with all regulatory requirements.

There were four (4) meetings held during the financial year ended 31 March 2024, and the Directors' attendance were as follows:

Name of Director	Designation	No. of Board Meetings Attended	Percentage of Attendance (%)
Tan Sri Dato' Azizan Bin Husain	Chairman/ Senior Non-Independent Non-Executive Director <i>[Re-designated on 23 May 2023]</i>	4/4	100
Datuk Seri Son Chen Chuan	Group Managing Director	4/4	100
Datuk Son Tong Leong	Group Chief Executive Officer	4/4	100
Datuk Son Tong Eng	Executive Director	3/4	75
Mr. Lim Keat Sear	Non-Independent Non-Executive Director	4/4	100
Mr. Chong Peng Khang	Independent Non-Executive Director	4/4	100
Ms. You Chen Kei	Independent Non-Executive Director	4/4	100

##### 7. Appointment, Retirement and Re-election

The retirement and re-election of Directors are in accordance with the Constitution of the Company, which provides that all Directors of the Company, including the Managing Director are subject to retirement. At every Annual General Meeting ("AGM"), at least one-third (1/3) of the total Board members who have been longest in office are subject to retirement by rotation. Any newly appointed Directors during the year must offer themselves to the Shareholders for re-election at the first AGM following their appointment.

The tenure of an Independent Director should not exceed a cumulative term of nine (9) years. According to MCGG 2021, an Independent Director who has served for a cumulative term of more than nine (9) years would need to seek re-appointment at the AGM. Whereas, if the Board intends to retain the Independent Director after year-12, the Board should provide justification and seek annual shareholders' approval through a two-tier voting process.

An Independent Director shall only remain as Independent Director if:

- The independence assessment conducted by the Nomination Committee (with such independent director being abstained from the deliberation if he is a member) based on the above procedure and criteria on such Independent Director determines that the independence of such Independent Director is preserved and is not deteriorated in any manner due to passage of time and reported as such to the Board; and



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### PART II - BOARD COMPOSITIONS (CONTINUED)

##### 7. Appointment, Retirement and Re-election (continued)

- ii) The continuing of such Director as Independent Director is recommended by the Board, based on the independence assessment conducted by the Nomination Committee with the results of the independent assessment being disclosed in the notice to such general meeting, to the Shareholders for ratification to continue to act as Independent Director in a general meeting and the ordinary resolution for such agenda is ratified by the shareholders during such general meeting.

All Directors seeking for re-election/re-appointment need to be assessed by the Nomination Committee on their capability and suitability.

##### 8. 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 the latest developments in the marketplace and new statutory and regulatory requirements.

Details of training attended by the Directors are as follows:

Name of Directors	Training Programmes	Date
Tan Sri Dato' Azizan Bin Husain	FSSC 22000 Version 6.0 – Food Safety Management System Awareness	15 May 2024
Datuk Seri Son Chen Chuan	FSSC 22000 Version 6.0 – Food Safety Management System Awareness	15 May 2024
Datuk Son Tong Leong	FSSC 22000 Version 6.0 – Food Safety Management System Awareness	15 May 2024
	Mandatory Accreditation Programme Part II	10-11 July 2024
Datuk Son Tong Eng	FSSC 22000 Version 6.0 – Food Safety Management System Awareness	15 May 2024
	Mandatory Accreditation Programme Part II	10-11 July 2024
Mr. Lim Keat Sear	FSSC 22000 Version 6.0 – Food Safety Management System Awareness	15 May 2024
Mr. Chong Peng Khang	National Tax Conference 2023	3 August 2023
	E-Invoicing: The Digital Way Forward	3 August 2023
	Conflict of Interest and Governance of Conflict of Interest	5 September 2023
	Seminar Percukaian Kebangsaan 2023 (Bajet 2024)	19 October 2023
	2024 Budget Seminar	31 October 2023
	2023 Investor Day	5 November 2023
	MFRS Updates 2023	7 December 2023



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### PART II - BOARD COMPOSITIONS (CONTINUED)

##### 8. Directors' Training (continued)

Details of training attended by the Directors are as follows: (continued)

Name of Directors	Training Programmes	Date
Ms. You Chen Kei	Sharpening Practical Accounting Skills To Handle Full Set of Accounts	24-25 May 2023
	Preparation and Presentation of Consolidated Financial Statements	7-8 June 2023
	Anti-Corruption and Anti-Bribery	14-15 June 2023
	Mandatory Accreditation Programme (MAP)	26-27 June 2023
	2024 Budget Seminar by MIA	14 November 2023
	Navigating E-Invoice Requirements in Business Operation	26 April 2024
	Power Pivot & Power Query	25-26 March 2024

All the Directors have attended at least one (1) training session during the financial year.

The Board is also regularly updated by the Company Secretaries on the latest amendments to the Main LR and other related statutory requirements.

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

##### 9. Board Committees

The following Committees have been established to assist the Board to discharge its duties and responsibilities.

These committees operate under the following defined terms of reference:

- Risk Management and Audit Committee
- Nomination Committee
- Remuneration Committee

###### (i) Risk Management and Audit Committee

The role of the Risk Management and Audit Committee (RMAC) is to support the Board in overseeing the processes for the production of the financial data, review of the financial reports and internal control of the Group. The Risk Management and Audit Committee holds a meeting every quarter to review the financial reports of the Company.

The RMAC during the financial year comprised the following members:

Chairman : Mr. Chong Peng Khang  
(Independent Non-Executive Director)

Members : Mr. Lim Keat Sear  
(Non-Independent Non-Executive Director)

Ms. You Chen Kei  
(Independent Non-Executive Director)





## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### PART II - BOARD COMPOSITIONS (CONTINUED)

##### 9. Board Committees (continued)

###### (i) Risk Management and Audit Committee (continued)

The Risk Management and Audit Committee comprises not less than three (3) members which fulfill the following requirements:

- (a) a majority must be Independent Directors.
- (b) at least one (1) member
  - 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 three (3) years' working experience and:
    - he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or
    - he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967;
    - fulfills such other requirements as prescribed or approved by Bursa Securities.
- (c) Alternate Director shall not be appointed as a member of the Audit Committee.
- (d) The members of the Risk Management and Audit Committee shall elect a chairman from amongst themselves who shall be an Independent Director.

###### Objective

- a) The principal objectives of the Risk Management and Audit Committee is to assist the Board in fulfilling the following key responsibilities:
  - i) Assessing the risk management policies and procedures and internal control;
  - ii) Overseeing financial reporting;
  - iii) Evaluating the internal and external audit process; and
  - iv) Reviewing conflict of interest situations and related party transactions.
- b) Provide assistance to the Board in fulfilling its statutory and fiduciary responsibilities relating to corporate accounting, financial reporting practices, systems of risk management and internal control, the audit processes the Group and in monitoring the Group's Management of business/financial risk processes and accounting and financial reporting practices.
- c) Determine that the Company has adequate administrative, operational, and internal accounting controls and that the Group is operating in accordance with its prescribed procedures, codes of conduct and applicable legal and regulatory requirements.
- d) 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.
- e) Provide direction, counsel and oversight over the internal audit function and the external auditors, to enhance their independence from Management.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### PART II - BOARD COMPOSITIONS (CONTINUED)

##### 9. Board Committees (continued)

###### (i) Risk Management and Audit Committee (continued)

###### Objective (continued)

- f) Provide assistance to the Board in setting and overseeing the Risk Management Framework of the Group and regularly assessing such Risk Management Framework to ascertain its adequacy and effectiveness.

There were four (4) meetings held during the financial year.

###### (ii) Nomination Committee

The Nomination Committee (NC) was set up by the Board to ensure 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 published on the Company's website.

The members of the NC during the financial year were as follows:

Chairman : Ms. You Chen Kei  
(Independent Non-Executive Director)

Members : Mr. Chong Peng Khang  
(Independent Non-Executive Director)

Mr. Lim Keat Sear  
(Non-Independent Non-Executive Director)

The Board delegated the annual assessment of the effectiveness of the Board as a whole, individual members and its Board Committees to the NC. The NC is required to carry out the assessments, at least once per financial year, in accordance with the structured assessment process established by the Board and to report annually assessment of the full Board.

The function of the NC are summarised as follows:-

- a) Consider and make recommendations on 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 recommendation the Board for 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 with the Constitution of the Company and the Companies Act, 2016;
  - independence of the Independent Directors as recommended by the Code.

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



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### PART II - BOARD COMPOSITIONS (CONTINUED)

##### 9. Board Committees (continued)

###### (iii) Remuneration Committee

The Remuneration Committee (RC) during the financial year comprised the following members:

Chairman : Mr. Chong Peng Khang  
(Independent Non-Executive Director)

Members : Mr. Lim Keat Sear  
(Non-Independent Non-Executive Director)

Ms. You Chen Kei  
(Independent Non-Executive Director)

The function of the RC is to recommend to the Board, the remuneration packages of the Group Managing Director, Group Chief Executive Officer, Executive Director 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' fees are recommended to the Board and are subject to the approval of the shareholders of the Company at a general meeting.

In discharging this responsibility, the RC had previously obtained the advice of an independent professional consultant on compensation for Top Management and Senior Directors at the expense of the Company.

There were three (3) meetings held during the financial year.

##### 10. Remuneration of Directors

The aggregate remuneration of Directors for the financial year ended 31 March 2024 are as follows:

	Directors' fees		Salaries/ Allowances (RM)	Bonuses (RM)	Benefits- in-kind	Other emoluments (RM)	Total (RM)
	Company RM	Subsidiaries RM					
<b>Executive</b>	165,000.00	180,000.00	3,282,996.00	1,687,806.00	84,000.00	602,235.00	6,002,037.00
<b>Non-Executive</b>	212,163.95	-	84,000.00	-	-	-	296,163.95

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	-	1
• RM50,000 – RM100,000	-	2
• RM100,001 – RM150,000	-	1
• RM150,001 – RM200,000	-	-
• RM200,001 – RM250,000	-	-
• RM250,001 – RM300,000	-	-
• RM300,001 – RM350,000	-	-
• More than RM350,000	3	-



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### PART II - BOARD COMPOSITIONS (CONTINUED)

##### 11. Remuneration Of Senior Management

The aggregate remuneration of senior management for the financial year ended 31 March 2024 are as follows:

	Salaries/ Allowances (RM)	Bonuses (RM)	Benefits-in- kind (RM)	Other emoluments (RM)	Total (RM)
Senior Management	363,040.00	132,865.00	9,000.00	-	504,905.00

Range of Remuneration	No. of Senior Management
· Less than RM50,000	-
· RM50,000 – RM100,000	-
· RM100,001 – RM150,000	-
· RM150,001 – RM200,000	1
· RM200,001 – RM250,000	-
· RM250,001 – RM300,000	1

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

#### 1. Risk Management and Audit Committee

The Risk Management and Audit Committee comprises the following members:

Chairman	:	Mr. Chong Peng Khang <i>(Independent Non-Executive Director)</i>
Members	:	Ms. You Chen Kei <i>(Independent Non-Executive Director)</i>
		Mr. Lim Keat Sear <i>(Non-Independent Non-Executive Director)</i>

The composition of the Risk Management and Audit Committee is in compliance with Paragraphs 15.09 and 15.10 of the MMLR. None of the members of the Risk Management and Audit Committee were former key audit partners and notwithstanding that, in order to uphold the utmost independence, the Board has no intention to appoint any former key audit partner as a member of the Risk Management and Audit Committee.

The Risk Management and Audit Committee members are financially literate, possess the appropriate level of expertise and experience and have a strong understanding of the Group's business in order to drive the success of the Group.

The Risk Management and Audit Committee assists the Board in reviewing and scrutinising the information in terms of the appropriateness, accuracy and completeness of disclosure and in ensuring that Group's financial statements comply with the applicable financial reporting standards for approval within the stipulated timeframe.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

#### 2. Risk Management Control Framework

The Board acknowledges the importance of internal control including risk management both at 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 control as well as risk management.

The Group's Statement on Risk Management and Internal Control is set out on page 46 of this Annual Report. The said Statement has been duly reviewed by the external auditors.

#### 3. Internal Audit Function

The Board has established an internal audit function within the Group. The Group's internal audit function is outsourced to an independent professional firm, Needsbridge Advisory Sdn. Bhd. who reports directly to the Risk Management and Audit Committee.

The internal auditors report directly to Risk Management and Audit Committee who will evaluate the competency, independence and quality of the internal auditors annually.

The internal auditors present the annual audit plan to the Risk Management and Audit Committee and reports the findings of their internal audit activities to the Risk Management and Audit Committee upon completion of their assignment.

#### 4. Relationship with Auditors

The Risk Management and 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 exist between the Risk Management and Audit Committee and the External Auditors.

In relation to the audit of the financial statements of the Company for the financial year ended 31 March 2024, the External Auditors have maintained their independence in accordance with the By-laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.

The scope of audit and emphasis are as follows:

- Revenue recognition arising from advertisement and promotional expenses claimed by customers
- Property, Plant and Equipment
- Inventories
- Trade receivables
- Contingent liabilities
- Reversal of deferred tax assets
- Other matters

The External Auditors were responsible for planning and performing the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by fraud or error.

#### 5. Financial Reporting

The Board, assisted by the Risk Management and Audit Committee aims to present a balanced 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 56 of this Annual Report.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

#### 1. 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, corporate and financial information and the information on the Board and Committees.
- b) Various announcements made to Bursa Malaysia Securities Berhad.
- c) The website of the Company provides the updated information of the Company such as products and activities.

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

#### 2. Corporate Social Responsibilities ("CSR")

The Company recognises the importance of CSR and has taken a proactive approach wherever possible to provide monetary and product contributions to governmental departments, non-profitable and charitable organisation.

The Company also organises educational factory tours for various educational and governmental institutions.

Further 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.

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

#### 3. Conduct of General Meetings

The Board understands that the AGM is the principal forum for dialogue with shareholders and investors to provide opportunities shareholders and investors to raise questions pertaining to the business activities and prospects of the Group during the AGM.

The notice of AGM is circulated to the shareholders at least 28 days prior to the meeting in accordance to the practice 13.1 of the MCG 2021. Each item of special business included in the notice of the meeting will be accompanied by an explanatory statement for the proposed resolution to facilitate full understanding and evaluation of issues involved.

Shareholders are encouraged to post questions and to seek clarifications in relation to AGM's agenda by way of posting the enquiries through our Contact section of our corporate website before the commencement of the AGM. These enquiries will be read out and answered at the AGM. All directors of the Company are present at the AGM to provide opportunity for shareholders to effectively engage with each director.

The Company will continue to explore the leverage of technology, to enhance the quality of engagement with its shareholders and facilitate further participation by shareholders at AGMs of the Company

Statement was approved by the Board of Directors on 29 May 2024.



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

The Board of Directors (“the Board”) of Oriental Food Industries Holdings Berhad (“the Company”) acknowledges the importance of maintaining good risk management and internal control system within the Company and its subsidiaries (collectively, “the Group”) and is pleased to provide the following statement on the state of the risk management and internal control systems which outlines the nature and scope of risk management and internal control systems of the Group for the financial year ended 31 March 2024 and up to the date of approval of this statement disclosed pursuant to Paragraph 15.26(b) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Malaysian Code on Corporate Governance. 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. The scope of this Statement includes the Company and all operating subsidiaries.

## A. BOARD RESPONSIBILITY

The Board affirms its overall responsibility for maintaining a sound risk management and internal control system and for reviewing their adequacy and effectiveness so as to provide assurance on the achievement of the Group’s mission, vision, core values, strategies and business objectives as well as to safeguard all its stakeholders’ interests and protecting the Group’s assets. The Board is to establish risk appetite of the Group based on the strategies, business objectives, internal and external business context, business nature and corporate lifecycle. The Board is committed to the establishment and maintenance of an appropriate control environment and governance framework that is embedded into the corporate culture, processes and strategies of the Group as well as to articulate and implement risk management and internal control system. The Board delegates the duty of identification, assessment, management of key risks and continuous monitoring and review to Group Chief Executive Officer (“Group CEO”) who is assisted by Risk and Sustainability Management Team (“RSMT”) with Key Risk and Sustainability Officer (“KRSO”) acting as the Risk Management Function. The governance oversight role to review the adequacy and effectiveness of the risk management and internal control system within the Group is delegated to the Risk Management and Audit Committee (“RMAC”) by the Board through its terms of reference approved by the Board. Through the RMAC, the Board is kept informed of all significant risk events and control issues brought to the attention of the RMAC by the Group CEO, RSMT, KRSO, outsourced internal audit function and External Auditors.

The system of internal control covers inter-alia, control environment, risk identification and assessment, control activities, information and communication and monitoring activities. However, in view of the limitations that are inherent in any system of internal control, the system of internal control is designed to manage, rather than to eliminate, the risk of failure to achieve the Group’s business objectives. Accordingly, the system of internal control can only provide reasonable and not absolute assurance against material misstatement of losses and fraud.

## B. RISK MANAGEMENT

The Board recognises that an important element of a sound risk management system is to have a structured risk management practice put in place to identify, evaluate and manage significant risks (including continuous monitoring and review of existing and emerging key risks) systematically faced by the Group. The Board had put in place a Risk Management Framework with structured risk management structure and processes for the enterprise-wide risk management activities that are embedded throughout the Group.

The principles, practices and process of Risk Management Framework established by the Board are, in material aspects, guided by ISO 31000:2018 – Risk Management Guidelines. Risk Management Framework clearly defines the risk management’s objectives and processes, along with clear roles and responsibilities of the Board, RMAC (the governance oversight role), RSMT, risk owners, KRSO (risk management function) and Internal Auditors.

The duties for the identification, evaluation and management of the key business risk (including continuous monitoring and review of existing and emerging key risks) are delegated to RSMT, led by Group Chief Executive Officer, during the financial year under review.



## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### B. RISK MANAGEMENT (CONTINUED)

The roles and responsibilities of RSMT includes the following:

- a) Implement the risk management policy as approved by the Board;
- b) Implement the risk management process which includes the identification of key risks and devising appropriate action plan(s) in cases where existing controls are ineffective, inadequate or non-existence and communicate methodology to the risk owners;
- c) Ensuring that risk strategies adopted are aligned with the Group's organisational strategies. (e.g. vision/mission, corporate strategies/goals, etc.), risk management policy and process and risk appetite/tolerance;
- d) Continuous review and update of the Key Risk Profiles of the Group due to changes in internal business processes, business strategies or external environment and determination of management action plan, if required; and
- e) Update the Board, through the RMAC, on changes to the Key Risk Profiles on periodical basis (at least on annual basis) or when appropriate (due to significant change to the internal business processes, business strategies or external environment) and the course of action to be taken by management in managing the changes.

While the roles and responsibilities of risk owners, as defined in Risk Management Framework, are as follow:

- a) Manage the risks of the business processes under his/her control;
- b) Continuously identify risks and evaluate existing controls. If controls deemed ineffective, inadequate or non-existent, to establish and implement controls to reduce the likelihood and/or impact;
- c) To report to the RSMT of the emergence of new risks or change in the existing risks by updating the Key Risk Profiles on a timely manner;
- d) To assist the RSMT with the periodic update of the changes in the Key Risks Profile, management action plans and the status of these plans; and
- e) To ensure that staffs working under him/her understand the risk exposure of the relevant process under his/her duty and the importance of the related controls.

The structured risk management process defined in Risk Management Framework is employed by RSMT and risk owners for risk identification, risk assessment, control identification, risk treatment and control activities. Risk assessment, at residual level, are guided by the likelihood rating and impact rating established based on the risk appetite approved by the Board. Based on the risk management process, Risk and Opportunity Plans (a.k.a. Key Risks Profile) are compiled by the risk owners and reviewed by RSMT with relevant key risks identified and rated based on the agreed risk criteria and rating. Risk and Opportunity Plans are used for the identification of high residual risks which are above the risk appetite of the Group that requires RSMT and the Board's immediate attention and risk treatment (including implementing of appropriate control measures) as well as for future risk monitoring. As an important risk monitoring mechanism, the Risk and Opportunity Plans of the Group as well as assessment and treatment of emerging risks identified at strategic and operational level are reported to the RSMT and RMAC for review and its reporting to the Board.

As an important risk monitoring mechanism, risk owners and RSMT perform review of Risk and Opportunity Plans as well as identification and assessment of emerging risks identified at strategic and operational level on an annual basis or on more frequent basis (if circumstances required) and report to Group CEO for his review. Thereafter, Risk and Opportunity Plans are tabled to RMAC and the Board for their ultimate review and assessment.

During the financial year under review, RSMT conducted a review and assessment exercise whereby existing key business risks (including fraud and bribery risks) of active business operations were reviewed and emerging risks were identified and assessed by risk owners for incorporation into the Risk and Opportunity Plans for on-going risk monitoring and assessment. The updated Risk and Opportunity Plans were reviewed by the Group CEO and thereafter reported to RMAC during the financial year for its review and deliberation on its adequacy and effectiveness and for its subsequent reporting to the Board.

At strategic level, business plans and business strategies with risks consideration are formulated by Group Managing Director and Group CEO and presented to the Board for review and deliberation to ensure proposed plans and strategies are in line with the Group's risk appetite. Update of the implementation progress of the approved strategies are discussed in subsequent Board meetings for follow-up and review.





## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### B. RISK MANAGEMENT (CONTINUED)

At operational level, respective Head of Departments (i.e. risk owners) are responsible for managing the risks within their department. Risk owners are responsible for adequate and effective operational monitoring and management by way of maintaining adequate and effective internal controls and the execution of risks and control procedures on a daily basis. Changes in the key risks faced by the Group or emergence of new risks and the corresponding internal controls are discussed during management meetings to determine the risk treatment and to ensure proper implementation of effective controls to manage the risk. Critical and material changes in the key risks faced by the Group or emergence of new key risks are escalated to the RSMT and Group CEO for the decision on the risk treatment and its implementation as well as its reporting to the RMAC and the Board.

The monitoring of the risk management by the Group is enhanced by the internal audits carried out by the internal audit function with specific audit objectives and business risks identified for each internal audit cycle based on the internal audit plan approved by the RMAC.

The above process has been practiced by the Group for the financial year under review and up to the date of approval of this statement.

### C. INTERNAL CONTROL SYSTEM

The key features of the Group's internal control system are made up of five core components, i.e. Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring Activities with principles representing the fundamental concepts associated with each component as follows:

#### i. Board of Directors/Board Committees

The role, functions, composition, operation and processes of the Board are guided by formal Board Charter whereby roles and responsibilities of the Board, Chairman, Group Managing Director and Group CEO are specified to preserve the independence of the Board from the Management.

Board Committees (i.e. RMAC, Remuneration Committee and Nomination Committee) are established to carry out duties and responsibilities delegated by the Board, governed by their respective written terms of reference, including but not limited to, oversight of business performance, financial reporting, risk management and board's remunerations and performance.

Meetings of Board of Directors and respective Board Committees are carried out on scheduled basis to review the performance of the Group, from financial to operational perspective as well as managing corporate conducts of the Group. Business plans and business strategies are proposed by the Group Managing Director and Group CEO to the Board for review and approval after taking into account the risk consideration and responses.

#### ii. 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. The formal code forms the foundation of integrity and ethical value of the Group. Integrity and ethical value (including codes of conduct expected from employees to carry out their duties and responsibilities assigned) expected from the employees are incorporated in the Employee Handbook whereby the ethical behaviours expected from them are stated.

In order to bring the ethical value throughout the Group in line with the Code of Conduct, a formal Anti-Bribery and Corruption Policy had been put in place to prevent the risk of bribery and conflict of interest within the Group and a formal Fraud Policy was established to detect and prevent fraud incidents.

A formal Whistle-Blowing Policy is put in place by the Board and overseen by RMAC to provide a channel for employees and other stakeholders to confidentially bring to the attention of the RMAC Chairman any concerns related to matters covered by the Group's Code of Conduct, legal issues and accounting or audit matters. The Whistle-blowing Policy is implemented for all stakeholders to raise genuine concerns about possible improprieties in matters of financial reporting, compliance, and other malpractices at the earliest opportunity.



## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### C. INTERNAL CONTROL SYSTEM (CONTINUED)

#### ii. Integrity and Ethical Value (continued)

Compliance of Code of Conduct, Anti-Bribery and Corruption Policy and Fraud Policy are monitored via control activity monitoring mechanism implemented with non-compliances timely detected and investigated with appropriate corrective action, including but not limited to disciplinary actions.

#### iii. Organisation Structure, Accountability and Authorisation

The Group has a formal organisation structure, with clear lines of reporting and accountability, in place for planning, organising and executing the business operations of the Group to ensure its objectives are met. Formal Human Resource Policy Manual is put in place by the Management to ensure that suitably qualified staff are employed so that the appropriate level of authorities and responsibilities can be delegated while accountability of performance and controls are assigned accordingly to competent staffs to ensure operational efficiency. The establishment and communication of job responsibilities as well as accountability of performance and controls for key positions are further enhanced via the job descriptions established by the Management.

The authorisation requirements for key processes are incorporated in the control documentations and stated in the Group's policies and procedures.

#### iv. Risk Assessment and Control Activities

Risk assessment (including fraud and bribery risk) is performed by risk owners at scheduled interval or when there is change in internal and/or business context in accordance with Risk Management Framework. Internal controls, as risk responses, are formulated and put in place to mitigate risks identified to a level acceptable by the Board, i.e. the risk appetite.

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 Malaysian Standard ("MS") 1480:2019 (Food Safety according to Hazard Analysis and Critical Control Points system) ("HACCP"), MS 1500: 2019 (Halal Food – General Requirements) ("Halal"), International Organisation for Standardisation ("ISO") 9001:2015 (Quality Management System) ("ISO9001") and ISO 22000:2018 (Food Safety Management) ("ISO22000") and internal control requirements.

#### v. Performance Measurement

The Management monitors the performance of key personnel through year performance appraisal so that business and operational aspects with material deviation can be identified and responses implemented timely. The performance of the Executive Directors are taken up at the board level whilst the performance of the senior management are being monitored by the Group Managing Director and Group CEO.

Annual budget (profit and loss, planned capital expenditure, financial positions and cash flow) for the Group is presented to and approved by the Board on an annual basis. The actual performances are closely monitored against budgets to identify significant variances for prompt actions to be taken to mitigate unfavourable impact.

#### vi. Succession Planning and Human Resource

It is the Board's commitment that the Group to identify and satisfy the needs of employees to continuously develop their knowledge, skills and competency for personal development and corporate excellence. Succession plan is put in place to ensure key roles within the Group are supported by competent and calibre second-in-line to reduce the impact of abrupt departure of key personnel to the minimum possible.

The Group has put in place formal Human Resource Policy Manual and Employee Handbook 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.



## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### C. INTERNAL CONTROL SYSTEM (CONTINUED)

#### vi. Succession Planning and Human Resource (continued)

Performance evaluation which forms are carried out for all levels of staff to identify performance gaps, training needs and to assist in talent development and form the basis of the increments and promotion. Training needs of employees are identified annually so that relevant trainings are provided to such employees to upgrade their knowledge and skill sets.

#### vii. Information and Communication

At operational level, clear reporting lines established across the Group and operation and management reports are prepared for dissemination of critical Information (including risk information) to relevant personnel throughout the Group for timely decision making and execution in pursuit of the business objectives. Matters that require the Board and Executive Directors' attention are highlighted for review, deliberation and decision on a timely basis.

The Group puts in place effective and efficient information and communication infrastructures and channels, i.e. computerized enterprise resources planning systems, secured intranet, electronic mail system and modern telecommunication, so that operation data and management information (including risk information) can be communicated timely and securely to dedicated personnel within the Group for decision making and for communication with relevant external stakeholders for execution and information collection. Apart from that, relevant financial and management reports are generated for different level of the organization structure for review and decision making. The management and board meetings are held for effective two-way communication of information at different level of management and the Board.

Communication of policies and procedures of the Group are conducted via written format, electronic mail system and in-house trainings by respective risk or control owners.

#### viii. Monitoring and Review Activities

- a. Daily management meetings of Head of Departments are held to review operational performance of key divisions/departments within the Group.
- b. Monthly review of the management accounts of the Company and its subsidiaries by the Executive Directors.
- c. Quarterly unaudited financial reports reviewed by RMAC together with management, and subsequently reported to the Board.
- d. Internal audit conducted by the outsourced internal audit function (which is reporting directly to the RMAC) based on key risk areas identified. The outsourced internal audit function assesses the adequacy and effectiveness of risk management and internal control in relation to specific governance, risk and control processes and highlights to the RMAC any potential risks may be posed to the Group based on the results of the audit work performed. Recommendations for improvement are proposed by the outsourced internal audit function to minimise the potential risks identified.
- e. 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 as well as significant control issues highlighted by the External Auditors as part of their statutory audits and the monitoring of compliance with ISO certification carried out by internal ISO auditors.
- f. Corrective actions are formulated and implemented for incidents of non-compliance and exceptions reported with its implementation monitored.



## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### D. INTERNAL AUDIT FUNCTION

The Group relies on internal audit function to provide the Board and the Management with the required level of assurance that the governance, risk management, internal control system is operating adequately and effectively in mitigating organisational risks to achieve the Group's corporate objectives and in line with the risk appetite.

The Group's internal audit function is outsourced to an independent professional firm, namely, NeedsBridge Advisory Sdn Bhd, which is reporting directly to the RMAC with the assurance required regarding the adequacy and integrity of the Group's system of internal control. The appointment and resignation of the outsourced internal audit function as well as the proposed audit fees are subject to review by the RMAC for its reporting to the Board for ultimate approval. RMAC met once with the outsourced internal function during the financial year under review without the presence of the Executive Directors and management where they are given the opportunity to raise any concern or professional opinion and thus, to be able to exert its functions independently.

The engagement director of the outsourced internal audit function, Mr. Pang Nam Ming, is a Certified Internal Auditor and Certification in Risk Management Assurance accredited by the Institute of Internal Auditors Global and a professional member of the Institute of Internal Auditors Malaysia. As a Certified Internal Auditor accredited by Institute of Internal Auditors, the engagement director is required to declare the compliance of the Standards to Institute of Internal Auditors during his annual renewal as Certified Internal Auditor. The internal audits are carried out, in all material aspects, in accordance with the International Professional Practices Framework ("IPPF"), i.e. Mission, Core Principles for the Professional Practice of Internal Auditing, Code of Ethics and the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors Global.

The audit engagement of the outsourced internal audit function is governed by the engagement letter with key terms include purpose and scope of works, accountability, independence, the outsourced internal audit function's responsibilities, the management's responsibilities, the authority accorded to the outsourced internal audit function, limitation of scope of works, confidentiality, proposed fees and engagement team. During the financial year under review, the resources allocated to the fieldworks of the internal audit by the outsourced internal audit function were one (1) assistant manager, assisted by at least one (1) senior consultant and one (1) consultant per one (1) engagement with oversight performed by the director.

To preserve the independence and objectivity, the outsourced internal audit function is not permitted to act on behalf of Management, decide and implement management action plan, perform on-going internal control monitoring activities (except for follow up on progress of action plan implementation), authorise and execute transactions, prepare source documents on transactions, have custody of assets or act in any capacity equivalent to a member of the Management or the employee.

The internal audit plan in respect to financial year 31 March 2024 was drafted by the outsourced internal audit function using risk-based approach that takes into consideration of the existing and emergent key business risks identified in the Group's Risk and Opportunity Plans, management's input and the assessment of the outsourced internal audit function. Such internal audit plan was presented to RMAC for review before recommending to the Board for approval. Scheduled internal audits were performed by the outsourced internal audit function based on the approved internal audit plan with any subsequent change to the approved plan and scope was referred to RMAC for review and its recommendation to the Board for approval prior to the commencement of the audit.

The internal control review procedures performed by the outsourced internal audit function are designed to understand, document and evaluate risks and related controls to determine the adequacy and effectiveness of governance, risk and control structures and processes. The root causes of the internal audit observations are included as part of "Findings" or "Recommendations" and the recommendations from the outsourced internal audit function are formulated for improvement based on the root cause(s) of the internal audit observations. The internal audit procedures applied principally consist of process evaluations through interviews with relevant personnel involved in the process under review, review of the standard operating procedures and/or process flows provided and observations of the functioning of processes in compliance with results of interviews and/or documented standard operating procedures and/or process flows. Thereafter, testing of controls through the review of the samples selected based on sample sizes for the respective audit areas calculated was in accordance with our predetermined formulation, subject to the nature of testing and verification of the samples.



## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### D. INTERNAL AUDIT FUNCTION (CONTINUED)

During the financial year ended 31 March 2024, the outsourced internal audit function has conducted review for the following business processes in accordance with the internal audit plan approved by the RMAC:

- a. Management information system management (included IT policy and procedure, system development, acquisition and implementation, system modification, system and hardware maintenance, software and hardware acquisition, IT support management, disaster recovery/business continuity, user access management, IT physical environment and security and license management) of Oriental Food Industries Sdn. Bhd. and Oriental Food Marketing Sdn. Bhd.;
- b. Sales, marketing and credit control management (included sales to order processing, distribution and invoicing, sales collection and credit control, sales return, price development, rebates and discounts, distributor management, advertising and promotion management and salesmen performance) of Oriental Food Marketing (M) Sdn. Bhd.; and

and compliance with applicable laws and regulations in relation to the business activities under review in respect of the Group's business operations located in Malaysia.

Upon the completion of the internal audit works, internal audit reports which state internal audit findings, priority levels, risks/potential implications, recommendations, management responses/ action plans and person-in-charge together with dates of implementation were presented by the outsourced internal audit function to the RMAC for review and deliberation during RMAC meeting. Apart from the internal audit reports, updates on the implementation progress of management action plans as identified in the previous internal audit reports were also presented during the financial year under review to the RMAC to ensure action plans were satisfactorily implemented to address the individual risks associated with the findings. RMAC reported the results of the review and deliberation to the Board in order for the Board to discharge its responsibility to ensure that the risk management and internal controls are in place and working adequately and effectively to manage the risks within the risk appetite of the Group and for regulatory compliance.

During the financial year, aside from reporting on the audit findings and the status of agreed management action plans for previous internal audit reports, the resources, experience, competency and continuous professional development of the outsourced internal audit function were also reported by the outsourced internal audit function to RMAC for their review and assessment on the adequacy and effectiveness of the outsourced internal audit function. Based on the above review and reporting mechanism as well as review of the works performed and deliverables by the outsourced internal audit function together with the private session with the outsourced internal audit function during the financial year, RMAC is of the view that the scope, functions (including independence), competency, resources, authorities granted to the outsourced internal audit function as well as internal audit plan and processes are adequate to provide RMAC to draw reasonable assurance that governance, risk and control structures and processes of the Group is adequate and effective and that the results of the internal audit plan, processes or investigation undertaken is adequately communicated to RMAC and appropriate actions are taken on the recommendations of the outsourced internal audit function, if any.

The total costs incurred for the outsourced internal audit function for the financial year under review was amounted to RM30,000.00.

In addition to the above, for the purpose of compliance with ISO9001, FSSC, HACCP and ISO22000, internal quality audits are carried out by in-house independent personnel and surveillance audit is conducted by an independent certification body to enable assurance of compliance with established ISO procedures to be drawn.



## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### **E. ASSURANCE PROVIDED BY THE GROUP MANAGING DIRECTOR AND GROUP CHIEF EXECUTIVE DIRECTOR RESPONSIBLE FOR FINANCIAL MANAGEMENT**

In line with the Guidelines, Group Managing Director, being the highest-ranking executive in the Company and Group CEO, 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.

### **F. OPINION AND CONCLUSION**

During the meetings of Board of Directors in the financial year under review, the performances 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 as well as the monitoring and review mechanism stipulated above, assurance provided by Group Managing Director and Group CEO as well as results of independent audits conducted by outsourced internal audit function, other professionals and regulatory bodies and reported to the Board, the Board is of the opinion 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 Company's Annual Report.

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 risk management and internal control systems. 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.

### **G. ASSURANCE PROVIDED BY EXTERNAL AUDITORS**

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



# RISK MANAGEMENT AND AUDIT COMMITTEE REPORT

## COMPOSITION

### Members

As of the date of this Annual Report, the composition of the Risk Management and Audit Committee (“the Committee”) is as follows:

Chairman	:	Mr. Chong Peng Khang <i>(Independent Non-Executive Director)</i>
Members	:	Mr. Lim Keat Sear <i>(Non-Independent Non-Executive Director)</i>
		Ms. You Chen Kei <i>(Independent Non-Executive Director)</i>

The composition of the Risk Management and Audit Committee complies with Chapter 15 of the Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements (“Main LR”).

### Secretaries

The Secretaries of Oriental Food Industries Holdings Berhad, Ms. Karina Chong Mei Ying and Mr. Lean Yung Kwang are the Secretaries of the Committee.

### Membership

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

- (a) The Committee must consist of not less than three (3) members;
- (b) The Committee is made up of non-executive directors with the majority of members must be Independent Directors;
- (c) The Chairman of the Committee must be an Independent Director;
- (d) At least one (1) member of the risk management and 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 three (3) years working experience and:-
    - has passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967;
    - is a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
    - fulfills such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad (“Bursa Securities”).
- (e) Alternate director shall not be appointed as a member of the Committee.
- (f) The members of the Committee shall elect a chairman from amongst themselves who shall be an independent director.
- (g) In the event of any vacancy in the Committee resulting in the non-compliance of subparagraphs 15.09(1) and 15.10 of the Main LR, the vacancy must be filled within three (3) months.
- (h) The former key audit partner to observe a cooling-off period of at least two (2) years before being appointed as a member of the Risk Management and Audit Committee based on the policy established by the Risk Management and Audit Committee.



## RISK MANAGEMENT AND AUDIT COMMITTEE REPORT

### TERMS OF REFERENCE

The Terms of Reference ("TOR") of the Committee in line with the provisions of the Main LR and had included the following duties and responsibilities of the Committee, and where appropriate, the Committee shall report to the Board on the following:-

1. To review the maintenance of an effective accounting system and controls in the business process.
2. To review the Company's accounting policies and reporting requirements to ensure compliance with the relevant laws and standards.
3. To review the Company's compliance with relevant law and Main LR of Bursa Securities.
4. To review the scope of the external audit and internal audit to ensure no unjustified restrictions are imposed by the Management.
5. To review the assistance given by employees of the Company to the internal and external auditors.
6. To review the adequacy of the scope, functions, competency and resources of the internal audit functions and the necessary authority to carry out its work.
7. To recommend the appointment and remuneration of external auditors.
8. To liaise directly with the external auditors, the Management and the Board as a whole, particularly concerning the Audit Plan and Audit Report.
9. To review the findings of internal and external auditors on internal controls and other audit comments.
10. To review the internal audit programme, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal auditors.
11. To review the quarterly results and year-end financial statements, before the approval by the Board of Directors, focusing particularly on:
  - (a) changes in or implementation of major accounting policy changes;
  - (b) significant matters highlighted including financial reporting issues, significant judgments made by the Management, significant and unusual events or transactions, and how these matters are addressed; and
  - (c) compliance with accounting standards and other legal requirements.
12. To review the contents of the Annual Report before submission to the Board.
13. 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.
14. To review any letter of resignation from the external auditors of the Company.
15. To review whether there is a reason (supposed by grounds) to believe that the Company's external auditors are not suitable for re-appointment.
16. To review the adequacy and effectiveness of risk management, internal control and management information systems, including compliance with applicable laws, rules, corporate governance requirements and guidelines.
17. To review the Group's risk management policy and implementation of the risk management framework.
18. To review and recommend to the Board, the Director's Statement on Risk Management and Internal Control and any changes thereto.





## RISK MANAGEMENT AND AUDIT COMMITTEE REPORT

### TERMS OF REFERENCE (CONTINUED)

19. To review the adequacy and effectiveness of Group's ABAC policy and internal control system established and implemented by Top Management to manage bribery and corruption risks through internal audit reports from Internal Audit Function with the results of the review reported to the Board.
20. To review the reports on the incidents reported under ABACCU reporting channel and whistleblowing channel, the progress of the investigations, the results of the investigation, whether adequate management action plans taken to rectify and resolve the incidents reported and to review the procedure that the identity of the whistleblower is protected and such whistleblower will be protected from reprisal.
21. To review the corrective action taken to address the shortcomings and continuous improvements implemented.
22. To review the results of the risk assessment in relation to bribery and corruption risks of the Group (at least on an annual basis) and determine the adequacy of the scope of coverage and acceptability of the residual bribery and corruption risks of the Group and proposed management action plan(s) (if applicable) with the results of its review and recommendation reported to the Board.
23. To review the reports on the performance on the compliance of ABCM on half-yearly basis or as and when required.
24. To review whether adequate and appropriate resources are allocated and assigned to implement ABCM and for effective and efficient operation of the ABCM with the results of the review and recommendation reported to the Board.
25. To review and assess the Group's ABCM and ABAC Policy to ensure its adequacy and effectiveness in line with the ABAC commitment and risk appetite by the Board and whether it is in line with the Group's mission, vision, strategies and business objectives with the results and recommendation reported to the Board.

The revised Terms of Reference of the Committee are available for reference on the Company's website at [www.ofih.com.my](http://www.ofih.com.my).

### ACTIVITIES DURING THE FINANCIAL YEAR

During the financial year under review, a total of four (4) meetings were held and full attendances were recorded for members.

Details of the meetings are provided below:

#### 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

There were four (4) Risk Management and Audit Committee Meetings held during the financial year ended 31 March 2024. The attendance records of each member are as follows:-

Name	Number of meetings attended
Mr. Chong Peng Khang	4/4
Tan Sri Dato' Azizan Bin Husain	4/4
Mr. Lim Keat Sear	4/4



## RISK MANAGEMENT AND AUDIT COMMITTEE REPORT

### ACTIVITIES DURING THE FINANCIAL YEAR (CONTINUED)

#### Attendance at Meetings (continued)

The Internal Auditors and representatives of the External Auditors 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 in its deliberations.

The Committee also met with the External and Internal Auditors without the presence of the Executive Directors.

The Committee carried out its duties for the year in accordance with its Terms of Reference.

The main duties undertaken by the Committee for the financial year are as follows:

#### Financial Results

Reviewed the quarterly interim unaudited financial statements and the annual audited financial statements of the Group before tabled to the Board for its consideration and approval focusing mainly on changes in or implementation of significant accounting policies and compliance with applicable accounting standards approved by the Malaysian Accounting Standards Board ("MASB"), significant matters highlighted including financial reporting matters, unusual events, transactions, judgements made by Management and other legal requirements, and the main factors contributing to the financial performance of the Group in terms of revenue and earnings. Discussed with Management and external auditors, and had obtained reasonable assurances that all changes in significant accounting policies had been implemented; applicable accounting standards approved by MASB, provisions of the Companies Act 2016 and requirements under the Main LR had been complied with; significant matters highlighted by the External Auditors including financial reporting matters, unusual events or transactions had been appropriately addressed; judgements made by Management had been assessed; and impact of any changes to the accounting policies and new accounting standards had been assessed and adopted, where relevant.

#### Internal Audit

The internal audit function of the Group was outsourced to a professional consulting firm, Needsbridge Advisory Sdn Bhd to undertake independent, objective and systematic reviews of the internal control systems to evaluate its adequacy and effectiveness. The outsourced Internal Auditors conduct the internal audit reviews according to the internal audit plan approved by the Committee.

The Committee carried out the following functions:

- (a) Reviewed and approved the annual audit plan to ensure adequate scope and coverage on the activities of the Group, taking into consideration the assessment of key risk areas and ensuring that key and high-risk areas were audited annually.
- (b) Reviewed the effectiveness of audit programmes, and the adequacy and suitability of the resource requirements and skill levels of the Internal Auditors for the year and assessed the performance of the Internal Audit Function.
- (c) Reviewed the internal audit reports, audit recommendations made and Management's response to these recommendations and actions taken to improve the system of internal control and procedures recommendations. Where appropriate, the Risk Management and Audit Committee had directed Management to rectify and improve control procedures and workflow processes based on the Internal Auditors' recommendations and suggestions for improvement.
- (d) Monitored the implementation of the audit recommendations to ensure that all key risks and controls had been addressed.
- (e) Reviewed recurrent related party transactions of a revenue or trading nature reports every quarter to compliance with the review procedures outlined in the Shareholders' Mandate and ensured that the transactions were undertaken on an arm's length basis and on normal commercial terms which were consistent with the Group's usual business practices and policies, and on terms not more favourable to the related parties than those generally available to the public and were not to the detriment of the minority shareholders.



## RISK MANAGEMENT AND AUDIT COMMITTEE REPORT

### ACTIVITIES DURING THE FINANCIAL YEAR (CONTINUED)

#### Internal Audit (continued)

- (f) Reviewed the Statement on Risk Management and Internal Control which provided an overview of the state of internal controls within the Group before obtaining the Board's approval for inclusion in the Annual Report. The Statement on Risk Management and Internal Control which had been reviewed by the External Auditors is set out on pages 46 - 53 of this Annual Report. The Committee was satisfied that the system of risk management and internal control in place throughout the Group as described in the Statement on Risk Management and Internal Control, was sound and effective, providing reasonable assurance that the structure and operation of controls were appropriate for the Group's operations. The Committee also acknowledged that implementation measures were continuously taken to strengthen the system of risk management and internal control to safeguard the interests of stakeholders including shareholders' investments, and the Group's assets.
- (g) Approved a budget of RM30,000.00 for the Internal Audit Function to effectively carry out its audit plan for the financial year ended 31 March 2024.
- (h) Approved the Risk Management and Audit Committee Report and recommended the same for Board's approval for inclusion in the Annual Report.

#### External Audit

- (a) Reviewed and discussed with External Auditors the audit planning memorandum covering the audit objectives and approach, audit plan, key audit areas and relevant technical pronouncements and accounting standards issued by MASB, and regulating requirements applicable to the Group; and the processes and controls in place to ensure effective and efficient financial reporting and disclosures under the financial reporting standards.
- (b) Reviewed and discussed with External Auditors the results of the audit and the audit report in particular, significant accounting issues arising from the external audit and their opinion on the financial statements of the Group and of the Company.
- (c) Reviewed with External Auditors the memorandum of comments and recommendations arising from their study and evaluation of the system of internal and accounting controls together with Management's response to the findings of the External Auditors and ensured where appropriate, that necessary corrective actions had been taken by Management.
- (d) Evaluated the performance and assessed the suitability and independence of the External Auditors during the year in accordance with the policies and procedures in place, vide a set of questionnaires covering the calibre of the external audit firm; quality of processes and performance; skills and expertise including industrial knowledge; independence and objectivity; audit scope and planning; audit fees; and their communications with the Risk Management and Audit Committee. The Risk Management and Audit Committee had received from the External Auditors written confirmation on their independence and disclosed their policies on independence, safeguards and procedures to address threats or perceived threats to their independence and objectivity, and that they were in compliance with the independence requirements set out in the By-Laws (On Professional Ethics, Conduct and Practice) for Professional Accountants (By-Laws) as adopted by the Malaysian Institute of Accountants.
- (e) Recommended to the Board the re-appointment of the External Auditors and their remuneration.
- (f) Reviewed and discussed the non-audit fees in respect of services rendered by the External Auditors. The non-audit fees for the financial year ended 31 March 2024 amounted to RM5,000.00.
- (g) Convened two (2) private session discussion meetings with the External Auditors without executive Board members and Management being present to discuss matters in relation to their review.



## RISK MANAGEMENT AND AUDIT COMMITTEE REPORT

### ACTIVITIES DURING THE FINANCIAL YEAR (CONTINUED)

#### Compliance Management

The Committee ensures that the Company complies with the relevant laws, regulations, codes and standards.

#### Risk Management

- (a) The Committee monitored the year-to-date progress on the achievement of the Company by reviewing the performance of the Company quarterly. The Risk Management and Audit Committee sought understanding from the Risk Management Team ("RMT") on the identified risk of each department and to prepare the necessary management action plan to tackle the risks identified.
- (b) The Committee assured the Board on the risk reporting and review activities that took place during the financial year.

#### Related Party Transactions

- (a) Reviewed related party transactions entered into by the Group and ensured that the transactions undertaken were in the best interest of the Group, fair, reasonable and on standard commercial terms, and not detrimental to the interest of the minority shareholders, and recommended the same for approval of the Board.
- (b) Reviewed the annual Shareholders' Mandate in relation to the recurrent related party transactions of a revenue or trading nature for shareholders' approval to undertake transactions that are recurrent, of a revenue or trading nature and which are necessary for the day-to-day operations of the Group with related parties ("RRPTs"). The Committee ensured that the review procedures were sufficient to ensure that the RRPTs were not more favourable to the related parties than those generally available to the public and were not to the detriment of the minority shareholders and that the Group had in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner, and such procedures and processes were reviewed on a yearly basis or whenever the need arose. The Management had assured the Committee that related party transactions and mandate for recurrent related party transactions complied with the Main LR and the Group's policies and procedures.



## STATEMENT OF DIRECTORS' RESPONSIBILITY

As required under the Companies Act 2016, the Directors of Oriental Food Industries Holdings Berhad have made a statement expressing an opinion on the financial statements. The Board is of the opinion that the financial statements have been drawn up in accordance with applicable approved accounting standards in Malaysia to give a true and fair view of the financial position of the Group and the Company for the financial year ended 31 March 2024.

In preparing the financial statements for the financial year ended 31 March 2024, the Directors have:

- adopted suitable accounting policies and practices to ensure that they were consistently applied throughout the year;
- made judgements and estimates that are prudent and reasonable;
- ensured all applicable accounting standards have been followed, subject to any material departure and explained in the financial statements; and
- prepared the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

Additionally, the Directors relied on the system of internal controls to ensure that the information generated for the preparation of the financial statements from the underlying accounting records was accurate and reliable.

This statement is made in following a resolution of the Board of Directors dated 29 May 2024.

# FINANCIAL STATEMENTS

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# DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2024.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The information of the name, place of incorporation, principal activities, and percentage of issued share capital held by the Company in each subsidiary company are set out in the "Subsidiary" of this report.

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

## RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year	43,294,171	12,021,229

## DIVIDENDS

Dividends paid or declared by the Company since 31 March 2023 are as follows:-

	RM
<u>In respect of the financial year ended 31 March 2023:</u>	
A final dividend of RM0.005 per ordinary share, paid on 30 June 2023	1,200,000
<u>In respect of the financial year ended 31 March 2024:</u>	
A first interim dividend of RM0.01 per ordinary share, paid on 5 October 2023	2,400,000
A second interim dividend of RM0.015 per ordinary share, paid on 8 January 2024	3,600,000
A third interim dividend of RM0.02 per ordinary share, paid on 15 April 2024	4,800,000
	<u>12,000,000</u>

On 29 May 2024, the directors declared a fourth interim single-tier dividend of RM0.02 per ordinary share in respect of the financial year ended 31 March 2024 on 240,000,000 ordinary shares, amounting to approximately RM4,800,000 which is payable on 10 July 2024. The financial statements for the current financial year do not reflect this dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2025.



## DIRECTORS' REPORT

### DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Y. Bhg. Tan Sri Dato' Azizan bin Husain  
Datuk Seri Son Chen Chuan\*  
Datuk Son Tong Leong\*  
Datuk Son Tong Eng\*  
Lim Keat Sear  
Chong Peng Khang  
You Chen Kei (Appointed on 23.5.2023)

\*Directors of the Company and its subsidiaries.

### DIRECTORS' INTERESTS

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

<i>The Company</i>	<b>1.4.2023</b>	<b>Number of ordinary shares</b>		<b>31.3.2024</b>
		<b>Bought</b>	<b>Sold</b>	
<i>Direct interest</i>				
Datuk Seri Son Chen Chuan	73,629,532	-	-	73,629,532
Datuk Son Tong Leong	7,546,900	-	-	7,546,900
Datuk Son Tong Eng	5,924,196	-	-	5,924,196
Lim Keat Sear	2,935,012	-	-	2,935,012
<i>Indirect interest</i>				
Datuk Seri Son Chen Chuan*	34,831,392	896,000	-	35,727,392
Lim Keat Sear^	49,232,896	-	-	49,232,896

\* Deemed interested by virtue of his direct shareholdings in Apendo Capital Sdn. Bhd. and Summer Legend Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 ("the Act") and the shares held by children pursuant to Section 59(11)(c) of the Act.

^ Deemed interested by virtue of his direct shareholdings in Syarikat Perniagaan Chong Mah Sdn. Bhd., Summer Legend Sdn. Bhd. and Thung Shung (M) Sdn. Bhd. pursuant to Section 8 of the Act.

By virtue of their shareholdings in the Company, Datuk Seri Son Chen Chuan and Lim Keat Sear are deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Act.

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





## DIRECTORS' REPORT

### DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from the following transactions:-

	The Group RM	The Company RM
<b>Transaction with a company in which a director has interest:</b>		
Sales of goods to Syarikat Perniagaan Chong Mah Sdn. Bhd.	1,239,191	-
<b>Transaction with a subsidiary:</b>		
Dividends income received/receivable from Oriental Food Industries Sdn. Bhd.	-	12,750,125

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

### DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:-

	The Group RM	The Company RM
Fees	557,164	377,164
Salaries, bonuses and other benefits	5,054,802	84,000
Defined contribution benefits	602,235	-
	6,214,201	461,164

The estimated monetary value of benefits-in-kind provided by the Group to the directors of the Company was RM84,000.

### INDEMNITY AND INSURANCE COST

During the financial year, the total amount of indemnity coverage and insurance premium paid for the directors and certain officers of the Company were RM7,650,000 and RM14,000 respectively.

There was no indemnity given to or professional indemnity insurance effected for the auditors of the Company.

### ISSUE OF SHARES AND DEBENTURES

During the financial year:-

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



## DIRECTORS' REPORT

### OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables; and
  - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would require:
- (i) the writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company; 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 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 that 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 substantially affect the ability of the Group or of the Company to meet their obligations when they fall due; and
  - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.



## DIRECTORS' REPORT

### SUBSIDIARIES

Name of subsidiaries	Country of incorporation	Percentage of issued share capital held by parent	Principal activities
Oriental Food Industries Sdn. Bhd.	Malaysia	100%	Manufacturing and marketing of biscuits, cakes, snack food and confectioneries.
OFI Properties Sdn. Bhd.	Malaysia	99.99%	Property development
<i>Subsidiary of Oriental Food Industries Sdn. Bhd.:</i>			
Oriental Food Marketing Sdn. Bhd.	Malaysia	100%	Sales and marketing of biscuits, cakes, snack food and confectioneries.

### AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration for the financial year are as follows:-

	The Group RM	The Company RM
Audit fees	153,000	38,000
Non-audit fees	5,000	5,000
	<b>158,000</b>	<b>43,000</b>

Signed in accordance with a resolution of the directors dated 8 July 2024.

**Datuk Seri Son Chen Chuan**

**Datuk Son Tong Leong**



## STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Datuk Seri Son Chen Chuan and Datuk Son Tong Leong, being two of the directors of Oriental Food Industries Holdings Berhad, state that, in the opinion of the directors, the financial statements set out on pages 72 to 116 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2024 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 8 July 2024.

**Datuk Seri Son Chen Chuan**

**Datuk Son Tong Leong**

## STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Datuk 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 financial statements set out on pages 72 to 116 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovementioned  
Datuk Son Tong Leong, NRIC Number: 700207-04-5183  
at Melaka  
in the State of Melaka  
on this 8 July 2024

**Datuk Son Tong Leong**

Before me



# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD  
(INCORPORATED IN MALAYSIA) REGISTRATION NO: 199601017418 (389769-M)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Oriental Food Industries Holdings Berhad, which comprise the statements of financial position as at 31 March 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 72 to 116.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Independence and other ethical responsibilities*

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Boards for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**INDEPENDENT AUDITORS' REPORT**

TO THE MEMBERS OF ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD  
(INCORPORATED IN MALAYSIA) REGISTRATION NO: 199601017418 (389769-M)

**Key Audit Matters (continued)**

We have determined the matter described below to be the key audit matter to be communicated in our report.

<b>Use of estimates in revenue recognition arising from advertising and promotional expenses claimed by customers</b>	
Refer to Note 3.1(f) and Note 3.9 to the financial statements	
<b>Key Audit Matter</b>	<b>How our audit addressed the key audit matter</b>
<p>The Group incurs advertising and promotional expenses to support, promote and develop the Group's brands. There are various types of arrangements with the customers for the advertising and promotional activities. Some of the arrangements are based on sales target and agreed rates ("trading term arrangements") and others are based on planned and agreed advertising and promotional activities on a yearly basis;</p> <p>We have identified this area as one of the key audit matter due to the diverse variety of trading term arrangements and the range of agreed rates, which involves significant judgement in ascertaining the nature and classification of the advertising and promotion expenses; and</p> <p>The abovementioned is also disclosed in Note 3.1(f) to the financial statements as one of the key assumptions used by management under the section of Key Sources of Estimation Uncertainty.</p>	<p>We have performed the following audit procedures, among others:</p> <ul style="list-style-type: none"> <li>• Evaluated and tested the operating effectiveness of controls in relation to the authorisation of promotional activities and the determination of year end estimation;</li> <li>• Evaluated historical accuracy of the provisions for the planned and agreed advertising and promotional activities by considering the consistency of the Directors' judgement for recognising the provision and examined the utilisation or release of previously recorded provisions to the actual usage/ consumption of the advertising and promotional activities; and</li> <li>• Tested the provision of unclaimed advertising and promotional expenses to subsequent claims after the year end.</li> </ul>

**Information other than the financial statements and auditors' report thereon**

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the directors for the financial statements**

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.



## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD  
(INCORPORATED IN MALAYSIA) REGISTRATION NO: 199601017418 (389769-M)

### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applies.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD  
(INCORPORATED IN MALAYSIA) REGISTRATION NO: 199601017418 (389769-M)

### OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**Crowe Malaysia PLT**  
201906000005 (LLP0018817-LCA) & AF 1018  
Chartered Accountants

Melaka  
8 July 2024

**Piong Yew Peng**  
03070/06/2025 J  
Chartered Accountant





# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>Revenue</b>	4	431,723,546	360,013,325	12,750,125	9,518,507
Cost of sales		(342,573,298)	(305,566,591)	-	-
<b>Gross profit</b>		89,150,248	54,446,734	12,750,125	9,518,507
Other income	5	4,735,639	3,074,001	75	103
		93,885,887	57,520,735	12,750,200	9,518,610
General and administrative expenses		(21,545,839)	(20,346,768)	(728,953)	(662,993)
Selling and distribution expenses		(15,098,928)	(12,908,299)	-	-
Finance costs	6	(145,517)	(186,282)	-	-
(Net impairment losses)/ Reversal of net impairment losses on financial assets	7	(1,476,917)	583,804	-	-
<b>Profit before taxation</b>	8	55,618,686	24,663,190	12,021,247	8,855,617
Income tax expense	10	(12,324,515)	(5,537,188)	(18)	(24)
<b>Profit after taxation</b>		43,294,171	19,126,002	12,021,229	8,855,593
Other comprehensive income <u>Items that will be reclassified</u> <u>subsequently to profit or loss</u> Fair value changes of equity investments		587,982	129,755	-	-
<b>Total comprehensive income for the financial year</b>		43,882,153	19,255,757	12,021,229	8,855,593
<b>Profit after taxation attributable to:-</b> Owners of the Company		43,294,171	19,126,002	12,021,229	8,855,593
<b>Total comprehensive income attributable to:-</b> Owners of the Company		43,882,153	19,255,757	12,021,229	8,855,593
<b>Earnings per share (sen)</b> Basic/Diluted	11	18.04	7.97		

The accompanying notes form an integral part of the financial statements.



# STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2024

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>Assets</b>					
<b>Non-current assets</b>					
Investment in subsidiaries	12	-	-	125,468,751	125,468,751
Property, plant and equipment	13	98,583,486	104,507,462	-	-
Right-of-use assets	14	16,115,696	17,140,618	-	-
Investment properties	15	3,875,340	3,968,530	-	-
Land held for future property development	16	961,569	961,569	-	-
Investment securities	17	3,189,850	2,601,868	-	-
Deferred tax assets	27	1,802,700	1,972,100	-	-
		124,528,641	131,152,147	125,468,751	125,468,751
<b>Current assets</b>					
Inventories	18	53,712,093	50,481,447	-	-
Right of return asset		237,638	930,639	-	-
Trade receivables	19	87,874,204	67,106,861	-	-
Other receivables, deposits and prepayments	20	4,535,486	5,112,464	4,832,261	23,852
Current tax assets		8,309	468,324	-	-
Short-term investments	21	103,205	100,600	-	-
Fixed deposit with a licensed bank	22	4,000,000	-	-	-
Cash and bank balances		53,969,606	32,772,789	144,201	90,429
		204,440,541	156,973,124	4,976,462	114,281
<b>Total assets</b>		<b>328,969,182</b>	<b>288,125,271</b>	<b>130,445,213</b>	<b>125,583,032</b>
<b>Equity and liabilities</b>					
<b>Equity attributable to owners of the parent</b>					
Share capital	23	120,000,000	120,000,000	120,000,000	120,000,000
Fair value reserve	24	2,817,412	2,229,430	-	-
Retained earnings		140,260,384	108,966,213	5,207,686	5,186,457
<b>Total equity</b>		<b>263,077,796</b>	<b>231,195,643</b>	<b>125,207,686</b>	<b>125,186,457</b>



STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2024

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>Non-current liabilities</b>					
Lease liabilities	25	-	210,863	-	-
Loans and borrowings	26	1,173,917	2,396,833	-	-
Deferred tax liabilities	27	10,263,521	12,092,400	-	-
		11,437,438	14,700,096	-	-
<b>Current liabilities</b>					
Trade payables	28	27,810,223	27,103,495	-	-
Refund liabilities		1,798,237	3,599,663	-	-
Contract liabilities	29	5,973,378	764,103	-	-
Other payables and accruals	30	14,582,482	7,900,710	5,234,609	395,445
Lease liabilities	25	53,858	584,873	-	-
Loans and borrowings	26	1,247,268	1,206,361	-	-
Current tax liabilities		2,988,502	1,070,327	2,918	1,130
		54,453,948	42,229,532	5,237,527	396,575
<b>Total liabilities</b>		65,891,386	56,929,628	5,237,527	396,575
<b>Total equity and liabilities</b>		328,969,182	288,125,271	130,445,213	125,583,032

The accompanying notes form an integral part of the financial statements.



# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

<b>The Group</b>	<b>Note</b>	<b>Share Capital RM</b>	<b>Fair Value Reserve RM</b>	<b>Retained Earnings RM</b>	<b>Total Equity RM</b>
At 1 April 2022		120,000,000	2,099,675	98,720,211	220,819,886
Profit after taxation for the financial year		-	-	19,126,002	19,126,002
Other comprehensive income for the financial year:					
- Fair value changes of equity investments		-	129,755	-	129,755
Total comprehensive income for the financial year		-	129,755	19,126,002	19,255,757
Dividends	31	-	-	(8,880,000)	(8,880,000)
At 31 March 2023/1 April 2023		120,000,000	2,229,430	108,966,213	231,195,643
Profit after taxation for the financial year		-	-	43,294,171	43,294,171
Other comprehensive income for the financial year:					
- Fair value changes of equity investments		-	587,982	-	587,982
Total comprehensive income for the financial year		-	587,982	43,294,171	43,882,153
Dividends	31	-	-	(12,000,000)	(12,000,000)
At 31 March 2024		120,000,000	2,817,412	140,260,384	263,077,796
<b>The Company</b>	<b>Note</b>	<b>Share Capital RM</b>	<b>Retained Earnings RM</b>	<b>Total Equity RM</b>	
At 1 April 2022		120,000,000	5,210,864	125,210,864	
Profit after taxation/Total comprehensive income for the financial year			-	8,855,593	8,855,593
Dividends	31		-	(8,880,000)	(8,880,000)
At 31 March 2023/1 April 2023		120,000,000	5,186,457	125,186,457	
Profit after taxation/Total comprehensive income for the financial year			-	12,021,229	12,021,229
Dividends	31		-	(12,000,000)	(12,000,000)
At 31 March 2024		120,000,000	5,207,686	125,207,686	

The accompanying notes form an integral part of the financial statements.



# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Cash flows from operating activities</b>				
Profit before taxation	55,618,686	24,663,190	12,021,247	8,855,617
Adjustments for:-				
Bad debts written off	-	1,400	-	-
Depreciation of property, plant and equipment	12,949,089	12,731,298	-	-
Depreciation of investment properties	93,190	93,188	-	-
Depreciation of right-of-use assets	923,590	985,823	-	-
Effect of change on lease termination	(8,010)	(4,081)	-	-
Fair value gain on short-term investments	(2,604)	(1,864)	-	-
Interest expense	138,309	148,496	-	-
Interest expense on lease liabilities	7,208	37,786	-	-
Interest income	(281,332)	(77,279)	(75)	(103)
(Reversal of inventories previously written off)/Inventories written off	(839,059)	59,734	-	-
Inventories written down	220,000	-	-	-
Gain on disposal of property, plant and equipment	(65,638)	(153,836)	-	-
Allowance/(Reversal) of impairment losses on trade receivables	1,476,917	(583,804)	-	-
Unrealised (gain)/loss on foreign exchange	(158,648)	174,650	-	-
Operating profit before working capital changes	70,071,698	38,074,701	12,021,172	8,855,514
Increase in inventories and right of return assets	(1,918,586)	(7,558,794)	-	-
(Increase)/Decrease in receivables	(21,502,326)	(9,748,422)	(4,808,409)	2,386,961
Increase/(Decrease) in payables and refund liabilities	6,078,029	(903,518)	39,164	(2,376,290)
Cash from operations	52,728,815	19,863,967	7,251,927	8,866,185
Income tax paid	(12,150,414)	(7,022,687)	(50)	(120)
Income tax refunded	544,610	-	1,820	-
Net cash from operating activities	41,123,011	12,841,280	7,253,697	8,866,065



STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>Cash flows (for)/from investing activities</b>					
Additional investments on short-term investments		2,604	1,864	-	-
Purchase of property, plant and equipment	32(a)	(5,948,385)	(7,219,749)	-	-
Advanced payments to suppliers of property, plant and equipment		(1,199,311)	(597,035)	-	-
Proceeds from disposal of property, plant and equipment		100,233	183,700	-	-
Interest received		281,332	77,279	75	103
Net cash (for)/from investing activities		(6,763,527)	(7,553,941)	75	103
<b>Cash flows for financing activities</b>					
Dividends paid		(7,200,000)	(8,880,000)	(7,200,000)	(8,880,000)
Interest paid		(145,517)	(186,281)	-	-
Repayment of loans and borrowings	32(b)	(1,182,009)	(2,046,928)	-	-
Repayment of lease liabilities	32(b)	(632,536)	(671,564)	-	-
Net cash for financing activities		(9,160,062)	(11,784,773)	(7,200,000)	(8,880,000)
<b>Net increase/(decrease) in cash and cash equivalents</b>		25,199,422	(6,497,434)	53,772	(13,832)
<b>Cash and cash equivalents at beginning of the financial year</b>		32,873,389	39,370,823	90,429	104,261
<b>Cash and cash equivalents at end of the financial year</b>	32(d)	58,072,811	32,873,389	144,201	90,429

The accompanying notes form an integral part of the financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

### 1. General information

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

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

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

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 12 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 8 July 2024.

### 2. Basis of preparation

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

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

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

MFRS 17: Insurance Contract

Amendments to MFRS 17: Insurance Contracts

Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112: International Tax Reform - Pillar Two Model Rules

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company except as follows:-

#### Amendments to MFRS 101: Disclosure of Accounting Policies

The Amendments to MFRS 101 'Disclosure of Accounting Policies' did not result in any changes to the existing accounting policies of the Group and of the Company. However, the amendments require the disclosure of 'material' rather than 'significant' accounting policies and provide guidance on how entities apply the concept of materiality in making decisions about the material accounting policy disclosures. The Group and the Company have made updates to the accounting policies presented in Note 3 to the financial statements in line with the amendments.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

### 2. Basis of preparation (continued)

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

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective date</b>
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

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

### 3. Material accounting policy information

#### 3.1 Critical accounting estimates and judgements

##### *Key Sources of Estimation Uncertainty*

Management believes that there are no key assumptions made 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 other than as disclosed below:-

#### (a) Depreciation of property, plant and equipment

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

#### (b) Write-down of Inventories

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

#### (c) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables.





## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

### 3. Material accounting policy information (continued)

#### 3.1 Critical accounting estimates and judgements (continued)

##### *Key Sources of Estimation Uncertainty (continued)*

##### **(d) Impairment of Non-Trade Receivables**

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information.

##### **(e) Income Taxes**

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

##### **(f) Estimating variable consideration for returns, rebates, discounts and advertising and promotional expenses**

The Group estimates variable considerations to be included in the transaction price for the sale of goods with rights of returns, rebates, discounts and advertising and promotional expenses.

The Group developed a statistical model for forecasting sales returns, rebates, discounts and advertising and promotional expenses. The model used the historical data of each product to come up with expected percentages. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical pattern will impact the expected percentages estimated by the Group.

The Group updates its assessment of expected returns, rebates, discounts and advertising and promotional expenses annually and the refund liabilities are adjusted accordingly. Estimates of expected returns, rebates, discounts and advertising and promotional expenses are sensitive to changes in circumstances and the Group's past experience may not be representative of customers' actual returns, rebates, discounts and advertising and promotional expenses in the future.

##### *Critical Judgements Made in Applying Accounting Policies*

Management believes that there are no instances of application of critical judgement in applying the accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in financial statements other than as disclosed below:-

##### **(a) Lease Terms**

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

### 3. Material accounting policy information (continued)

#### 3.1 Critical accounting estimates and judgements (continued)

##### *Critical Judgements Made in Applying Accounting Policies (continued)*

#### **(b) Revenue from contracts with customers**

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

(i) Identifying performance obligations in a bundled sale of goods and delivery services

The Group provides delivery services that are bundled together with the sale of goods to a customer. The delivery services are a promise to transfer services in the future and are part of the negotiated exchange between the Group and the customer.

The Group determined that both the goods and delivery of services are capable of being distinct. The Group also determined that the promises to transfer the goods and to provide delivery services are distinct within the context of the contract. The goods and delivery services are not inputs to a combined item in the contract. The Group is not providing a significant integration service because the presence of the goods and delivery services together in this contract do not result in any additional or combined functionality and neither the goods nor the delivery services modify or customise the other. In addition, the goods and delivery services are not highly interdependent or highly interrelated, because the Group would be able to transfer the goods even if the customer declined delivery.

However, the identification of delivery services as a separate deliverable of bundled sales did not have any material impact on the amount and timing of revenue recognised and hence, these services are bundled together with the sale of goods to a customer and the Group accounted for the bundled sales as one deliverable and recognised revenue at a point in time.

(ii) Determining method to estimate variable consideration and assessing the constraint

Certain sale of goods include a right of return, rebates and discounts that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of goods with rights of return.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

### 3. Material accounting policy information (continued)

#### 3.2 Financial Instruments

##### (a) Financial Assets

###### Financial Assets Through Profit or Loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

###### Financial Assets Amortised Costs

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

###### Financial Assets Through Other Comprehensive Income

The Group has elected to designate the equity instruments as financial assets through other comprehensive income at initial recognition.

The financial assets are initially measured at fair value plus transaction costs. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes taken up in other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference of a debt instrument which are recognised directly in profit or loss. The fair value changes do not include interest and dividend income.

##### (b) Financial Liabilities

###### Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

##### (c) Equity

###### Ordinary Shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

##### (d) Financial Guarantee Contracts

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to the initial recognition, the financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the reimbursement is recognised as a liability and measured at the higher of the amount of loss allowance determined using the expected credit loss model and the amount of financial guarantee initially recognised less cumulative amortisation.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

### 3. Material accounting policy information (continued)

#### 3.3 Investments in subsidiaries

Investments in subsidiaries which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

#### 3.4 Property, plant and equipment

All items of property, plant and equipment are initially measured at cost.

Subsequent to the initial recognition, all property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amount over the estimated useful lives. The principal annual depreciation rates are:-

Buildings	50 years
Plant and machinery	10 to 20 years
Other assets	5 to 10 years

Capital work-in-progress represent buildings under construction and production machinery under installation. They are not depreciated until such time when the asset is available for use.

#### 3.5 Investment properties

Investment properties are initially measured at cost. Subsequent to the initial recognition, the investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is not depreciated. Depreciation is calculated using the straight-line method to allocate the depreciable amounts over the estimated useful lives. The principal annual depreciation period and rates are:-

Leasehold land	93 to 99 years
Leasehold commercial buildings	20 to 99 years

#### 3.6 Right-of-use assets and lease liabilities

##### (a) Short-term leases

The Group apply the "short-term lease" recognition exemption. For these leases, the Group recognise the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

##### (b) Right-of-use assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

##### (c) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

### 3. Material accounting policy information (continued)

#### 3.7 Land held for future property development

Land held for future property development is stated at the lower of cost and net realisable value. Cost comprises cost associated with the purchase of land and an appropriate of common infrastructure costs.

Land held for future property development is transferred to property development cost category when development activities have commenced and are expected to be completed within the normal operating cycle.

#### 3.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost method and comprises all costs of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present location and condition.

#### 3.9 Revenue from contracts with customers

The Company is in the business of investment holding while the Group is in the business of manufacturing and sales of snack food and confectioneries. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

##### (a) Sales of goods

Revenue from sales of snack food and confectioneries is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is 30 to 120 days upon delivery.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. warranties) in determining the transaction price for the sale of goods, the Group considers the effect of variable considerations, the existence of significant financing component, non cash consideration and consideration payable to the customer, if any.

##### (i) Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

##### Right of returns

The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in MFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

### 3. Material accounting policy information (continued)

#### 3.9 Revenue from contracts with customers (continued)

(a) Sales of goods (continued)

(i) Variable consideration (continued)

Rebates and discounts

The Group provide a retrospective volume rebates, prompt payment discounts and other discounts to customers. Rebates and discounts are offset against amount payable by the customer. To estimate the variable consideration for the expected future rebates and discounts, the Group applies the expected value method. The Group then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

(ii) Significant financing component

Generally, the Group receives short-term advances from its customers. Using the practical expedient in MFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the promised of transfer goods to the customer and when the customer pays for that goods will be one year or less.

(b) Assets and liabilities arising from rights of return

(i) Right of return assets

Right of return asset represents the Group's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods. The Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

(ii) Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of the financial year.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

4. Revenue

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<u>Revenue from contracts with customers</u>				
Sales of snack food and confectioneries	431,723,546	360,013,325	-	-
<u>Revenue from other sources</u>				
Dividend income	-	-	12,750,125	9,518,507
	<u>431,723,546</u>	<u>360,013,325</u>	<u>12,750,125</u>	<u>9,518,507</u>

(a) The information on the disaggregation of revenue is disclosed in Note 36.

(b) The information of the revenue from other source is summarised below:-

Dividend income

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

5. Other income

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Effect of change on lease termination	8,010	4,081	-	-
Fair value gain on money market fund	2,604	1,864	-	-
Gain on foreign exchange:				
- realised	2,529,536	1,516,344	-	-
- unrealised	158,648	-	-	-
Gain on disposal of property, plant and equipment	65,638	153,836	-	-
Insurance compensation	14,768	8,475	-	-
Interest income	281,332	77,279	75	103
Miscellaneous income	1,021,508	684,052	-	-
Lease income:				
- rental income from investment properties	653,595	628,070	-	-
	<u>4,735,639</u>	<u>3,074,001</u>	<u>75</u>	<u>103</u>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

### 6. Finance costs

	The Group	
	2024 RM	2023 RM
Interest expense on financial liabilities that are not at fair value through profit or loss:		
- Term loans	138,309	148,184
- Bank overdrafts	-	312
- Lease liabilities	7,208	37,786
	<u>145,517</u>	<u>186,282</u>

### 7. Net impairment losses/(Reversal of net impairment losses) on financial assets

	The Group	
	2024 RM	2023 RM
Impairment losses:		
- Trade receivables (Note 19)	1,476,917	-
Reversal of impairment losses:		
- Trade receivables (Note 19)	-	(583,804)
	<u>1,476,917</u>	<u>(583,804)</u>

### 8. Profit before taxation

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit before taxation is arrived at after charging:-				
Auditors' remuneration:				
- audit fees:				
- current financial year	153,000	140,000	38,000	35,000
- over provision in the previous financial year	-	(13,000)	-	(5,000)
- non-audit fees:				
- auditors of the Company	5,000	5,000	5,000	5,000
- member firms of the auditors of the Company:				
- current financial year	50,000	48,500	4,500	4,500
- (over)/under provision in the previous financial year	(1,500)	4,000	(500)	1,000
Bad debts written off	-	1,400	-	-
Depreciation:				
- investment properties (Note 15)	93,190	93,188	-	-
- property, plant and equipment (Note 13)	12,949,089	12,731,298	-	-
- right-of-use assets (Note 14)	923,590	985,823	-	-
Employees benefits expense (Note 9)	52,924,669	47,192,101	461,164	407,000
Inventories written down (Note 18)	220,000	-	-	-
(Reversal of inventories previously written off)/ Inventories written off (Note 18)	(839,059)	59,734	-	-
Lease expense:				
- short-term lease	67,113	16,935	-	-
Loss on foreign exchange:				
- unrealised	-	174,650	-	-





NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

**9. Employees benefits expense**

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Directors' non-fee emoluments (Note 33)	5,657,037	5,274,588	84,000	77,000
Directors' fees (Note 33)	557,164	510,000	377,164	330,000
Salaries, bonus and allowances	42,743,895	37,966,773	-	-
Defined contribution plan	2,711,626	2,320,615	-	-
Other employee benefits	1,254,947	1,120,125	-	-
	<b>52,924,669</b>	<b>47,192,101</b>	<b>461,164</b>	<b>407,000</b>

**10. Income tax expense**

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current tax expense:				
- current financial year	14,121,418	6,306,725	18	24
- over provision in the previous financial year	(137,424)	(97,737)	-	-
	<b>13,983,994</b>	<b>6,208,988</b>	<b>18</b>	<b>24</b>
Deferred tax expense (Note 27):				
- origination and reversal of temporary differences	(1,500,179)	(233,200)	-	-
- over provision in the previous financial year	(159,300)	(438,600)	-	-
	<b>(1,659,479)</b>	<b>(671,800)</b>	<b>-</b>	<b>-</b>
	<b>12,324,515</b>	<b>5,537,188</b>	<b>18</b>	<b>24</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

### 10. Income tax expense (continued)

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

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit before taxation	55,618,686	24,663,190	12,021,247	8,855,617
Taxation at Malaysian statutory tax rate of 24% (2023 - 24%)	13,348,485	5,919,166	2,885,099	2,125,348
Non-deductible expenses	808,931	806,436	174,949	159,118
Non-taxable income	(238,844)	(193,289)	(3,060,030)	(2,284,442)
Expenses eligible for double deduction	(175,777)	(185,456)	-	-
Claim of reinvestment allowances	(1,121,556)	(273,332)	-	-
Over provision of current tax in the previous financial year	(137,424)	(97,737)	-	-
Over provision of deferred taxation in the previous financial year	(159,300)	(438,600)	-	-
Income tax expense for the financial year	12,324,515	5,537,188	18	24

### 11. Earnings per share

The basic earnings per share is calculated by dividing the consolidated profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	The Group	
	2024	2023
Profit after taxation attributable to owners of the Company (RM)	43,294,171	19,126,002
Weighted average number of ordinary shares in issue	240,000,000	240,000,000
Basic earnings per share (sen)	18.04	7.97

The Company had not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

12. Investment in subsidiaries

	The Company	
	2024 RM	2023 RM
Unquoted shares, at cost	125,468,751	125,468,751

The details of the subsidiaries are as follows:-

Name of subsidiaries	Principal place of business and country of incorporation	Percentage of issued share capital held by parent		Principal activities
		2024	2023	
Oriental Food Industries Sdn.Bhd.	Malaysia	100%	100%	Manufacturing and marketing of biscuits, cakes, snack food and confectioneries
OFI Properties Sdn. Bhd.	Malaysia	99.99%	99.99%	Property development
<i>Subsidiary of Oriental Food Industries Sdn. Bhd.:</i>				
Oriental Food Marketing (M) Sdn. Bhd.	Malaysia	100%	100%	Sales and marketing of biscuits, cakes, snack food and confectioneries

13. Property, plant and equipment

	At 1.4.2023 RM	Additions (Note 32(a)) RM	Reclassi- fication RM	Disposals RM	Depreciation charges (Note 8) RM	At 31.3.2024 RM
<b>The Group</b>						
<b>Carrying amount</b>						
Freehold land	1,150,000	-	-	-	-	1,150,000
Buildings	26,372,918	314,709	7,625,765	-	(970,567)	33,342,825
Renovation	1,167,582	21,338	-	-	(286,522)	902,398
Plant and machinery	61,939,754	2,392,311	3,689,379	(30,969)	(10,406,540)	57,583,935
Motor vehicles	1,955,433	-	-	(3)	(657,322)	1,298,108
Furniture, fittings and office equipment	2,708,051	1,565,957	-	(3,623)	(628,138)	3,642,247
Capital work-in-progress	9,213,724	2,765,393	(11,315,144)	-	-	663,973
	104,507,462	7,059,708	-	(34,595)	(12,949,089)	98,583,486



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

13. Property, plant and equipment (continued)

	At 1.4.2022 RM	Additions (Note 32(a)) RM	Reclassi- fication RM	Disposals RM	Depreciation charges (Note 8) RM	At 31.3.2023 RM
<b>The Group</b>						
<b>Carrying amount</b>						
Freehold land	1,150,000	-	-	-	-	1,150,000
Buildings	27,316,200	(28,551)	-	-	(914,731)	26,372,918
Renovation	1,287,830	191,631	-	-	(311,879)	1,167,582
Plant and machinery	68,643,281	3,444,220	33,740	-	(10,181,487)	61,939,754
Motor vehicles	2,411,031	275,000	-	(29,864)	(700,734)	1,955,433
Furniture, fittings and office equipment	3,185,016	145,502	-	-	(622,467)	2,708,051
Capital work-in- progress	3,601,679	5,645,785	(33,740)	-	-	9,213,724
	107,595,037	9,673,587	-	(29,864)	(12,731,298)	104,507,462

	At Cost RM	Accumulated depreciation RM	Carrying amount RM
<b>The Group</b>			

**At 31 March 2024**

Freehold land	1,150,000	-	1,150,000
Buildings	50,798,726	(17,455,901)	33,342,825
Renovation	3,217,430	(2,315,032)	902,398
Plant and machinery	182,813,198	(125,229,263)	57,583,935
Motor vehicles	7,761,675	(6,463,567)	1,298,108
Furniture, fittings and office equipment	20,383,184	(16,740,937)	3,642,247
Capital work-in-progress	663,973	-	663,973
	266,788,186	(168,204,700)	98,583,486

**At 31 March 2023**

Freehold land	1,150,000	-	1,150,000
Buildings	42,858,252	(16,485,334)	26,372,918
Renovation	3,196,092	(2,028,510)	1,167,582
Plant and machinery	178,413,798	(116,474,044)	61,939,754
Motor vehicles	7,935,729	(5,980,296)	1,955,433
Furniture, fittings and office equipment	18,831,027	(16,122,976)	2,708,051
Capital work-in-progress	9,213,724	-	9,213,724
	261,598,622	(157,091,160)	104,507,462

The buildings and certain plant and machinery with aggregate carrying amount of RM19,806,000 (2023 - RM21,332,000) are pledged as security for bank borrowings as disclosed in Note 26 to the financial statements.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

14. Right-of-use assets

The Group	At 1.4.2023 RM	Modifications of Lease Liabilities RM	Derecognition Due To Lease Termination RM	Depreciation Charges (Note 8) RM	At 31.3.2024 RM
<b>2024</b>					
<b>Carrying amount</b>					
Leasehold land	16,376,974	-	-	(312,238)	16,064,736
Branch offices	45,642	-	-	(34,240)	11,402
Hostel for workers	718,002	71,139	(172,471)	(577,112)	39,558
Total	17,140,618	71,139	(172,471)	(923,590)	16,115,696

The Group	At 1.4.2022 RM	Addition (Note 32(a)) RM	Modifications of Lease Liabilities RM	Derecognition Due To Lease Termination RM	Depreciation Charges (Note 8) RM	At 31.3.2023 RM
<b>2023</b>						
<b>Carrying amount</b>						
Leasehold land	16,689,212	-	-	-	(312,238)	16,376,974
Branch offices	59,599	22,734	11,501	(14,041)	(34,151)	45,642
Hostel for workers	879,403	218,818	328,133	(68,918)	(639,434)	718,002
Total	17,628,214	241,552	339,634	(82,959)	(985,823)	17,140,618

	The Group	
	2024 RM	2023 RM
Analysed by:-		
Cost	21,574,731	23,032,320
Accumulated depreciation	(5,459,035)	(5,891,702)
	16,115,696	17,140,618



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

### 14. Right-of-use assets (continued)

The Group leases a number of properties of which the leasing activity is summarised below:-

- (i) Leasehold land      The Group has entered into non-cancellable operating lease agreements for the use of land. The leases are for a period of 53 to 99 (2023 - 53 to 99) years. The leases do not allow the Group to assign, transfer or sublease or create any charge, lien or trust in respect of or dispose of the whole or any part of the land.
- (ii) Branch offices      The Group has leased three offices in Ipoh, Ulu Tiram and Kelantan respectively with 2 to 3 (2023 - 2 to 3) years contract and with an option to renew the lease after expiry. Lease payments are subject to increase to reflect current market rentals at time of renewal.
- (iii) Hostel for workers      The Group has entered into various tenancy agreements with houseowners for the use as hostels for accommodation of its workers. The leases are for a period of 2 to 3 (2023 - 2) years with option to renew at the end of contract.

The leasehold land with aggregate carrying amount of RM12,411,000 (2023 - RM12,671,000) are pledged as security for bank borrowings as disclosed in Note 26 to the financial statements.

### 15. Investment properties

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<b>Cost:-</b>		
At 1 April/31 March	4,890,549	4,890,549
<b>Accumulated depreciation:-</b>		
At 1 April	922,019	828,831
Depreciation during the financial year (Note 8)	93,190	93,188
At 31 March	1,015,209	922,019
<b>Net carrying amount</b>	<b>3,875,340</b>	<b>3,968,530</b>
<b>Represented by:-</b>		
Freehold land	412,471	412,471
Leasehold land	756,680	765,514
Leasehold commercial buildings	2,706,189	2,790,545
<b>Net carrying amount</b>	<b>3,875,340</b>	<b>3,968,530</b>
<b>Fair value</b>	<b>7,434,000</b>	<b>7,434,000</b>



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

**15. Investment properties (continued)**

- (a) Certain investment properties of the Group are leased to customers under operating leases with rentals payable monthly. The leases contain initial non-cancellable periods ranging from 1 to 3 (2023 - 1 to 3) years and an option that is exercisable by the customers to extend their leases for an average of 2 (2023 - 2) years.

The Group requires 2 (2023 - 2) months of advanced rental payments from the customers. The leases do not include residual value guarantee and variable lease payments that depend on an index or rate.

As at the reporting date, the future minimum rentals receivable under the non-cancellable operating leases are as follows:-

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Within 1 year	491,130	343,400
Between 1 and 2 years	339,800	114,580
Between 2 and 3 years	191,040	30,900
Between 3 and 4 years	6,050	-
	1,028,020	488,880

- (b) The fair values of the investment properties are within level 3 of the fair value hierarchy and are arrived at by reference to market evidence of transaction prices for similar properties. The most significant input into this valuation approach is the price per square foot of comparable properties.

**16. Land held for future property development**

<b>Cost</b>	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
At 1 April/31 March	961,569	961,569
<b>Analysed by:-</b>		
Right-of-use assets (leasehold land)	961,569	961,569



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

**17. Investment securities**

	The Group	
	2024 RM	2023 RM
<u>Fair value through other comprehensive income</u>		
At 1 April	2,601,868	2,472,113
Fair value changes	587,982	129,755
At 31 March	3,189,850	2,601,868

The investment in unquoted equity instruments represents ordinary shares that are not quoted on any active market and is stated at fair value.

**18. Inventories**

	The Group	
	2024 RM	2023 RM
Raw materials	40,056,990	38,783,756
Work-in-progress	239,460	84,362
Finished goods	13,415,643	11,613,329
	53,712,093	50,481,447
Recognised in profit or loss:-		
Inventories recognised as cost of sales	343,192,357	305,506,857
Inventories written down (Note 8)	220,000	-
(Reversal of inventories previously written off)/ Inventories written off (Note 8)	(839,059)	59,734
Allowance for impairment losses:-		
At 1 April	1,402,915	1,402,915
Addition during the financial year (Note 8)	220,000	-
At 31 March	1,622,915	1,402,915





NOTES TO THE FINANCIAL STATEMENTS  
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**19. Trade receivables**

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Third parties	92,188,006	69,715,747
A company in which a director has interest	72,262	300,261
	<u>92,260,268</u>	<u>70,016,008</u>
Less: Allowance for impairment losses	(4,386,064)	(2,909,147)
	<u>87,874,204</u>	<u>67,106,861</u>
Allowance for impairment losses:-		
At 1 April	2,909,147	3,492,951
Addition during the financial year (Note 7)	1,476,917	-
Reversal during the financial year (Note 7)	-	(583,804)
	<u>4,386,064</u>	<u>2,909,147</u>

The Group's trade credit terms range from 30 to 120 (2023 - 30 to 120) days.

**20. Other receivables, deposit and prepayments**

	<b>The Group</b>		<b>The Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Advanced payments to suppliers	399,938	1,017,234	-	-
Advanced payments to suppliers of property, plant and equipments	1,199,311	1,111,323	-	-
Third parties	734,764	701,840	-	-
Refundable deposits	823,499	926,624	-	-
Dividend receivable from a subsidiary	-	-	4,800,000	-
Staff loans	76,270	58,600	-	-
Prepayments	1,301,704	1,296,843	32,261	23,852
	<u>4,535,486</u>	<u>5,112,464</u>	<u>4,832,261</u>	<u>23,852</u>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

### 21. Short-term investments

	The Group	
	2024 RM	2023 RM
<u>Fair value through profit or loss</u>		
Money market funds, at fair value (Note 32(d))	103,205	100,600

Investment in money market funds are highly liquid and readily convertible to cash.

The weighted average effective interest rates of investment in money market funds of the Group at the reporting date was 3.30% (2023 - 3.45%) per annum.

There is no maturity period for money market funds as these money are callable on demand.

### 22. Fixed deposit with a licensed bank

The fixed deposit with a licensed bank of the Group at the end of the reporting period bore effective interest rates of 2.50% (2023 - Nil) per annum. The fixed deposits have maturing period of 33 (2023 - Nil) days for the Group.

### 23. Share capital

Issued and fully paid-up	The Group/The Company			
	2024 Number of shares	2023 Number of shares	2024 RM	2023 RM
Ordinary shares	240,000,000	240,000,000	120,000,000	120,000,000

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

### 24. Fair value reserve

The fair value reserve represents the cumulative fair value changes (net of tax, where applicable) of investments designated at fair value through other comprehensive income.

	The Group	
	2024 RM	2023 RM
At 1 April	2,229,430	2,099,675
Net gain on equity investment designated at fair value through other comprehensive income	587,982	129,755
At 31 March	2,817,412	2,229,430



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

**25. Lease liabilities**

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
At 1 April	795,736	973,153
Addition	-	241,552
Change due to lease modification	71,139	339,635
Derecognition due to lease termination	(172,471)	(82,959)
Effect of change on lease termination	(8,010)	(4,081)
Interest expense recognised in profit or loss (Note 6)	7,208	37,786
Repayment of principal	(632,536)	(671,564)
Repayment of interest expense	(7,208)	(37,786)
At 31 March	<b>53,858</b>	<b>795,736</b>
Analysed by:-		
Current liabilities	53,858	584,873
Non-current liabilities	-	210,863
	<b>53,858</b>	<b>795,736</b>

**26. Loans and borrowings**

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<b>Current</b>		
Term loans	1,247,268	1,206,361
<b>Non-current</b>		
Term loans	1,173,917	2,396,833
<b>Total loans and borrowings</b>		
Term loans	<b>2,421,185</b>	<b>3,603,194</b>

(a) The interest rate profile of the term loans are summarised below:-

	<b>Effective interest rate</b>	<b>The Group</b>	
		<b>2024</b>	<b>2023</b>
		<b>RM</b>	<b>RM</b>
Floating rate term loans	4.55% (2023 - 4.30%)	2,421,185	3,603,194

(b) The term loans are secured by way of a corporate guarantee from the Company and charge over the Group's leasehold land and buildings and certain plant and machinery as disclosed in Note 13 and Note 14.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

27. Deferred tax (assets)/liabilities

The Group	At	Recognised	At
	1.4.2023	in Profit	31.3.2024
	RM	or Loss	RM
		(Note 10)	
		RM	
<b>2024</b>			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment	13,090,600	(886,934)	12,203,666
Right-of-use assets	213,200	(201,006)	12,194
<i>Deferred Tax Assets</i>			
Unrealised (loss)/gain on forex exchange	(75,200)	38,063	(37,137)
Provisions	(2,886,200)	(818,756)	(3,704,956)
Lease liabilities	(222,100)	209,154	(12,946)
	10,120,300	(1,659,479)	8,460,821

The Group	At	Recognised	At
	1.4.2022	in Profit	31.3.2023
	RM	or Loss	RM
		(Note 10)	
		RM	
<b>2023</b>			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment	14,835,900	(1,745,300)	13,090,600
Right-of-use assets	253,800	(40,600)	213,200
<i>Deferred Tax Assets</i>			
Unutilised reinvestment allowances	(1,309,500)	1,309,500	-
Unrealised loss on forex exchange	(33,300)	(41,900)	(75,200)
Provisions	(2,692,000)	(194,200)	(2,886,200)
Lease liabilities	(262,800)	40,700	(222,100)
	10,792,100	(671,800)	10,120,300

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset in the table above. The following is the analysis of the deferred tax balances for financial reporting purposes:

	The Group	
	2024	2023
	RM	RM
Deferred tax assets	(1,802,700)	(1,972,100)
Deferred tax liabilities	10,263,521	12,092,400
	8,460,821	10,120,300



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

### 28. Trade payables

The normal trade credit terms granted to the Group range from 30 to 90 (2023 - 30 to 90) days.

### 29. Contract liabilities

	The Group	
	2024 RM	2023 RM
Short-term advances for sales of goods	5,973,378	764,103

### 30. Other payables and accruals

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Third parties	2,851,297	2,518,389	-	-
Accrued operating expenses	6,181,353	4,507,142	434,609	395,445
Deposit received	130,760	121,760	-	-
Dividend payable	4,800,000	-	4,800,000	-
Sales tax payable	619,072	753,419	-	-
	14,582,482	7,900,710	5,234,609	395,445

### 31. Dividends

	The Group / The Company	
	2024 RM	2023 RM
Final single tier dividend of RM0.005 (2023 - RM0.012) per ordinary share in respect of the previous financial year	1,200,000	2,880,000
First interim single tier dividend of RM0.01 (2023 - RM0.005) per ordinary share in respect of the current financial year	2,400,000	1,200,000
Second interim single tier dividend of RM0.015 (2023 - RM0.01) per ordinary share in respect of the current financial year	3,600,000	2,400,000
Third interim single tier dividend of RM0.02 (2023 - RM0.01) per ordinary share in respect of the current financial year	4,800,000	2,400,000
	12,000,000	8,880,000

On 29 May 2024, the directors declared a fourth interim single-tier dividend of RM0.02 per ordinary share in respect of the financial year ended 31 March 2024 on 240,000,000 ordinary shares, amounting to approximately RM4,800,000 which is payable on 10 July 2024. The financial statements for the current financial year do not reflect this dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2025.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

### 32. Cash flow information

- (a) The cash disbursed for the purchase of property, plant and equipment and the addition of right-of-use assets is as follows:-

<b>Property, plant and equipment</b>	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Cost of property, plant and equipment purchased (Note 13)	7,059,708	9,673,587
Less: Prepayments made in previous financial year	(1,111,323)	(2,453,838)
	<b>5,948,385</b>	<b>7,219,749</b>
<b>Right-of-use assets</b>		
Cost of right-of-use assets acquired (Note 14)	-	241,552
Less: Addition of new lease liabilities (Note 32(b))	-	(241,552)
	<b>-</b>	<b>-</b>

- (b) The reconciliations of liabilities arising from financing activities are as follows:-

<b>The Group</b>	<b>Term</b>	<b>Lease</b>	<b>Total</b>
<b>2024</b>	<b>loans</b>	<b>liabilities</b>	<b>RM</b>
	<b>RM</b>	<b>RM</b>	
At 1 April	3,603,194	795,736	4,398,930
<b>Changes in Financing Cash Flows</b>			
Repayment of principal	(1,182,009)	(632,536)	(1,814,545)
Repayment of interests	(138,309)	(7,208)	(145,517)
<b>Other Changes</b>			
Modifications of leases	-	71,139	71,139
Interest expense recognised in profit or loss (Note 6)	138,309	7,208	145,517
Derecognition due to lease termination	-	(172,471)	(172,471)
Effect of change on lease termination	-	(8,010)	(8,010)
At 31 March	<b>2,421,185</b>	<b>53,858</b>	<b>2,475,043</b>



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

**32. Cash flow information (continued)**

(b) The reconciliations of liabilities arising from financing activities are as follows (continued):-

<b>The Group</b>				
	<b>Term loans RM</b>	<b>Lease liabilities RM</b>	<b>Bank overdrafts RM</b>	<b>Total RM</b>
<b>2023</b>				
At 1 April	5,650,122	973,153	-	6,623,275
<u>Changes in Financing Cash Flows</u>				
Repayment of principal	(2,046,928)	(671,564)	*	(2,718,492)
Repayment of interests	(148,184)	(37,786)	(312)	(186,282)
<u>Other Changes</u>				
Acquisition of new leases (Note 32(a))	-	241,552	-	241,552
Modifications of leases	-	339,635	-	339,635
Interest expense recognised in profit or loss (Note 6)	148,184	37,786	312	186,282
Derecognition due to lease termination	-	(82,959)	-	(82,959)
Effect of change on lease termination	-	(4,081)	-	(4,081)
At 31 March	3,603,194	795,736	-	4,398,930

\* Bank overdrafts formed part of the cash and cash equivalents, therefore, no movement is presented.

(c) The total cash outflow for leases as a lessee are as follows:-

	<b>The Group</b>	
	<b>2024 RM</b>	<b>2023 RM</b>
Interest paid on lease liabilities	7,208	37,786
Payment of lease liabilities	632,536	671,564
Payment of short-term leases	67,113	16,935
	706,857	726,285

(d) The cash and cash equivalents comprise the following:-

	<b>The Group</b>		<b>The Company</b>	
	<b>2024 RM</b>	<b>2023 RM</b>	<b>2024 RM</b>	<b>2023 RM</b>
Fixed deposit with a licensed bank (Note 22)	4,000,000	-	-	-
Cash and bank balances	53,969,606	32,772,789	144,201	90,429
Short-term investments (Note 21)	103,205	100,600	-	-
	58,072,811	32,873,389	144,201	90,429



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

### 33. Key management personnel compensation

The key management personnel of the Group and of the Company include executive directors and non-executive directors who are the executive directors of the subsidiaries.

The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<u>Executive:</u>				
Salaries, bonus and other emoluments	4,970,802	4,339,415	-	-
Fees	345,000	345,000	165,000	165,000
Defined contribution plan	602,235	858,173	-	-
Total executive directors' remuneration excluding benefits in kind	5,918,037	5,542,588	165,000	165,000
Benefits in kind	84,000	84,000	-	-
	6,002,037	5,626,588	165,000	165,000
<u>Non-executive:</u>				
Allowance	84,000	77,000	84,000	77,000
Fees: - current financial year	212,164	165,000	212,164	165,000
Total non-executive directors' remuneration	296,164	242,000	296,164	242,000
Total directors' remuneration excluding benefits in kind (Note 9)	6,214,201	5,784,588	461,164	407,000

### 34. Related party disclosures

#### (a) Subsidiaries

The subsidiaries are disclosed in Note 12.

#### (b) Significant related party transactions and balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

The Group	2024 RM	2023 RM
<b>Transaction with a company in which a director has interest:</b>		
Sales of goods to Syarikat Perniagaan Chong Mah Sdn. Bhd.	1,239,191	1,712,995





NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

**34. Related party disclosures (continued)**

**(b) Significant related party transactions and balances (continued)**

<b>The Company</b>	<b>2024 RM</b>	<b>2023 RM</b>
<b>Transaction with a subsidiary:</b>		
Dividends income received/receivable from Oriental Food Industries Sdn. Bhd.	12,750,125	9,518,507

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in the respective notes to the financial statements.

**35. Capital commitments**

	<b>The Group</b>	
	<b>2024 RM</b>	<b>2023 RM</b>
Purchase of property, plant and equipment	1,247,523	2,570,567

**36. Segment information**

**(a) Geographical location**

	<b>The Group</b>	
	<b>2024 RM</b>	<b>2023 RM</b>
<b>Revenue:</b>		
Malaysia	150,702,210	154,308,199
Asia	223,045,813	158,039,686
Others	57,975,523	47,665,440
	<b>431,723,546</b>	<b>360,013,325</b>

In determining the geographical segments of the Group, sales are based on the country or region in which the customer is located.

No other segmental information such as segment assets, liabilities and results are presented as the Group is principally engaged in manufacturing and marketing of snack food and confectioneries which are carried out in Malaysia.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

### 36. Segment information (continued)

#### (b) Major customers

The following are major customers with revenue equal or more than 10% of the Group's total revenue.

	Revenue	
	2024 RM	2023 RM
Customer A	85,094,829	*
Customer B	*	48,706,571

\* Contributed less than 10% of the Group's revenue for the respective financial years.

### 37. Financial instruments

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

#### 37.1 Financial risk management policies

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

##### (a) Market Risk

###### (i) Foreign currency risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the functional currency of entity. The currency giving rise to the risk is primarily United States Dollar ("USD"), Euro ("EUR") and Chinese Renminbi ("RMB"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

The exposure to foreign currency risk (a currency which is other than the functional currency of the entity) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

<i>Foreign Currency Exposure</i>	USD RM	EUR RM	RMB RM	TOTAL RM
<b>The Group</b>				
<b>2024</b>				
<u>Financial Assets</u>				
Trade receivables	40,341,676	310	6,010,369	46,352,355
Other receivables	817,569	-	-	817,569
Cash and bank balances	30,133,981	58,250	1,826,517	32,018,748
	71,293,226	58,560	7,836,886	79,188,672



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

**37. Financial instruments (continued)**

**37.1 Financial risk management policies (continued)**

**(a) Market Risk (continued)**

*(i) Foreign currency risk (continued)*

The exposure to foreign currency risk (a currency which is other than the functional currency of the entity) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below (continued):-

<b><i>Foreign Currency Exposure</i></b>	<b>USD RM</b>	<b>EUR RM</b>	<b>RMB RM</b>	<b>TOTAL RM</b>
<b>The Group</b>				
<b>2024</b>				
<u>Financial Liabilities</u>				
Trade payables	(441,623)	(1,485,317)	-	(1,926,940)
Other payables	(34,289)	(127,818)	(648)	(162,755)
	(475,912)	(1,613,135)	(648)	(2,089,695)
Currency Exposure	70,817,314	(1,554,575)	7,836,238	77,098,977
<b>2023</b>				
<u>Financial Assets</u>				
Trade receivables	19,311,021	-	6,160,386	25,471,407
Other receivables	663,453	24,884	-	688,337
Cash and bank balances	19,893,290	11,207	791,613	20,696,110
	39,867,764	36,091	6,951,999	46,855,854
<u>Financial Liabilities</u>				
Trade payables	(619,827)	(1,650,365)	-	(2,270,192)
Other payables	(45,100)	(898)	(636)	(46,634)
	(664,927)	(1,651,263)	(636)	(2,316,826)
Currency Exposure	39,202,837	(1,615,172)	6,951,363	44,539,028



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

### 37. Financial instruments (continued)

#### 37.1 Financial risk management policies (continued)

##### (a) Market Risk (continued)

###### (i) Foreign currency risk (continued)

###### Foreign currency risk sensitivity analysis

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

		The Group	
		2024	2023
		RM	RM
<b>Effects on profit after taxation</b>			
USD/RM	- strengthened by 4% (2023: 6%)	+2,152,846	+1,787,649
	- weakened by 4% (2023: 6%)	-2,152,846	-1,787,649
EUR/RM	- strengthened by 3% (2023: 4%)	-35,444	-49,101
	- weakened by 3% (2023: 4%)	+35,444	+49,101
RMB/RM	- strengthened by 3% (2023: 3%)	+178,666	+158,491
	- weakened by 3% (2023: 3%)	-178,666	-158,491

###### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rate risk arises mainly from long-term borrowing with variable rates. The Group adopt a policy of obtaining the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The fixed rate receivables and borrowings of the Group are carried at amortised cost. Therefore, they are not subject to interest rate risk since neither carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 26 to the financial statements.



NOTES TO THE FINANCIAL STATEMENTS  
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**37. Financial instruments (continued)**

**37.1 Financial risk management policies (continued)**

**(a) Market Risk (continued)**

*(ii) Interest rate risk (continued)*

Interest rate risk sensitivity analysis

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

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<b>Effects on profit after taxation</b>		
Increase in 26 basis points (2023 - 93 basis point)	-4,784	-25,467
Decrease in 26 basis points (2023 - 93 basis point)	+4,784	+25,467

*(iii) Equity Price Risk*

The exposure to price risk arises mainly from changes in prices of money market funds and investment securities of the Group.

Equity price risk sensitivity analysis

Any reasonably possible change in the prices of money market funds and investments securities at the end of the reporting period does not have a material impact on the profit after taxation and other comprehensive income of the Group and hence, no sensitivity analysis is presented.

**(b) Credit Risk**

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

*(i) Credit Risk Concentration Profile*

The Group's major concentration of credit risk relates to the amount owing by 2 (2023 - 2) customers which constituted approximately 45% (2023 - 42%) of its trade receivables (including related parties) at the end of the reporting period.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

### 37. Financial instruments (continued)

#### 37.1 Financial risk management policies (continued)

##### (b) Credit Risk (continued)

###### (i) Credit Risk Concentration Profile (continued)

In addition, the Group also determines concentration of credit risk by monitoring the geographical region of its trade receivables on an ongoing basis. The credit risk concentration profile of trade receivables (including related parties) at the end of the financial year is as follows:-

	The Group	
	2024 RM	2023 RM
Malaysia	25,839,512	26,790,903
China	8,350,900	8,786,644
Turkey	19,373,837	469,813
Vietnam	21,146,517	19,630,994
Others	13,163,438	11,428,507
	<u>87,874,204</u>	<u>67,106,861</u>

###### (ii) Maximum Exposure to Credit Risk

At the end of the financial period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group after deducting any allowance for impairment losses (where applicable).

###### (iii) Assessment of Impairment Losses

The Group has an informal credit policy in place and exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the receivables. The Group closely monitor the receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group evaluate whether any of the financial assets at amortised cost are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty;
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or more than 180 days past due.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

### 37. Financial instruments (continued)

#### 37.1 Financial risk management policies (continued)

##### (b) Credit Risk (continued)

###### (iii) Assessment of Impairment Losses (continued)

###### Trade Receivables

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables.

###### Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over 36 months (2023 - 36 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts using the linear regressive analysis. The Group has identified the inflation rate as the key macroeconomic factor of the forward-looking information.

###### Allowance for Impairment Losses

The Group	Gross amount RM	Lifetime individual allowance RM	Lifetime collective allowance RM	Carrying amount RM
<b>2024</b>				
Current (not past due)	50,287,724	-	(922,183)	49,365,541
1 to 30 days past due	21,250,339	-	(426,685)	20,823,654
31 to 60 days past due	10,768,546	-	(440,127)	10,328,419
61 to 90 days past due	7,604,741	-	(510,159)	7,094,582
91 to 120 days past due	250,468	-	(34,546)	215,922
121 to 150 days past due	66,272	-	(44,360)	21,912
151 to 180 days past due	179,178	-	(155,004)	24,174
More than 181 days past due	1,587,506	-	(1,587,506)	-
Credit impaired	265,494	(265,494)	-	-
	92,260,268	(265,494)	(4,120,570)	87,874,204
<b>2023</b>				
Current (not past due)	35,249,795	-	(264,296)	34,985,499
1 to 30 days past due	16,372,552	-	(130,741)	16,241,811
31 to 60 days past due	7,376,846	-	(123,419)	7,253,427
61 to 90 days past due	3,488,823	-	(117,112)	3,371,711
91 to 120 days past due	4,538,266	-	(187,585)	4,350,681
121 to 150 days past due	710,315	-	(231,152)	479,163
151 to 180 days past due	122,288	-	(52,977)	69,311
More than 181 days past due	1,891,629	-	(1,536,371)	355,258
Credit impaired	265,494	(265,494)	-	-
	70,016,008	(265,494)	(2,643,653)	67,106,861

The movements in the loss allowances in respect of trade receivables are disclosed in Note 19 to the financial statements.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

### 37. Financial instruments (continued)

#### 37.1 Financial risk management policies (continued)

##### (b) Credit Risk (continued)

###### (iii) Assessment of Impairment Losses (continued)

###### *Other Receivables*

Other receivables are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial and hence, it is not provided for.

###### *Fixed Deposit with a Licensed Bank, Cash and Bank Balances*

The Group considers these banks and financial institutions have low credit risks. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

###### *Financial Guarantee Contracts*

Corporate guarantees for borrowing facilities granted to subsidiaries are financial guarantee contract.

###### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

The Company closely monitors the subsidiaries' financial strength to reduce the risk of loss.

The Company considers there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:

- The subsidiary is unlikely to repay its obligation to the bank in full; or
- The subsidiary is having a deficit in equity and is continuously loss making.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

###### *Allowance for Impairment Losses*

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

##### (c) Liquidity Risk

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





NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

**37. Financial instruments (continued)**

**37.1 Financial risk management policies (continued)**

**(c) Liquidity Risk (continued)**

*Maturity Analysis*

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

<b>The Group 2024</b>	<b>Contractual interest rate (%)</b>	<b>Carrying amount RM</b>	<b>Contractual undiscounted cash flows RM</b>	<b>Within 1 year RM</b>	<b>1 - 5 years RM</b>
<u>Non-derivative financial liabilities</u>					
Trade payables	-	27,810,223	27,810,223	27,810,223	-
Other payables and accruals	-	13,963,410	13,963,410	13,963,410	-
Term loans	4.55	2,421,185	2,532,806	1,321,464	1,211,342
Lease liabilities	4.02	53,858	53,880	53,880	-
		44,248,676	44,360,319	43,148,977	1,211,342
<b>2023</b>					
<u>Non-derivative financial liabilities</u>					
Trade payables	-	27,103,495	27,103,495	27,103,495	-
Other payables and accruals	-	7,147,291	7,147,291	7,147,291	-
Term loans	4.30	3,603,194	3,772,809	1,316,880	2,455,929
Lease liabilities	4.80	795,736	882,818	714,861	167,957
		38,649,716	38,906,413	36,282,527	2,623,886
<b>The Company</b>					
<b>2024</b>			<b>Contractual undiscounted cash flows RM</b>	<b>Within 1 year RM</b>	
<u>Non-derivative financial liabilities</u>					
Other payables and accrual			5,234,609	5,234,609	5,234,609
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries			*	4,978,973	4,978,973
			5,234,609	10,213,582	10,213,582



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

### 37. Financial instruments (continued)

#### 37.1 Financial risk management policies (continued)

##### (c) Liquidity Risk (continued)

###### *Maturity Analysis (continued)*

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

<b>The Company</b>	<b>Carrying amount</b>	<b>Contractual undiscounted cash flows</b>	<b>Within 1 year</b>
<b>2023</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<u>Non-derivative financial liabilities</u>			
Other payables and accrual	395,445	395,445	395,445
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	*	6,020,054	6,020,054
	<b>395,445</b>	<b>6,415,499</b>	<b>6,415,499</b>

\* The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair value on initial recognition were not material.

#### 37.2 Capital risk management

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

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent. The debt-to-equity ratio of the Group at the end of the reporting period is not presented as its cash and cash equivalents exceeded the total external borrowings.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

**37. Financial instruments (continued)**

**37.3 Classification of financial instruments**

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Financial assets</b>				
<u>Fair Value Through Other Comprehensive Income</u>				
Investment securities (Note 17)	3,189,850	2,601,868	-	-
<u>Fair Value Through Profit or Loss</u>				
Short-term investments (Note 21)	103,205	100,600	-	-
<u>Amortised Cost</u>				
Trade receivables (Note 19)	87,874,204	67,106,861	-	-
Other receivables and deposits (Note 20)	3,233,782	3,815,621	4,800,000	-
Fixed deposit with a licensed bank (Note 22)	4,000,000	-	-	-
Cash and bank balances	53,969,606	32,772,789	144,201	90,429
	149,077,592	103,695,271	4,944,201	90,429
<b>Financial liabilities</b>				
<u>Amortised Cost</u>				
Lease liabilities (Note 25)	53,858	795,736	-	-
Term loans (Note 26)	2,421,185	3,603,194	-	-
Trade payables (Note 28)	27,810,223	27,103,495	-	-
Other payables and accruals (Note 30)	13,963,410	7,147,291	5,234,609	395,445
	44,248,676	38,649,716	5,234,609	395,445



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

**37. Financial instruments (continued)**

**37.4 Gains or (losses) arising from financial instruments**

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Financial assets</b>				
<u>Equity Investments at Fair Value Through Other Comprehensive Income</u>				
Net gains recognised in other comprehensive income	587,982	129,755	-	-
<u>Fair Value Through Profit or Loss</u>				
Net gains recognised in profit or loss	2,604	1,864	-	-
<u>Amortised Cost</u>				
Net gains recognised in profit or loss	3,214,751	2,482,931	75	103
<b>Financial liabilities</b>				
<u>Amortised cost</u>				
Net losses recognised in profit or loss	(1,859,659)	(662,355)	-	-

**37.5 Fair value information**

The fair values of the financial assets and financial liabilities of the Group which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of reporting period:-

The Group	Fair value of financial instruments carried at fair value			Total fair value RM	Total carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM		
<b>2024</b>					
<u>Financial assets</u>					
Other investments:					
- unquoted	-	-	3,189,850	3,189,850	3,189,850
Short-term investments:					
- money market fund	-	103,205	-	103,205	103,205



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

**37. Financial instruments (continued)**

**37.5 Fair value information (continued)**

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of reporting period (continued):-

The Group	Fair value of financial instruments carried at fair value			Total fair value RM	Total carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM		
<b>2023</b>					
<u>Financial assets</u>					
Other investments:					
- unquoted	-	-	2,601,868	2,601,868	2,601,868
Short-term investments:					
- money market fund	-	100,600	-	100,600	100,600

**(a) Fair value of financial instruments carried at fair value**

The fair value above have been determined using the following basis:-

- (i) The fair value of the unquoted equity investments is determined to approximate the net assets of the investee.
- (ii) The fair value of money market fund is determined by reference to statements provided by the respective financial institutions, with which the investments were entered into.

The Group	Fair value of financial instruments not carried at fair value			Total fair value RM	Total carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM		
<b>2024</b>					
<u>Financial liabilities</u>					
Term loans	-	2,421,185	-	2,421,185	2,421,185
<b>2023</b>					
<u>Financial liabilities</u>					
Term loans	-	3,603,194	-	3,603,194	3,603,194

**(b) Fair value of financial instruments not carried at fair value**

- (i) The fair value, which are for disclosure purposes, have been determined using the following basis:-

The fair values of the term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rate or near the reporting date.



# ANALYSIS OF SHAREHOLDINGS

AS AT 28 JUNE 2024

Total Number of Issued Shares	:	240,000,000
Issued and Fully Paid-up	:	RM120,000,000
Class of Shares	:	Ordinary Shares
Voting Rights	:	One (1) Vote Per Ordinary Share

## Distribution of Shareholders

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	18	1.09	335	0.00
100 - 1,000	292	17.64	163,650	0.07
1,001 - 10,000	814	49.18	4,193,947	1.75
10,001 - 100,000	422	25.50	13,466,100	5.61
100,001 - less than 5% of issued shares	107	6.47	114,222,248	47.59
5% and above of issued shares	2	0.12	107,953,720	44.98
	<b>1,655</b>	<b>100.00</b>	<b>240,000,000</b>	<b>100.00</b>

## Thirty Largest Shareholders as per Record of Depositors as at 28 June 2024

No.	Name of Shareholders	Total No. of Shares Held	%
1	Datuk Seri Son Chen Chuan	73,629,532	30.68
2	Syarikat Perniagaan Chong Mah Sdn. Bhd.	34,324,188	14.30
3	Thung Shung (M) Sdn. Bhd.	11,756,708	4.90
4	Apendo Capital Sdn. Bhd	10,067,100	4.20
5	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad for Eastspring Investmentssmall-Cap Fund	9,993,700	4.16
6	Citigroup Nominees (Asing) Sdn Bhd Exempt An for Citibank New York (Norges Bank 22)	6,813,200	2.84
7	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Datuk Son Tong Leong (MY1225)	4,900,000	2.04
8	Datuk Son Tong Eng	4,284,196	1.79
9	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teo Kwee Hock (7004011)	3,000,000	1.25
10	Lim Keat Sear	2,935,012	1.22
11	Son Mei Chin	2,890,000	1.20
12	Son Kee Geok	2,869,396	1.20
13	Citigroup Nominees (Asing ) Sdn Bhd CBNY For Norges Bank (FI 17)	2,824,840	1.18
14	Lee Kong Hooi	2,283,900	0.95
15	Lim Siew Guat	2,259,800	0.94
16	Son Chew Pheng	2,167,800	0.90
17	UOB Kay Hian Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teo Siew Lai	2,159,100	0.90
18	Chew Tee Yong	2,150,100	0.90
19	Summer Legend Sdn Bhd	2,123,200	0.88
20	Maybank Nominees (Tempatan) Sdn Bhd MTrustee Berhad for Ethereum-Alpha EQ Fund (445329)	2,084,800	0.87
21	Lee Siew Geok	2,034,084	0.85
22	Chen Woei Heng	2,000,000	0.83
23	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Datuk Son Tong Eng	1,640,000	0.68



## ANALYSIS OF SHAREHOLDINGS AS AT 28 JUNE 2024

### Thirty Largest Shareholders as per Record of Depositors as at 28 June 2024 (continued)

No.	Name of Shareholders	Total No. of Shares Held	%
24	HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chan Kok San	1,520,000	0.63
25	HLB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Datuk Son Tong Leong	1,312,800	0.55
26	Maybank Nominees (Tempatan) Sdn Bhd MTrustee Berhad for Ethereal Capital Sdn Bhd (Growth Fund) (445788)	1,308,000	0.55
27	Apendo Capital Sdn.Bhd.	1,110,000	0.46
28	Ong Lay Huah	1,050,000	0.44
29	Summer Legend Sdn Bhd	1,028,800	0.43
30	Chen Chiann Wen	1,000,000	0.42
<b>Total</b>		<b>199,520,256</b>	<b>83.13</b>

### Substantial Shareholders

#### Directors Shareholdings

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Datuk Seri Son Chen Chuan	73,629,532	30.68	35,727,392 <sup>(i)</sup>	14.89
Lim Keat Sear	2,935,012	1.22	49,232,896 <sup>(ii)</sup>	20.51
Syarikat Perniagaan Chong Mah Sdn. Bhd.	34,324,188	14.30	3,152,000 <sup>(iii)</sup>	1.31

#### Notes:

- <sup>(i)</sup> Deemed interested pursuant to Section 8(4) of the Companies Act, 2016 ("the Act") by virtue of his substantial shareholdings in Apendo Capital Sdn. Bhd. ("Apendo Capital") and Summer Legend Sdn. Bhd. ("Summer Legend") via Apendo Holding Sdn. Bhd. ("Apendo Holding") and disclosure made pursuant to Section 59(11)(C) of the Act by virtue of shares held by his children in the Company;
- <sup>(ii)</sup> Deemed interested pursuant to Section 8(4) of the Act by virtue of his shareholdings in Syarikat Perniagaan Chong Mah Sdn. Bhd. ("Chong Mah"), Thung Shung (M) Sdn. Bhd. ("Thung Shung") and Summer Legend via Chong Mah through Apendo Holding;
- <sup>(iii)</sup> Deemed interested pursuant to Section 8(4) of the Act by virtue of its shareholdings in Summer Legend via its interest in Apendo Holding.

### Analysis of Shareholdings as at 28 June 2024

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Datuk Seri Son Chen Chuan	73,629,532	30.68	35,727,392 <sup>(i)</sup>	14.89
Lim Keat Sear	2,935,012	1.22	49,232,896 <sup>(ii)</sup>	20.51
Datuk Son Tong Leong	7,546,900	3.14	-	-
Datuk Son Tong Eng	5,924,196	2.47	-	-

#### Notes:

- <sup>(i)</sup> Deemed interested pursuant to Section 8(4) of the Act by virtue of his substantial shareholdings in Apendo Capital and Summer Legend via Apendo Holding and disclosure made pursuant to Section 59(11)(C) of the Act by virtue of shares held by his children in the Company;
- <sup>(ii)</sup> Deemed interested pursuant to Section 8(4) of the Act by virtue of his shareholdings in Chong Mah, Thung Shung and Summer Legend via Chong Mah through Apendo Holding.



## 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 31.03.2024 (RM)
1.	Factory complexes, warehouses and an office block with a total built up area of approximately 26,972 square metres. The age of the buildings range approximately 12 to 25 years.	No. 65, Jalan Usaha 7, Ayer Keroh Industrial Estate, 75450 Melaka.	40,660	Leasehold (99 years) expiring on 30 May 2072	24 Aug 2000	15,786,608
2.	Factory complexes with a total built up area of approximately 6,235 square metres. The age of the building range approximately 25 to 26 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. 96)	1,837,143
3.	Factory complex with a built up area of approximately 4,896 square metres. The age of the buildings are approximately 35 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	1,534,774
4.	2 units of semidetached factory buildings with a total built up area of approximately 2,303 square metres. The age of the buildings are approximately 47 years	No. 85 & 86, Ayer Keroh Industrial Estate, 75450 Melaka.	4,140	Leasehold (99 years) expiring 30 May 2072	9 Sept 1998 (No. 85) 1980 (No. 86)	765,656
5.	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 27 years	No. 7, 7A & 7B and No. 9. 9A & 9B, Jalan Melaka Raya 11, Taman Melaka Raya, 75000 Melaka.	143 per unit	Leasehold (99 years) expiring 7 July 2093	19 Oct 1992 (No. 7, 7A & 7B) 21 Oct 1992 (No. 9, 9A & 9B)	349,262
6.	Vacant Land	Lot No. 6148, Mukim Bukit Katil, Daerah Melaka Tengah, Negeri Melaka.	1,077	Freehold	4 Dec 1999	173,895
7	Vacant Land	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 31.03.2024 (RM)
8.	Semidetached factories with a built up area of approximately 478 square metres. The age of the building is approximately 19 years	No. 20, Jalan TPP 1/1A, Taman Industri Puchong, Batu 12, Jalan Puchong, 47100 Puchong, Selangor.	1,407	Freehold	10 Jul 2002	1,176,350
9.	Industrial Land together with a factory building and foreign worker hostel	No. 91, 92, 93, 94 & 95 (Lot 97), Jalan Usaha 7, Ayer Keroh Industrial Estate, 75450 Melaka	42,640	Leasehold (99 years) expiring 30 May 2072	23 Jun 2014	27,521,536
10.	3-Storey Shop Office with a built up area of approximately 431.81 square metres. The age of the buildings are approximately 11 years	No. 21, 21-1, 21-2, Jalan Komersial TAKH 3, Taman Ayer Keroh Height, 75450 Melaka.	145	Leasehold (99 years) expiring 15 February 2111	-	494,711
11.	3-Storey Shop Office with a built up area of approximately 431.81 square metres. The age of the buildings are approximately 11 years	No. 19, 19-1, 19-2, Jalan Komersial TAKH 3, Taman Ayer Keroh Height, 75450 Melaka.	145	Leasehold (99 years) expiring 15 February 2111	-	494,711
12.	3-Storey Shop Office with a built up area of approximately 431.81 square metres. The age of the buildings are approximately 11 years	No. 8, 8-1, 8-2, Jalan Komersial TAKH 3, Taman Ayer Keroh Height, 75450 Melaka.	145	Leasehold (99 years) expiring 15 February 2111	-	458,243
13.	3-Storey Shop Office with a built up area of approximately 431.81 square metres. The age of the buildings are approximately 11 years	No. 3, 3-1, 3-2; Jalan Komersial TAKH 2, Taman Ayer Keroh Height, 75450 Melaka.	145	Leasehold (99 years) expiring 15 February 2111	-	458,243
14.	3-Storey Shop Office with a built up area of approximately 774 square metres. The age of the buildings are approximately 11 years	No. 1, 1-1, 1-2 Jalan Komersial TAKH 2, Taman Ayer Keroh Height, 75450 Melaka.	248	Leasehold (99 years) expiring 15 February 2111	-	589,170



## 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 31.03.2024 (RM)
15.	2 units of Double Storey Shop Office with a built up area of approximately 384 square metres.	Unit No. 01-04 & 02-04 and 01-05 & 02-05, Jalan Tampoi, Pangsapuri Dwi Alif, Johor Bahru	384 per unit	Leasehold (99 years) expiring 17 September 2112	30 Jun 2015	2,066,193
16.	Single Storey Terrace House	No. 133, Lorong Setia 3, Taman Ayer Keroh Height, Ayer Keroh, 75450 Melaka.	164	Leasehold (99 years) expiring 15 June 2075	23 May 2017	168,368
17.	Single Storey Terrace House	No. 198, Lorong Setia 5, Taman Ayer Keroh Height, Ayer Keroh, 75450 Melaka	163	Leasehold (99 years) expiring 15 June 2075	15 Mar 2017	166,397
18.	Single Storey Terrace House	No. 234, Lorong Setia 5, Taman Ayer Keroh Height, Ayer Keroh, 75450 Melaka	163	Leasehold (99 years) expiring 15 June 2075	11 Sep 2017	177,727
19.	Single Storey Terrace House	No. 480, Lorong Setia 4, Taman Ayer Keroh Height, Ayer Keroh, 75450 Melaka	163	Leasehold (99 years) expiring 15 June 2075	17 Oct 2017	180,545



## 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. Audit and Non-Audit Fees

The audit and non-audit fees paid/payable to the external auditors by for services rendered to the Company and/or its subsidiaries for the financial year end 31 March 2024 are as follows:

	Group RM	Company RM
Audit Fees		
- Statutory auditors	153,000	38,000
Non-audit fees		
- Statutory auditors	5,000	5,000
Total	158,000	43,000

### 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 2024.

### 6. Profit Guarantees

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

### 7. Material Contracts

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.

### 8. Options, Warrants or Convertible Securities

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



## OTHER INFORMATION

### 9. Valuation of Property, Plant and Equipment

There were no revaluations of property, plant and equipment. All property, plant and equipment were stated at cost less accumulated depreciation.

### 10. Recurrent Related Parties Transactions

Pursuant to a Shareholders' Mandate obtained on 23 August 2023, 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 RM1,589,584.99 from the effective date of Shareholders' Mandate until the date of this Annual Report.

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

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# FORM OF PROXY

**ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD**

[Registration No : 199601017418 (389769-M)]

(Incorporated in Malaysia)

No. of ordinary shares held

CDS Account No.

I/We, \_\_\_\_\_ NRIC No./Passport/Company No. \_\_\_\_\_  
(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 \_\_\_\_\_ NRIC No./Passport/Company No. \_\_\_\_\_  
(Full Name in Capital Letters)

of \_\_\_\_\_  
(Full address)

or failing him/her, \_\_\_\_\_ NRIC No./Passport/Company No. \_\_\_\_\_  
(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 28th Annual General Meeting of the Company to be held at Tiara Function Room, Tiara Melaka Golf and Country Club, Jalan Gapam, Bukit Katil, 75760 Melaka on Wednesday, 28 August 2024 at 2.30 p.m. and at every adjournment thereof to vote as indicated below:

No.	Ordinary Business		For	Against
1.	To approve the payment of Directors' fees amounting to RM377,163.95 for the financial year ended 31 March 2024	Resolution 1		
2.	To approve the proposed payment of Directors' remuneration and benefits (excluding Directors' fees) up to an amount of RM145,000.00 to the Directors with effect from 28 August 2024 until the next Annual General Meeting	Resolution 2		
3.	To re-elect the following Directors, each of whom retires by rotation in accordance with Clause 122 of the Constitution of the Company: 3.1 Mr. Lim Keat Sear 3.2 Mr. Chong Peng Khang	Resolution 3 Resolution 4		
4.	To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company for the financial year ending 31 March 2025 and to authorise the Directors to determine their remuneration.	Resolution 5		
<b>As Special Business</b>				
5.	To authorise the Directors to issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016.	Resolution 6		
6.	To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	Resolution 7		
7.	To approve the Proposed Renewal of Share Buy-Back Authority	Resolution 8		

(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 \_\_\_\_\_ 2024.

\_\_\_\_\_  
Signature

## NOTES:

- In regard of deposited securities, only members whose names appear in the Record of Depositors as at 20 August 2024 ("General Meeting Record of Depositors") shall be eligible to attend and vote at the Meeting.
- 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 need not be a member of the Company. There shall be no restriction as to the qualifications of the proxy.
- A member may appoint more than one (1) proxy to attend and vote at the same meeting. Where a member appoints one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
- 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.
- 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.
- The instrument appointing proxy shall be deemed to confer authority to demand or join in demanding a poll.
- The instrument appointing a proxy must be deposited to the office of the Company's Share Registrar, Sectrars Management Sdn. Bhd. at Level 9-7, Menara Sentral Vista, No 150 Jalan Sultan Abdul Samad, Brickfields, 50470, Kuala Lumpur, Malaysia not less than twenty-four (24) hours before the time appointed for holding the meeting or any adjournment thereof as Paragraph 8.29(A) of the Main Market Listing Requirements of Bursa Securities requires all resolutions set out in the Notice of General Meeting to be put to vote by poll.
- 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.
- Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/ or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof), and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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Affix  
stamp

**THE SHARE REGISTRAR**

**ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD**

[Registration No. : 199601017418 (389769-M)]

Level 9 - 7, Menara Sentral Vista  
No. 150, Jalan Sultan Abdul Samad  
Brickfields, 50470 Kuala Lumpur  
Malaysia

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**ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD**

Registration No.199601017418 (389769-M)

No. 65, Jalan Usaha 7, Ayer Keroh Industrial Estate, 75450 Melaka, Malaysia.  
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