ORIENTAL

ORIENTAL FOOD
INDUSTRIES HOLDINGS BERHAD
NO. SYARIKAT 389769-M

ANNUAL REPORT 2015

CONTENTS

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Nineteenth Annual General Meeting ("AGM") of Oriental Food Industries Holdings Berhad will be convened and held at Tiara Banquet Hall, Tiara Melaka Golf and Country Club, Jalan Gapam, Bukit Katil, 75760 Melaka on Wednesday, 26 August 2015 at 2.30 p.m. to transact the following businesses:-

AGENDA

ORDINARY BUSINESS

1. To receive the statutory financial statements for the financial year ended 31 March 2015 together with the Directors' and Auditors' Reports thereon.

2. To approve the payment of single tier final dividend of RM0.02 per share for the financial year ended 31 March 2015. *(Resolution 1)*

3. To approve the payment of Directors' Fees of RM360,000.00 for the financial year ended 31 March 2015. *(Resolution 2)*

4. To re-elect the following Directors, each of whom retires by rotation in accordance with Article 75 of the Company's Articles of Association:-

   4.1 Mr. Son Tong Eng; *(Resolution 3)*
   4.2 Mr. Lim Keat Sear; and *(Resolution 4)*
   4.3 Datuk Jeffery Ong Cheng Lock *(Resolution 5)*

5. To consider and, if thought fit, pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965:- *(Resolution 6)*

   "THAT Y. Bhg. Tan Sri Dato' Azizan Bin Husain, retiring in accordance with Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next AGM."

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

SPECIAL BUSINESS

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

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

   "THAT Y. Bhg. Tan Sri Dato' Azizan Bin Husain who has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years since 8 June 2000 be and is hereby retained and continue to act as the Independent Non-Executive Director of the Company."

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

   "THAT Mr. Lim Hwa Yu who has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years since 23 February 1999 be and is hereby retained and continue to act as the Independent Non-Executive Director of the Company."

NOTICE OF ANNUAL GENERAL MEETING

9. **Authority to Allot Shares pursuant to Section 132D of the Companies Act, 1965** *(Resolution 10)*

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

10. **Proposed Renewal Of Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature** *(Resolution 11)*

"THAT authority be and is hereby given in line with Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad for the Company and/or its subsidiaries to enter into any of the transactions falling within the types of the Recurrent Party Transactions, particulars of which are set out in Part A of the Circular to Shareholders dated 3 August 2015, 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;

ANT 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 143(1) of the Act (but must not extend to such extension as may be allowed pursuant to Section 143(2) 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 RRPT 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 RRPT Mandate in the best interest of the Company."

NOTICE OF ANNUAL GENERAL MEETING

11. **PROPOSED AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES (“PROPOSED SHARE BUY-BACK”)** *(Resolution 12)*

THAT, subject always to the Companies Act, 1965, the provisions of the Memorandum and Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia 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 of RM1.00 each in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:-

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 Securities as at the point of purchase;

ii. the maximum fund to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the aggregate of the retained profits and share premium account of the Company based on the latest audited financial statement and/or the latest management accounts of the Company (where applicable) available at the time of the purchase(s); and

iii. the 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 the authority conferred by this resolution will commence immediately and will, subject to renewal thereat, and shall continue to be in force until:

a. at the conclusion of the next AGM of the Company following the forthcoming Extraordinary General Meeting at which such resolution was passed at which time it will lapse, unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

b. the expiration of the period within which the next Annual General Meeting after the date is required by law to be held; or;

c. revoked or varied by a resolution of the shareholders of the Company in a general meeting;

whichever occurs first.

AND THAT authority be and is hereby given unconditionally and generally to the 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, 1965, the provisions of the Memorandum and Articles of Association 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.”

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN THAT the following single tier final dividend for the financial year ended 31 March 2015, if approved by shareholders, will be paid on 21 September 2015 to all shareholders whose names appear in the Record of Depositors of the Company at the close of business at 5.00p.m. on 2 September 2015:-

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

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

a) Shares transferred into the Depositors' Securities Account on or before 4.00 p.m. on 2 September 2015 in respect of transfers; and

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

BY ORDER OF THE BOARD

KARINA CHONG MEI YING (LS 0009542)
CHAN SAU LENG (MAICSA 7012211)
Joint Secretaries
Selangor
Date: 3 August 2015

NOTES :

1. In regard of deposited securities, only members whose names appear in the Record of Depositors as at 19 August 2015 ("General Meeting Record of Depositors") shall be eligible to attend and vote at the Meeting.

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

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

4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

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

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

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

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

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES ON SPECIAL BUSINESS:

1. *Resolution 8 and 9 – Approval to Continue In Office as an Independent Non-Executive Director*

   The Board of Directors has via the Nomination Committee conducted an annual performance evaluation and assessment of Y. Bhg. Tan Sri Dato' Azizan Bin Husain and Mr. Lim Hwa Yu who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years since 8 June 2000 and 23 February 1999 respectively, and hereby recommend them to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:-

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

2. *Resolution 10 – Authority to Allot Shares pursuant to Section 132D of the Companies Act, 1965*

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

   As at the date of this Notice, no new shares in the Company were issued pursuant to the authority granted to the Directors at the last AGM of the Company held on 28 August 2014 and accordingly no proceeds were raised.

3. *Resolution 11 – Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature*

   The Resolution 11, 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. 11 is set out in Part A of the Circular to Shareholders dated 3 August 2015 which is dispatched together with the Annual Report 2015 of the Company.

4. *Resolution 12 – Proposed Share Buy-Back*

   The Resolution 12, if approved, will empower the Board of Directors to allocate not exceeding the retained profits and/or share premium accounts of the Company for the purpose of and to purchase such amount of ordinary shares of RM1.00 each in the Company from time to time on the market of Bursa Malaysia 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. 12 is set out in Part B of the Circular to Shareholders dated 3 August 2015 which is dispatched together with the Annual Report 2015 of the Company.

STATEMENT ACCOMPANYING NOTICE OF NINETEENTH ANNUAL GENERAL MEETING

NAMES OF DIRECTORS STANDING FOR RE-ELECTION OR RE-APPOINTMENT

The Directors who are retiring pursuant to Article 75 of the Articles of Association of the Company and seeking for re-election at the forthcoming Nineteenth Annual General Meeting ("19th AGM") are as follows:

(a) Mr. Son Tong Eng
(b) Mr. Lim Keat Sear
(c) Datuk Jeffery Datuk Ong Cheng Lock

SECTION 129(6) OF THE COMPANIES ACT, 1965

Y. Bhg. Tan Sri Dato' Azizan Bin Husain who is above the age of seventy (70) years will seek re-appointment at the forthcoming 19th AGM.

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 15 to 18 and 96 to 98 of the Company's Annual Report respectively.

CHAIRMAN'S STATEMENT

To Our Valued Shareholders,

I am delighted to announce that Oriental Food Industries Holdings Berhad ("the Company" or "the Group") is in a sound financial position, thanks to a good set of financial results as we have made steady progress towards our objective of delivering sustainable value for our shareholders.

On behalf of the Board of Directors, I am pleased to present the 2015 Annual Report detailing a comprehensive report to our shareholders, on the activities, results and strategies of our Company.

Financial and Operations Review

Another financial milestone with the continuing growth in revenue for the Group was seen for the financial year ended 31 March 2015 ("FY 2015"). Revenue increased 4.5% on a year-on-year basis from RM226.9 million in financial year ended 31 March 2014 ("FY 2014") to RM237.0 million in FY 2015. The growth was largely attributable to the increase in volume of business.

The Group's revenue was derived primarily from the Snack Food and Confectioneries segment, which stood at RM237.0 million, representing 100% of the Group's total revenue.

In terms of geographical segment, the Group's revenue mix comprised of 45.3% local sales against 54.7% export sales. Due to the emphasis that the Group put on export sales, an increase of 9.3% was seen in this segment as opposed to the increase of 0.8% in the local sales segment.

Pre-tax profit of the Group increased in line with the increase in revenue as compared to FY 2014. The Group recorded an increase of 23.2% from RM20.6 million in FY 2014 to RM25.4 million in FY 2015.

Looking at our product performance, the financial year under review achieved encouraging growth of 6.7% in our snacks category, outperforming the sales of cakes and wafers. This growth was particularly spurred by the rising trend of sales for our potato and corn based snacks, Jacker and Super Ring.

Despite all the challenges, the Group achieved satisfactory total comprehensive income attributable to the shareholders of RM21.5 million in FY 2015. This translates to basic earnings per share of 35.85 sen.

In terms of our balance sheets, total loans and borrowings stood at nominal amount of RM11.8 million against the backdrop of shareholders' fund of RM160.0 million and cash and bank balances of RM33.5 million. The Group's good financial leverage has put the Group in a position that allows us to undertake further expansion activities.

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

Dividends

The Board recognises the importance of the dividend to shareholders and in line with the commendable financial performance of the Group, the Board is pleased to recommend a single tier tax exempt final dividend of 2.0 sen to the shareholders for approval at the forthcoming Annual General Meeting. With this final dividend, the total dividend payout for the year would amount to RM7.8 million of FY 2015's net profits.

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

CHAIRMAN'S STATEMENT

Business Outlook & Strategies

In view of the market competition and ever growing demands from consumers, the Research and Development ("R&D") division of the Group led by the top management has continuously focused on market research and obtained overseas expert opinion in improvising the current products to suit the general consumer preferences without compromising on the quality of the products. The R&D division is actively developing new products, flavours and range.

Apart from the above, the Group since the last year emphasized on the importance of packaging design as a vehicle for communication and branding which is growing in competitive markets for snack food and manufacturing products. With the move to self-service retail formats, packaging increases its key characteristic as the "salesman on the shelf" at the point of sale. The critical importance of packaging design is growing in such competitive market conditions, as packaging is a primary vehicle for communication and branding (Rettie and Brewer, 2000). Therefore, the Group has in the past year unleashed a new look for several of its key products namely JACKER, ZESS and SUPER RING which have undergone changes to its packaging design and outlook. The mini packaging sizes consisting of single-serving packages and bite-sized packs proving popular have remained in the market. In addition to that, the quality of the packaging are also emphasized to ensure the products are durable and kept fresh at all times.

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

Building awareness and preference of the products through advertising is a cumulative process and as such the Group has created product awareness through participation in local and national events and in various media namely television commercials, magazines advertisement and billboard advertisements.

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

With the ISO 9001:2008 and HACCP (Hazard Analysis and Critical Control Point) certifications, the Group endeavors to continuously improve its product quality to keep up with the ever-demanding international health standards and proceed with the on-going upgrading of the current facilities in line with our project to obtain the HACCP certification for the production of wafer and confectionery products. OFIH manufactures only Halal products which have been certified by the Department of Islamic Development Malaysia ("JAKIM") and the relevant recognised Islamic authorities.

Corporate Social Responsibility ("CSR")

The Group has long had a reputation for supporting charitable endeavours both in the local community and nationally. We have at all times an acute sense of the Group's social, economic and environmental responsibilities. Apart from focusing on profitability to optimize shareholders' value, we also know that our role in society has never been more important.

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

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

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

Corporate Governance

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

CHAIRMAN'S STATEMENT

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

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

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

Acknowledgement

On behalf of the Board, I would like to thank the Top Management for their excellent management of the business and nurturing of its employee culture that drive such excellent results both commercially and in corporate responsibility.

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

The Board is grateful for the support and loyalty of our Shareholders and we thank you for your continuous confidence in the Group.

We extend our sincere appreciation to our customers, business partners, suppliers and governmental agencies for their trust and unwavering support.

TAN SRI DATO' AZIZAN BIN HUSAIN
Chairman

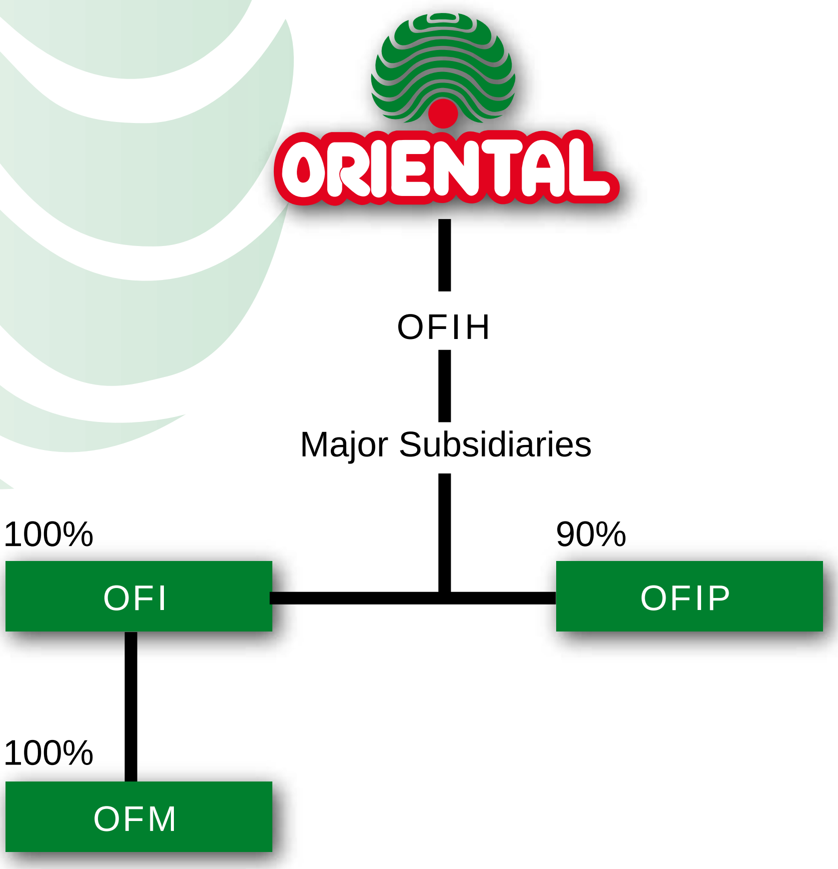
CORPORATE STRUCTURE

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 was subsequently transferred to the Main Board on 13 October 2003. Currently OFIH is listed on the Main Market of Bursa Malaysia Securities Berhad

OFIH is principally an investment holding company with a group of subsidiaries that are engaged in the following activities:

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

OFIH GROUP STRUCTURE



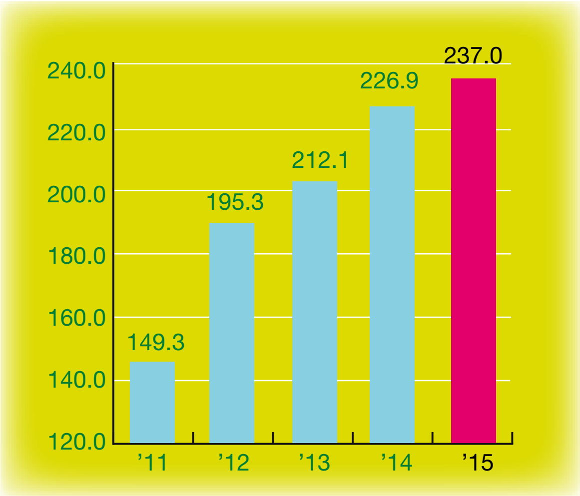
GROUP FINANCIAL HIGHLIGHTS

Income Statements RM'mil	2011	2012	2013	2014	2015
Revenue	149.29	195.27	212.10	226.89	237.03
Cost of sales	(110.49)	(152.31)	(166.43)	(174.34)	(180.47)
Gross Profit	38.81	42.96	45.67	52.55	56.56
Other operating income	0.61	1.28	0.79	0.43	2.91
Selling and distribution cost	(17.02)	(18.50)	(20.21)	(21.29)	(22.33)
Administrative expenses	(9.91)	(8.52)	(9.46)	(9.97)	(11.27)
Other operating expenses	(1.15)	(0.24)	(0.14)	(0.84)	(0.27)
Profit from operations	11.34	16.98	16.64	20.89	25.60
Finance cost	(0.25)	(0.18)	(0.33)	(0.24)	(0.18)
Profit before tax	11.09	16.80	16.31	20.64	25.42
Tax	(2.35)	(3.44)	(3.46)	(4.43)	(3.91)
Profit after tax	8.74	13.36	12.85	16.21	21.51
Non-controlling Interest	0.04	0.27	0.08	0.04	-
Net Profit	8.70	13.09	12.77	16.17	21.51
Net dividend per share (sen) *	10.00	8.00	8.00	8.00	9.50
Earnings per share	14.5	21.81	21.29	26.95	35.85
Depreciation & Amortisation	6.20	6.17	6.27	6.84	7.62
Number of Shares	60.00	60.00	60.00	60.00	60.00
EBITDA	17.54	23.15	22.91	27.72	33.22

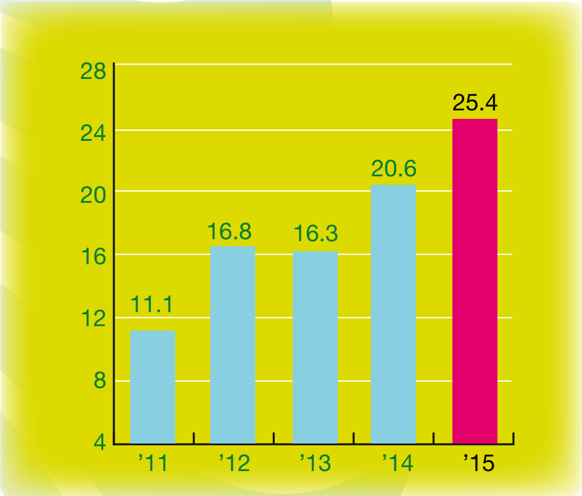
* Dividend recognized/paid during the financial year and is excluding the dividend paid after the respective financial year end and the final dividend proposed for the shareholders' approval.

GROUP FINANCIAL HIGHLIGHTS

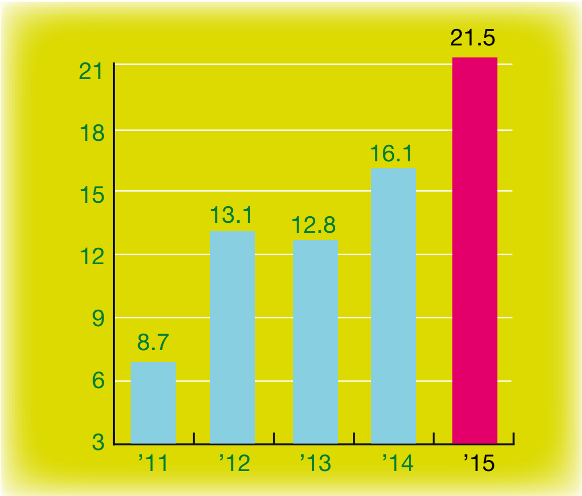
REVENUE (RM'mil)



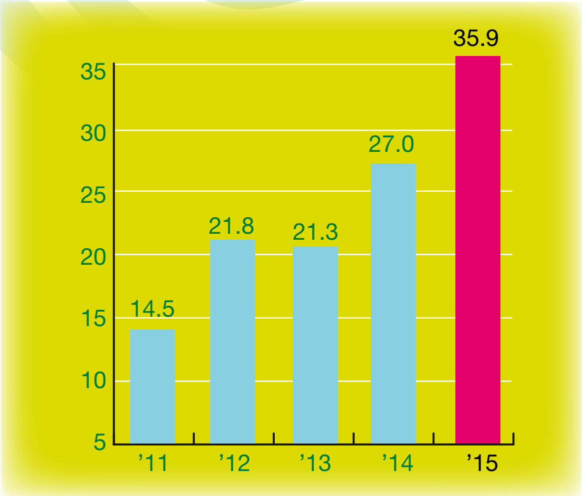
PROFIT BEFORE TAXATION (RM'mil)



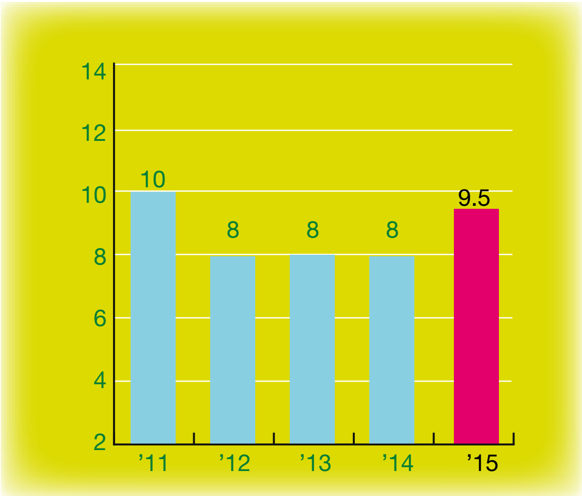
NET PROFIT (RM'mil)



EARNING PER SHARE (Sen)



DIVIDEND PER SHARE (Sen)



CORPORATE INFORMATION

BOARD OF DIRECTORS

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

JOINT COMPANY SECRETARIES

Karina Chong Mei Ying (LS 0009562)
Chan Sau Leng (MAICSA 7012211)

REGISTERED OFFICE

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

SHARE REGISTRAR

Sectrars 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

Ernst & Young (AF 0039)

CORPORATE HEAD OFFICE

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

PRINCIPAL BANKERS

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

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

STOCK NAME

OFI

STOCK CODE

7107

PROFILE OF THE BOARD OF DIRECTORS

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

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

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

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

Tan Sri Azizan started his career with the Ministry of Agriculture in 1967 and retired in 1999 as the Secretary-General in the Ministry of Defence, Malaysia. Prior to his retirement, he had progressed on and gained vast experience from various departments in the civil 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 ten (10) years.

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

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

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

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

Datuk Son is related to Datuk Son Tong Leong (son), Mr. Son Tong Eng (son) and Mr. Hoo Beng Lee (brother). He is a substantial shareholder in the Company by virtue of his direct and indirect interests in the shareholdings held by himself and his children and via his shareholding in Apendo Capital Sdn. Bhd.. Other than the recurrent related party transactions as disclosed in page 101, he does not have any conflict of interest with the Company and has not been convicted of any offence within the past ten (10) years.

PROFILE OF THE BOARD OF DIRECTORS

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

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

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

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

Mr. Hoo is a shareholder of the Company and is related to Datuk Son Chen Chuan (brother), Datuk Son Tong Leong (nephew) and Mr. Son Tong Eng (nephew). He does not have any conflict of interest with the Company and has not been convicted of any offence within the past ten (10) years.

Datuk Son Tong Leong
45 years of age/Malaysian
Executive Director

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

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

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

He is a shareholder of the Company and is related to Datuk Son Chen Chuan (father), Mr. Hoo Beng Lee (uncle) and Mr. 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 ten (10) years.

PROFILE OF THE BOARD OF DIRECTORS

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

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

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

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

He is a shareholder of the Company and is related to Datuk Son Chen Chuan (father), Mr. Hoo Beng Lee (uncle) 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 ten (10) years.

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

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

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

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

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

PROFILE OF THE BOARD OF DIRECTORS

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

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

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

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

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

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

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

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

He has attended 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 Apendo Capital Sdn. Bhd. and is not related to any of the Directors of the Company. Other than the recurrent related party transactions as disclosed in page 101, he does not have any conflict of interest with the Company and has not been convicted of any offence within the past ten (10) years.

STATEMENT ON CORPORATE GOVERNANCE

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

The Group's corporate governance structures has been developed and enhanced based on the principles and recommendations of best practices prescribed in the MCCG 2012.

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

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

A. BOARD OF DIRECTORS

Board Charter and Code of Conduct

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

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

Composition of the Board

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

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

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

The Directors' profiles are set out in pages 15 to 18 of this Annual Report.

STATEMENT ON CORPORATE GOVERNANCE

Board Meetings

The Board meets at least once in a quarter. The Meeting agendas and a set of Board paper is issued prior to Board meetings in timely manner to ensure that the Directors can 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 Meetings to ensure proper records of the proceedings.

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

During the financial year ended 31 March 2015, 4 meetings were held and the Directors' attendance at the Board Meetings are as follows:

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

Appointment, Retirement and Re-election

The retirement and re-election of Directors are in accordance to the Articles of Association of the Company, which provides that all Directors of the Company, including the Managing Director are subject to retirement. At every Annual General Meeting ("AGM"), at least one third (1/3) in number of the Board and who have been longest in office are subject to retirement by rotation. Any newly appointed director shall retire at the forthcoming AGM.

Pursuant to Section 129(6) of the Companies Act, 1965, Directors whose age are 70 and above need to seek re-appointment annually at the AGM.

Pursuant to MCCG 2012, an Independent Director who has served for a cumulative term of more than nine (9) years need to seek re-election at the AGM.

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

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 market place and new statutory and regulatory requirements.

STATEMENT ON CORPORATE GOVERNANCE

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

Name of Directors	Training Programmes	Date
Tan Sri Dato' Azizan Bin Husain	Implementing Investor Relations Strategies	20 May 2015
Datuk Son Chen Chuan	The Essentials of Customs Procedures, Inclusive of GST for Importers, Exporters and Manufacturers	9 Jul 2015
Mr. Lim Hwa Yu	GST – A Preparatory Course for GST Consultants and Accountants	12 – 14 Sep 2014
	National Tax Seminar 2014	27 Oct 2014
	Tax Planning and Latest Development	14 Jan 2015
	Analysis of Recent Tax Cases 2014 & Understanding Tax Appeal Processes	19 Mar 2015
	New Public Rulings for 2014 & 2015	13 Apr 2015
	Comparing Salient Features of PERS vs MPERS	15 & 16 Apr 2015
Mr. Hoo Beng Lee	The Essentials of Customs Procedures, Inclusive of GST for Importers, Exporters and Manufacturers	9 Jul 2015
Datuk Son Tong Leong	Opportunities Arising From Weak Ringgit and Plunging Oil Price	5 Feb 2015
	Navigating the Challenges: Insights to Business Growth in 2015	23 Jul 2015
	ACCCIM 4th Young Entrepreneurs Conference 2015	24 Jul 2015
Mr. Lim Keat Sear	SQL Software Training Workshop	21 Mar 2015
Mr. Son Tong Eng	The Essentials of Customs Procedures, Inclusive of GST for Importers, Exporters and Manufacturers	9 Jul 2015
Datuk Jeffery Ong Cheng Lock	The Essentials of Customs Procedures, Inclusive of GST for Importers, Exporters and Manufacturers	9 Jul 2015

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

The Board will on a continuing basis 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.

B. BOARD COMMITTEES

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

- Audit Committee
- Nomination Committee
- Remuneration Committee

STATEMENT ON CORPORATE GOVERNANCE

(i) Audit Committee

The role of the Audit Committee is to support the Board in overseeing the processes for production of the financial data, review of the financial reports and internal control of the Group. The composition and terms of reference of the Audit Committee are set out in its reports on pages 29 to 32 of this Annual Report.

(ii) Nomination Committee

The Nomination Committee 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 in the Company's website.

The members of the Committee are as follows:-

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

The functions of the Nomination Committee are summarised as follows:

a) Consider 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 bBoard and the contribution of each existing individual Director;
  - required mix of skills and experience and other qualities, including core competencies which non-Executive Directors should bring to the Board;
  - re-election of Directors pursuant to the Articles of Associations of the Company and the Companies Act, 1965;
  - independence of the Independent Directors as recommended by the Code.

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

(iii) Remuneration Committee

The Remuneration Committee comprises of the following members:-

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

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

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

There were two (2) meetings held during the financial year.

STATEMENT ON CORPORATE GOVERNANCE

C. DIRECTORS' REMUNERATION

The aggregate remuneration of Directors for the financial year ended 31 March 2015 are as follows:-

	Directors' fees (RM) Company (RM)	Subsidiaries (RM)	Salaries/ Allowances (RM)	Bonuses (RM)	Benefits-in-kind (RM)	Other emoluments (RM)	Total (RM)
Executive	140,000	96,000	1,756,500	426,000	28,000	449,715	2,896,215
Non-Executive	200,000	-	-	-	-	8,400	208,400

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

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

D. SUPPLY OF INFORMATION

All Directors are provided with information on a timely basis. The agenda and Board papers are circulated to the members prior to the meeting and if required, they may request additional information or clarification from the Management. The Board has unrestricted access to any information pertaining to the Group as well as to the advice and services of the Company 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.

E. RELATIONSHIP WITH SHAREHOLDERS & INVESTORS

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

a) The Annual Report, which contains the financial and operational review of the Group's business, 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 which 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 annual general meeting, the Board presents the progress and performance of the Group's business and invites shareholders to participate in the question and answer session.

STATEMENT ON CORPORATE GOVERNANCE

F. ACCOUNTABILITY AND AUDIT

Financial Reporting

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

A statement by the Directors of their responsibilities in relation to the financial statements is set out on page 25 of this Annual Report.

Internal Control and Internal Audit Function

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

The Group's Statement on Risk Management and Internal Control are set out on page 26 to 28 of this Annual Report. The said Statement has been duly reviewed by the external auditors.

Relationship with Auditors

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

Corporate Disclosure

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

Sustainability Policy

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

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

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

STATEMENT ON CORPORATE GOVERNANCE

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

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

The Directors are satisfied that in preparing the financial statements of the Group and the Company for the year ended 31 March 2015, the Group and the Company had applied appropriate accounting policies on a consistent basis. The Directors also consider that all applicable approved accounting standards are adhered to in the preparation of the financial statements.

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

The responsibility of the Auditors in relation to the Financial Statements appears in the Independent Auditors' Report on pages 39 and 40 of this Annual Report.

This statement was made by the Directors in accordance with a resolution of the Directors dated 21 May 2015.

H. CORPORATE SOCIAL RESPONSIBILITIES ("CSR")

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

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

The Company has contributed financial assistance through donation and sponsorships to the following organisations:

1. Majlis Bekas Wakil-Wakil Rakyat Negeri Melaka
2. Pertubuhan Penganut-Penganut Tokong Lao Shi
3. Persatuan Penganut Dewa Kuan Ti
4. Malaysia Chinese Chamber of Commerce
5. Wei Wu Gong Temple
6. Majlis Amal Ramadhan
7. PIBK Sekolah Menegah Kebangsaan IJC Melaka
8. St. John Ambulance Malaysia Cawangan Bachang Melaka
9. Pertubuhan Hospis Melaka
10. Sam Tiong Keng
11. The China Press Berhad
12. Persatuan Perkembangan Ajaran Dewi Kuan Yin Malaysia
13. Tokong Ong Yah Hui Yang Keong

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

A. INTRODUCTION

The Board of Directors ("the Board") of Oriental Food Industries Holdings Berhad ("OFIH") acknowledges the importance of maintaining a good internal control system OFIH, group of companies ("the Group") and is pleased to provide the following Internal Control Statement which outlines the nature and scope of risk management and internal control of the Group for the financial year ended 31 March 2015 disclosed pursuant to Paragraph 15.26(b) of Main Market Listing Requirements. This statement was prepared by taking into account of the Statement on Risk Management and Internal Control: Guidelines for Director and Listed Issuers ("The Guidelines") pursuant to Practice Note 9 of Main Market Listing Requirements.

B. BOARD RESPONSIBILITIES

The Board affirms its overall responsibility for maintaining a sound risk management and internal control systems and for reviewing their adequacy and effectiveness so as to safeguard all its stakeholders' interests and protecting the Group's assets. The Board has delegated to the Audit Committee, through its terms of reference approved by the Board, the duty to review the maintenance of an effective risk management and internal control system within the Group and to report the same to the Board for deliberation and decision. Through the Audit Committee, the Board is kept informed of all significant control issues brought to the attention of the Audit Committee by the Management, the internal audit function and the external auditors.

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

C. RISK MANAGEMENT

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

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

The Audit Committee reviews risk management matters and update the Board on significant control gaps for Board's attention and action.

D. INTERNAL AUDIT FUNCTION

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

The Internal Audit function adopts a risk based approach in the preparation of the internal audit plan based on the Group's key risks profile and such internal audit plan is presented to the Audit Committee for review before recommending to the Board for approval. Scheduled internal audits are performed by the Internal Audit function based on the approved internal audit plan with any subsequent change to the approved plan and scope is referred to the Audit Committee for review and its recommendation to the Board for approval prior to the commencement of the audit.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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

The Internal Audit function was outsourced to Needsbridge Advisory Sdn Bhd. The total costs incurred for the Internal Audit function for the financial year under review amounted to RM28,000.00.

E. INTERNAL CONTROL SYSTEM

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

I. Board of Directors/Board Committees

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

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

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

III. Organisation Structure and Authorisation Procedures

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

IV. Policies and Procedures

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

V. Human Resource Policy

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

VI. Information and Communication

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

VII. External Bodies Certification

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

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 Senior Management team.

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

d) Internal audit conducted by Internal Audit function (which is reporting directly to the Audit Committee) on key risk areas identified. The Internal Audit function assesses the adequacy and effectiveness of internal controls in relation to specific critical control processes and highlights any potential risks may be posed to the Group to the Audit Committee based on the results of the audit work performed. Recommendations for improvement are proposed by the Internal aAudit 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.

The Audit Committee reviews internal control matters and update the Board on significant control gaps for Board's attention and action.

F. ASSURANCE PROVIDED BY THE MANAGING DIRECTOR AND EXECUTIVE DIRECTOR

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

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

G. CONCLUSION

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

AUDIT COMMITTEE REPORT

A. MEMBERSHIP

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

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

B. TERMS OF REFERENCE OF AUDIT COMMITTEE

I. Composition

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

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

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

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

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

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

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

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

iii. fulfils such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad ("Bursa Securities").

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

AUDIT COMMITTEE REPORT

II. Objectives

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

b) 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.

c) Provide direction and control over the internal audit function and the external auditors.

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

e) Determine that the Company has adequate administrative, operational and internal accounting controls.

III. Meetings

Frequency of Meetings

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

Quorum

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

Attendance at Meetings

Three (3) Audit Committee Meetings were held during the financial year ended 31 March 2015. The attendance records of each member are as follows:-

Name	Number of meetings attended
Tan Sri Dato' Azizan Bin Husain	3/3
Datuk Jeffery Ong Cheng Lock	3/3
Lim Hwa Yu	3/3

One (1) Audit Committee Meetings was held subsequent to the financial year as at the date of Directors' Report. The attendance records of each member are as follows:-

Name	Number of meetings attended
Tan Sri Dato' Azizan Bin Husain	1/1
Datuk Jeffery Ong Cheng Lock	1/1
Lim Hwa Yu	1/1

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 Auditors without the presence of the Executive Directors.

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

AUDIT COMMITTEE REPORT

IV. Authority

a) To investigate any activity within its terms of reference. It has free access to all information and documents it requires for the purpose of discharging its functions and responsibilities.

b) To access and obtain outside legal or other independent professional advice as it considers necessary.

c) To have direct communication channels to deal with the external and internal auditors.

d) To convene meetings with external auditors and/or internal auditors, without the attendance of the directors and employees of the Company, whenever deemed necessary.

e) The Committee shall have all necessary resources to perform its duties.

V. Duties and responsibilities

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

   i. changes in or implementation of major accounting policy changes;

   ii. significant and unusual events; and

   iii. compliance with accounting standards and other legal requirements.

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

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

d) To consider any significant audit findings reported by internal auditors & Management's responses thereto and to ensure appropriate actions are taken on the recommendations.

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

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

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

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

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

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

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

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

AUDIT COMMITTEE REPORT

C. SUMMARY ACTIVITIES OF AUDIT COMMITTEE

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

a) Reviewed and commented on the quarterly financial reports before recommending the same for Board's approval.

b) Reviewed the year end audited financial statements presented by the external auditors and attended to the relevant matters pertaining to the financial statements of the Company.

c) Reviewed with the external auditors the nature and scope of their engagement and annual audit plan, the findings and results of their examination, their auditors' report and management letters in relation to the audit and accounting issues arising from the audit and the resources and assistance provided to them.

d) Reviewed independency of external auditors.

e) Discussed and noted the changes in accounting policies/ standards that are applicable to the Company.

f) Reviewed the internal audit reports, which highlighted the audit issues and Management's response.

g) Reviewed the internal audit resource requirements, internal audit plan, findings and progress for the financial year under review.

h) Reviewed the Statement on Internal Control and Audit Committee Report prior to the Board's approval for inclusion in the Company's Annual Report.

i) Reviewed the recurrent related party transaction to ensure the transaction entered is undertaken on the group's normal commercial terms and the procedures with regards to such transaction are sufficient.

j) Conducted independent meetings with the external and internal auditors.

D. INTERNAL AUDIT FUNCTION

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 controls system to evaluate its adequacy and effectiveness. The outsourced internal auditors conduct the internal audit reviews according to the internal audit plan approved by the Audit Committee.

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

a) Internal audit findings/areas for improvement;

b) Recommendations to remedy the control weaknesses/improve existing internal controls system; and

c) Management's response and action plans to internal audit findings/areas for improvement and related recommendations.

The cost incurred in connection with the internal audit function in respect of the financial year amounted to RM28,000.00.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2015.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are described in Note 18 to the financial statements. There have been no significant changes in the nature of the principal activities during the financial year.

RESULTS

	Group RM	Company RM
Profit net of tax, attributable to:		
Owners of the parent	21,509,142	5,771,471
Non-controlling interest	80	-
	21,509,222	5,771,471

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

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

DIVIDENDS

The amounts of dividends paid by the Company since 31 March 2014 were as follows:

	RM
In respect of the financial year ended 31 March 2014 as reported in the directors' report of that year:	
Final single tier dividend of 3.5 sen per ordinary share, declared on 3 September 2014 and paid on 26 September 2014	2,100,000
In respect of the financial year ended 31 March 2015:	
First interim single tier dividend of 2 sen per ordinary share, declared on 12 September 2014 and paid on 26 September 2014	1,200,000
Second interim single tier dividend of 2 sen per ordinary share, declared on 12 December 2014 and paid on 6 January 2015	1,200,000
Third interim single tier dividend of 2 sen per ordinary share, declared on 13 March 2015 and paid on 6 April 2015	1,200,000
	5,700,000

At the forthcoming Annual General Meeting, a final single tier dividend in respect of the financial year ended 31 March 2015 of 2% on 60,000,000 ordinary shares, amounting to a dividend payable of RM1,200,000 (2 sen per share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2016.

DIRECTORS' REPORT

DIRECTORS

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

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

DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no director has received or become entitled to receive any benefits (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 13 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 32 to the financial statements.

DIRECTORS' INTERESTS

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

	Number of ordinary shares of RM1 each			
	1.4.2014	**Acquired**	**Sold/ Ratification**	**31.3.2015**
Direct interest:				
Datuk Son Chen Chuan	18,107,383	200,000	-	18,307,383
Hoo Beng Lee	2,633,821	-	(1,119,600)	1,514,221
Datuk Son Tong Leong	1,306,175	50,000	-	1,356,175
Son Tong Eng	1,230,124	50,000	-	1,280,124
Lim Keat Sear	733,753	-	-	733,753
Deemed interest:				
Datuk Son Chen Chuan	8,876,444	200,000	(4,891,921)	4,184,523
Hoo Beng Lee	24,350,006	-	(24,350,006)	-
Datuk Son Tong Leong	25,677,652	-	(25,677,652)	-
Son Tong Eng	23,459,603	-	(23,459,603)	-
Lim Keat Sear	11,798,624	200,000	(200,400)	11,798,224

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

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

DIRECTORS' REPORT

Other statutory information

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

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

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

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

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

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

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

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

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

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

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

(f) In the opinion of the directors:

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

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

DIRECTORS' REPORT

SUBSEQUENT EVENTS

Details of subsequent events are disclosed in Note 39 to the financial statements.

AUDITORS

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

Signed on behalf of the Board in accordance with a resolution of the directors dated 21 May 2015

Datuk Son Chen Chuan

Datuk Son Tong Leong

STATEMENT BY DIRECTORS

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

We, Datuk Son Chen Chuan and Datuk Son Tong Leong, being two of the directors of Oriental Food Industries Holdings Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 41 to 95 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2015 and of their financial performance and cash flows for the year then ended.

The information set out in Note 41 on page 95 of the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 21 May 2015

Datuk Son Chen Chuan **Datuk Son Tong Leong**

STATUTORY DECLARATION

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

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 accompanying financial statements set out on pages 41 to 95 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed, Datuk Son Tong Leong
at Melaka in the State of Melaka
on 22 July 2015

Datuk Son Tong Leong

Before me,

WEE AI YEN
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD
(INCORPORATED IN MALAYSIA)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Oriental Food Industries Holdings Berhad, which comprise statements of financial position as at 31 March 2015 of the Group and of the Company, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 41 to 95.

Directors' responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD
(INCORPORATED IN MALAYSIA)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

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

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

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 41 on page 95 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

1. As stated in Note 4 to the financial statements, Oriental Food Industries Holdings Berhad adopted Malaysian Financial Reporting Standards on 1 April 2014 with a transition date of 1 April 2013. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statements of financial position as at 31 March 2014 and 1 April 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 March 2014 and related disclosures. We were not engaged to report on the comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Company for the year ended 31 March 2014 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 April 2014 do not contain misstatements that materially affect the financial position as of 31 March 2015 and financial performance and cash flows for the year then ended.

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

Ernst & Young
AF: 0039
Chartered Accountants

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

Melaka, Malaysia
Date: 22 July 2015

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Revenue	8	237,028,031	226,889,306	6,329,598	4,146,978
Cost of sales		(180,465,810)	(174,335,441)	-	-
Gross profit		56,562,221	52,553,865	6,329,598	4,146,978
Other income	9	2,911,569	426,697	24	27
Other items of expense					
General and administrative		(11,543,123)	(10,810,297)	(558,151)	(583,990)
Selling and distribution		(22,329,858)	(21,285,164)	-	-
Finance costs	10	(176,985)	(243,687)	-	-
Profit before tax	11	25,423,824	20,641,414	5,771,471	3,563,015
Income tax expense	14	(3,914,602)	(4,434,568)	-	(366,395)
Profit net of tax, representing total comprehensive income for the year		21,509,222	16,206,846	5,771,471	3,196,620
Attributable to:					
Owners of the parent		21,509,142	16,170,506	5,771,471	3,196,620
Non-controlling interest		80	36,340	-	-
		21,509,222	16,206,846	5,771,471	3,196,620
Earnings per share attributable to owners of the parent (sen per share)					
Basic	15	35.85	26.95		

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2015

	Note	31.3.2015 RM	Group 31.3.2014 RM	1.4.2013 RM
Assets				
Non-current assets				
Property, plant and equipment	16	101,165,546	92,370,963	93,262,459
Land held for property development	20	957,769	957,769	957,769
Investment properties	17	892,308	908,091	923,874
Investment security	19	372,438	372,438	372,438
		103,388,061	94,609,261	95,516,540
Current assets				
Development property	20	-	-	3,553,062
Inventories	21	26,127,109	26,507,073	17,350,966
Trade and other receivables	22	35,541,202	32,087,559	31,762,235
Other current assets	23	4,635,899	1,328,604	3,809,239
Income tax recoverable		646,716	1,425,417	1,541,879
Cash and bank balances	26	33,468,640	27,585,523	18,189,192
		100,419,566	88,934,176	76,206,573
Total assets		203,807,627	183,543,437	171,723,113
Equity and liabilities				
Current liabilities				
Income tax payable		454,435	561,588	-
Loans and borrowings	27	2,957,877	2,858,609	5,420,344
Trade and other payables	28	20,888,095	22,990,855	20,903,659
Derivatives	25	-	40,650	39,047
		24,300,407	26,451,702	26,363,050
Net current assets		76,119,159	62,482,474	49,843,523
Non-current liabilities				
Deferred tax liabilities	29	10,045,783	8,481,783	6,575,356
Loans and borrowings	27	8,833,159	3,790,896	5,372,497
		18,878,942	12,272,679	11,947,853
Total liabilities		43,179,349	38,724,381	38,310,903
Net assets		160,628,278	144,819,056	133,412,210
Equity attributable to owners of the parent				
Share capital	30	60,000,000	60,000,000	60,000,000
Retained earnings	31	99,984,490	84,175,348	72,804,842
		159,984,490	144,175,348	132,804,842
Non-controlling interest		643,788	643,708	607,368
Total equity		160,628,278	144,819,056	133,412,210
Total equity and liabilities		203,807,627	183,543,437	171,723,113

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2015

	Note	31.3.2015 RM	Company 31.3.2014 RM	1.4.2013 RM
Assets				
Non-current asset				
Investment in subsidiaries	18	38,968,751	38,968,751	38,968,751
Current assets				
Trade and other receivables	22	26,770,325	27,828,076	28,311,077
Other current assets	23	1,221,151	11,152	1,206,241
Income tax recoverable		130,461	171,085	241,163
Cash and bank balances	26	170,218	190,391	21,762
		28,292,155	28,200,704	29,780,243
Total assets		67,260,906	67,169,455	68,748,994
Equity and liabilities				
Current liability				
Trade and other payables	28	1,560,413	1,540,433	1,516,592
Net current assets		*26,731,742*	*26,660,271*	*28,263,651*
Total liabilities		1,560,413	1,540,433	1,516,592
Net assets		65,700,493	65,629,022	67,232,402
Equity attributable to owners of the parent				
Share capital	30	60,000,000	60,000,000	60,000,000
Share premium		5,530,994	5,530,994	5,530,994
Retained earnings	31	169,499	98,028	1,701,408
Total equity		65,700,493	65,629,022	67,232,402
Total equity and liabilities		67,260,906	67,169,455	68,748,994

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

Group 2015	Note	Equity, total RM	Equity attributable to owners of the parent, total RM	Non-distributable Share capital RM	Distributable Retained earnings RM	Non-controlling interest RM
Opening balance at 1 April 2014		144,819,056	144,175,348	60,000,000	84,175,348	643,708
Total comprehensive income		21,509,222	21,509,142	-	21,509,142	80
Transaction with owners						
Dividends on ordinary shares	38	(5,700,000)	(5,700,000)	-	(5,700,000)	-
Closing balance at 31 March 2015		160,628,278	159,984,490	60,000,000	99,984,490	643,788
2014						
Opening balance at 1 April 2013		133,412,210	132,804,842	60,000,000	72,804,842	607,368
Total comprehensive income		16,206,846	16,170,506	-	16,170,506	36,340
Transaction with owners						
Dividends on ordinary shares	38	(4,800,000)	(4,800,000)	-	(4,800,000)	-
Closing balance at 31 March 2014		144,819,056	144,175,348	60,000,000	84,175,348	643,708

Company 2015	Note	Equity, total RM	← Non-distributable Share capital RM	Non-distributable → Share premium RM	Distributable Retained earnings RM
Opening balance at 1 April 2014		65,629,022	60,000,000	5,530,994	98,028
Total comprehensive income		5,771,471	-	-	5,771,471
Transaction with owners					
Dividends on ordinary shares	38	(5,700,000)	-	-	(5,700,000)
Closing balance at 31 March 2015		65,700,493	60,000,000	5,530,994	169,499
2014					
Opening balance at 1 April 2013		67,232,402	60,000,000	5,530,994	1,701,408
Total comprehensive income		3,196,620	-	-	3,196,620
Transaction with owners					
Dividends on ordinary shares	38	(4,800,000)	-	-	(4,800,000)
Closing balance at 31 March 2014		65,629,022	60,000,000	5,530,994	98,028

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Operating activities				
Profit before tax:	25,423,824	20,641,414	5,771,471	3,563,015
Adjustments for:				
Depreciation of:				
- Property, plant and equipment	7,617,350	6,823,877	-	-
- Investment properties	15,783	15,783	-	-
Dividend income	-	-	(6,329,598)	(4,146,978)
Finance costs	176,985	243,687	-	-
Interest income	(286,158)	(248,106)	(24)	(27)
Inventories written off	868,103	862,046	-	-
Loss on disposal of property, plant and equipment	52,304	39,380	-	-
Fair value gain on money market fund	(32,831)	-	-	-
Net fair value loss/(gain) on derivatives	-	1,603	-	-
Property, plant and equipment written off	1	2,105	-	-
Allowance for slow moving inventories	218,941	85,002	-	-
Allowance/(reversal of allowance) for impairment of trade receivable	241,702	(14,042)	-	-
Unrealised (gain)/loss on foreign exchange	(1,353,736)	649,048	-	-
Total adjustments	7,518,444	8,460,383	(6,329,622)	(4,147,005)
Operating cash flows before changes in working capital	**32,942,268**	**29,101,797**	**(558,151)**	**(583,990)**
Changes in working capital				
Decrease in development property	-	3,553,062	-	-
Increase in inventories	(707,080)	(10,117,197)	-	-
(Increase)/decrease in receivables	(4,035,496)	755,589	(1,209,999)	(14,411)
(Decrease)/increase in payables	(2,229,662)	2,116,217	27,480	16,341
Total changes in working capital	(6,972,238)	(3,692,329)	(1,182,519)	1,930
Cash flows from/(used in) operations	**25,970,030**	**25,409,468**	**(1,740,670)**	**(582,060)**
Interest received	286,158	248,106	24	27
Interest paid	(176,985)	(243,687)	-	-
Income taxes paid	(3,031,646)	(2,573,418)	(7,000)	(7,000)
Income taxes refunded	1,352,592	723,327	47,624	119,926
Net cash flows from/(used in) operating activities	24,400,149	23,563,796	(1,700,022)	(469,107)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Investing activities				
Placement of money market fund	-	(1,009,222)	-	-
Purchase of property, plant and equipment	(17,581,238)	(6,032,816)	-	-
Advances to suppliers of property, plant and equipment	(2,172,532)	-	-	-
Proceeds from disposal of property, plant and equipment	1,117,000	43,950	-	-
Dividend income	-	-	6,329,598	3,737,736
Net cash flows (used in)/from investing activities	**(18,636,770)**	**(6,998,088)**	**6,329,598**	**3,737,736**
Financing activities				
Dividends paid on ordinary shares	(5,700,000)	(3,600,000)	(5,700,000)	(3,600,000)
Proceeds from loans and borrowings	8,000,000	-	-	-
Repayment of loans and borrowings	(1,581,541)	(2,396,666)	-	-
Repayment from subsidiaries	-	-	1,050,251	500,000
Net cash flows from/(used in) financing activities	**718,459**	**(5,996,666)**	**(4,649,749)**	**(3,100,000)**
Net increase/(decrease) in cash and cash equivalents	**6,481,838**	**10,569,042**	**(20,173)**	**168,629**
Effect of exchange rate changes on cash and cash equivalents	645,376	(435,263)	-	-
Cash and cash equivalents at 1 April	**25,289,250**	**15,155,471**	**190,391**	**21,762**
Cash and cash equivalents at 31 March (Note 26)	**32,416,464**	**25,289,250**	**170,218**	**190,391**

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

1. CORPORATE INFORMATION

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

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are described in Note 18 to the financial statements. There have been no significant changes in the nature of the principal activities during the financial year.

2. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (MFRS), as issued by the Malaysian Accounting Standards Board (MASB), International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and the requirements of the Companies Act, 1965 in Malaysia. Details of first-time adoption of MFRS are disclosed in Note 4.

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation

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

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

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

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

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

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

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

(ii) rights arising from other contractual arrangements; and

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (continued)

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

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

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

3.2 Business combinations and goodwill

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Business combinations and goodwill (continued)

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

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

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

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

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

3.3 Current versus non-current classification

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Current versus non-current classification (continued)

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

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

The Group classifies all other liabilities as non-current.

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

3.4 Fair value measurement

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

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

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

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

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Fair value measurement (continued)

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

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

3.5 Revenue recognition

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

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

(i) Sale of goods

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

(ii) Dividends

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

(iii) Sale of development properties

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Taxes

(i) Current income tax

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

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

(ii) Deferred tax

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

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

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

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

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Taxes (continued)

(ii) Deferred tax (continued)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

(iii) Sales tax

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

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

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

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

3.7 Foreign currencies

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

<u>Transactions and balances</u>

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

3.9 Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

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

Freehold land has an unlimited useful life and therefore is not depreciated. Capital work-in-progress is not depreciated as these assets are not ready for use. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

- Long term leasehold land: 58 to 99 years
- Buildings: 20 years
- Plant and machinery: 10 to 20 years
- Other assets: 5 to 10 years

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Leases

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

(i) Group as a lessee

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

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

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

(ii) Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.11 Borrowing costs

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

3.12 Investment properties

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

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

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Financial instruments – initial recognition and subsequent measurement

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

(i) Financial assets

(a) Initial recognition and measurement

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

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

(b) Subsequent measurement

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(i) Financial assets (continued)

(b) Subsequent measurement (continued)

Loans and receivables

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

Held-to-maturity investments

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

Available-for-sale (AFS) financial assets

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(i) Financial assets (continued)

(b) Subsequent measurement (continued)

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

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

(c) Derecognition

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

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

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

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

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

(ii) Impairment of financial assets

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(ii) Impairment of financial assets (continued)

(a) Financial assets carried at amortised cost

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(ii) Impairment of financial assets (continued)

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

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

(iii) Financial liabilities

(a) Initial recognition and measurement

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

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

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

(b) Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(iii) Financial liabilities (continued)

(b) Subsequent measurement (continued)

Loans and borrowings

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

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

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

(c) Derecognition

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

(iv) Offsetting of financial instruments

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.14 Inventories

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

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

- Raw materials: purchase cost on a weighted average basis;
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs; and
- Completed commercial properties: cost of land, construction and appropriate development overheads.

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

3.15 Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses, including impairment on inventories, are recognised in the profit or loss in expense categories consistent with the function of the impaired asset.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 Cash and short-term deposits

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

For the purpose of the statements of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above excluding the investment in money market fund, net of outstanding bank overdrafts.

3.17 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the profit or loss net of any reimbursement.

3.18 Pensions benefits

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

3.19 Subsidiaries

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

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

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

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

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

3.20 Land held for property development and property development costs

(i) Land held for property development

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(ii) Property development costs

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

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

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

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

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

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

3.21 Share capital and share issuance expenses

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

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

3.22 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Group who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 37, including the factors used to identify the reportable segments and the measurement basis of segment information.

4. FIRST-TIME ADOPTION OF MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS")

For periods up to and including the year ended 31 March 2014, the Group had previously prepared the financial statements in accordance with Financial Reporting Standards ("FRS").

These financial statements, are the first the Group and the Company have prepared in accordance with MFRS. Accordingly, the Group and the Company have prepared financial statements which comply with MFRS, together with the comparative period data as at and for the year ended 31 March 2014, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's and the Company's opening statement of financial position were prepared as at 1 April 2013, the Group's and the Company's date of transition to MFRS. The notes to the financial statements as at 1 April 2013 is not presented as no restatement and adjustments were required to be made to its FRS statement of financial position as at 1 April 2013 and its previously published FRS financial statements as at, and for the year ended 31 March 2014 except as disclosed in notes below. Hence, the reconciliations of equity reported under FRS to equity reported under MFRS as at 1 April 2013 and 31 March 2014 are disclosed in the notes below.

MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards allows first-time adopters certain exemptions from the restropective applications of certain MFRS and the Group has applied the following exemptions:

(a) Property, plant and equipment

The Group had previously adopted the revaluation model under FRS 116 Property, Plant Equipment for the land and buildings. These land and buildings were initially recorded at cost and subsequently were measured at fair value less accumulated depreciation.

Upon transition to MFRS, the Group has elected to measure all its property, plant and equipment using cost model under MFRS 116 Property, Plant and Equipment. At the date of transition to MFRS, the Group elected to regard the carrying amounts at valuation of land and buildings as at 31 March 2013 as deemed cost at the date of transition. The revaluation surplus as at 1 April 2013 amounting to RM9,959,616 was transferred to retained earnings on the date of transition of MFRS.

(b) Estimates

The estimates at 1 April 2013 and 31 March 2014 were consistent with those made for the same dates in accordance with FRS. The estimates used by the Group to present these amounts in accordance with MFRS reflect conditions at 1 April 2013, the date of transition to MFRS and as of 31 March 2014.

The reconciliations of equity of the Group reported in accordance with FRS to equity of the Group in accordance with MFRS for the date of transition to MFRS and as at 31 March 2014 are as below:

(a) Reconciliation of equity of the Group as at 1 April 2013 (date of transition to MFRS)

	FRS RM	Effect of transition to MFRS RM	Opening MFRS consolidated statement of financial position RM
Equity attributable to owners of the parent			
Share capital	60,000,000	-	60,000,000
Revaluation reserves	9,959,616	(9,959,616)	-
Retained earnings	62,845,226	9,959,616	72,804,842
Total equity	132,804,842	-	132,804,842

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

4. FIRST-TIME ADOPTION OF MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") (CONTINUED)

(b) Reconciliation of equity of the Group as at 31 March 2014 (end of last period presented under FRS)

	FRS RM	Effect of transition to MFRS RM	Opening MFRS consolidated statement of financial position RM
Equity attributable to owners of the parent			
Share capital	60,000,000	-	60,000,000
Revaluation reserves	9,959,616	(9,959,616)	-
Retained earnings	74,215,732	9,959,616	84,175,348
Total equity	**144,175,348**	**-**	**144,175,348**

5. CHANGES IN ACCOUNTING POLICIES

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

On 1 April 2014, the Group and the Company adopted the following new and amended MFRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 April 2014.

Description	**Effective for annual periods beginning on or after**
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21 Levies	1 January 2014

The nature and impact of the new and amended MFRSs and IC Interpretation are described below:

Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities

The amendments clarify the meaning of "currently has a legally enforceable right to set-off" and "simultaneous realisation and settlement". These amendments are to be applied retrospectively.

These amendments have no impact on the Group, since none of the entities in the Group has any offsetting arrangements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

5. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under MFRS 10 Consolidated Financial Statements and must be applied retrospectively, subject to certain transition relief. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments have no impact on the Group, since none of the entities in the Group qualifies to be an investment entity under MFRS 10.

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

The amendments to MFRS 136 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives has been allocated when there has been no impairment or reversal of impairment of the related CGU. In addition, the amendments introduce additional disclosure requirements when the recoverable amount is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by MFRS 13 Fair Value Measurements.

The application of these amendments has had no material impact on the disclosures in the Group's and the Company's financial statements.

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

These amendments provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measure of hedge effectiveness. Retrospective application is required.

These amendments have no impact on the Group as the Group does not have any derivatives that are subject to novation.

IC Interpretation 21 Levies

IC 21 defines a levy and clarifies that the obligating event which gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. For a levy which is triggered upon reaching a minimum threshold, IC 21 clarifies that no liability should be recognised before the specified minimum threshold is reached. Retrospective application is required. The application of IC 21 has had no material impact on the disclosures or on the amounts recognised in the Group's and the Company's financial statements.

6. Standards issued but not yet effective

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

Description	Effective for annual periods begining on or after
Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to MFRSs 2010 - 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 - 2013 Cycle	1 July 2014
Annual Improvements to MFRSs 2012 - 2014 Cycle	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

6. STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

Description	Effective for annual periods begining on or after
Amendments to MFRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 101: Disclosure Initiatives	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
MFRS 14 Regulatory Deferral Accounts	1 January 2016
MFRS 15 Revenue from Contracts with Customers	1 January 2017
MFRS 9 Financial Instruments	1 January 2018

Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of an asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group as the Group has not used a revenue-based method to depreciate its non-current assets.

Amendments to MFRS 101: Disclosure Initiatives

The amendments to MFRS 101 include narrow-focus improvements in the following five areas:
- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income arising from equity accounted investments

The directors of the Company do not anticipate that the application of these amendments will have a material impact on the Group's and the Company's financial statements.

Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception

The amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. The amendments further clarify that only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. In addition, the amendments also provides that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries.

The amendments are to be applied retrospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Group's and the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

6. STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a new five-step models that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFR 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The directors of the Company anticipate that the application of MFRS 15 will not have a material impact on the amounts reported and disclosures made in the Group’s and the Company’s financial statements. The Group is currently assessing the impact of MFRS 15 and plans to adopt the new standard on the required effective date.

MFRS 9 Financial Instruments

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of MFRS 9 will have an effect on the classification and measurement of the Group’s financial assets, but no impact on the classification and measurement of the Group’s financial liabilities.

7. Significant accounting judgments, estimates and assumptions

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

(i) Judgments

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

(ii) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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

(ii) Estimates and assumptions (continued)

Depreciation of plant and machinery

The costs of plant and machinery for the manufacture of snack food and confectioneries are depreciated on a straight-line basis over the assets' estimated economic useful lives. Management estimates the useful lives of these plant and machinery to be 10 to 20 years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amount of the Group's plant and machinery at the reporting date is disclosed in Note 16.

Impairment of loans and receivables

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

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivable at the reporting date is disclosed in Note 22.

Inventories valuation

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

8. Revenue

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Sale of goods	237,028,031	225,189,212	-	-
Sale of properties	-	1,700,094	-	-
Dividend income from a subsidiary	-	-	6,329,598	4,146,978
	237,028,031	226,889,306	6,329,598	4,146,978

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

9. OTHER INCOME

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Gain on foreign exchange:				
- realised	899,578	-	-	-
- unrealised	1,353,736	-	-	-
Interest income	286,158	248,106	24	27
Rental income	153,200	90,000	-	-
Miscellaneous	186,066	74,549	-	-
Reversal of allowance for impairment of trade receivables (Note 22)	-	14,042	-	-
Fair value gain on money market fund	32,831	-	-	-
	2,911,569	426,697	24	27

10. FINANCE COSTS

	Group	
	2015	2014
	RM	RM
Interest expense on:		
- Bank loans	176,939	240,408
- Bank overdrafts	46	3,279
Total finance costs	176,985	243,687

11. PROFIT BEFORE TAX

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

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Auditors' remuneration:				
- Current year	79,000	78,000	27,000	25,000
- Other services	5,000	5,000	5,000	5,000
Depreciation of:				
- Property, plant and equipment (Note 16)	7,617,350	6,823,877	-	-
- Investment properties (Note 17)	15,783	15,783	-	-
Direct operating expenses arising from investment properties				
- Rental generating properties	4,930	6,263	-	-
Employee benefits expense (Note 12)	21,948,192	21,395,979	156,800	156,800
Loss on disposal of property, plant and equipment	52,304	39,380	-	-
Loss on foreign exchange:				
- Realised	-	128,154	-	-
- Unrealised	-	649,048	-	-
Net fair value loss on derivatives	-	1,603	-	-
Inventories written off	868,103	862,046	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

11. PROFIT BEFORE TAX (CONTINUED)

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Operating leases:				
- Minimum lease payments for premises	283,504	251,263	-	-
Property, plant and equipment written off	1	2,105	-	-
Allowance for impairment of trade receivables	241,702	-	-	-
Allowance for slow moving inventories	218,941	85,002	-	-

12. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Salaries, bonus and allowance	19,611,304	18,988,093	140,000	140,000
Defined contribution plan	1,463,930	1,479,498	16,800	16,800
Other employee benefits	872,958	928,388	-	-
	21,948,192	21,395,979	156,800	156,800

Included in employee benefits expense of the Group and the Company are executive directors' remuneration amounting to RM2,868,215 (2014: RM2,735,102) and RM156,800 (2014: RM156,800) respectively.

13. DIRECTORS' REMUNERATION

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

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Executive:				
- Fees	236,000	236,000	140,000	140,000
- Salaries and other emoluments	2,182,500	2,085,010	-	-
- Defined contribution plan	449,715	414,092	16,800	16,800
Total executive directors' remuneration (excluding benefits- in-kind)	2,868,215	2,735,102	156,800	156,800
Estimated money value of benefits-in-kind	28,000	28,000	-	-
Total executive directors' remuneration (including benefits- in-kind)	2,896,215	2,763,102	156,800	156,800
Non-executive:				
- Fees	140,000	140,000	140,000	140,000
- Other emolument	60,000	60,000	60,000	60,000
- Defined contribution plan	8,400	8,400	8,400	8,400
Total non-executive directors' remuneration	208,400	208,400	208,400	208,400
Total directors' remuneration	3,104,615	2,971,502	365,200	365,200

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

14. INCOME TAX EXPENSE

Major components of income tax expense

The major components of tax expense for the years ended 31 March 2015 and 2014 are:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Statements of comprehensive income:				
- Current income tax	2,387,600	2,569,654	-	366,395
- Overprovision in respect of previous years	(36,998)	(41,513)	-	-
	2,350,602	2,528,141	-	366,395
Deferred income tax (Note 29):				
Relating to origination and reversal of temporary differences	2,080,406	1,765,000	-	-
(Over)/underprovision in respect of previous years	(516,406)	141,427	-	-
	1,564,000	1,906,427	-	-
Income tax expense recognised in profit or loss	3,914,602	4,434,568	-	366,395

Reconciliation between income tax expense and accounting profit

The reconciliation between income tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 March 2015 and 2014 are as follows:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Profit before tax	25,423,824	20,641,414	5,771,471	3,563,015
Tax at Malaysian statutory tax rate of 25% (2014: 25%)	6,355,956	5,160,353	1,442,868	890,754
Adjustments:				
Income not subject to taxation	(219,936)	-	(1,582,399)	(562,605)
Effect of 1% reduction in tax rate	(416,000)	-	-	-
Non-deductible expenses	448,182	324,029	139,531	38,238
Effect on certain expenses eligible for double deduction	(1,421,394)	(1,149,728)	-	-
Deferred tax assets recognised on unutilised increased export allowance	(278,802)	-	-	-
Others	-	-	-	8
(Over)/underprovision of deferred income tax in respect of previous years	(516,406)	141,427	-	-
Overprovision of income tax in respect of previous years	(36,998)	(41,513)	-	-
Income tax expense recognised in profit or loss	3,914,602	4,434,568	-	366,395

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

14. INCOME TAX EXPENSE (CONTINUED)

Income tax is calculated at the Malaysian statutory tax rate of 25% (2014: 25%) of the estimated assessable profit for the year.

The Malaysian corporate statutory tax rate is expected to reduce from 25% to 24% with effect from year of assessment 2016 as announced in the 2014 Budget. The computation of deferred tax as at 31 March 2015 has reflected the change in tax rate.

Tax savings during the financial year arising from:

	Group	
	2015 RM	2014 RM
Unutilised of reinvestment allowances	2,668,000	1,582,000

15. Earnings per share

(a) Basic

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

	Group	
	2015	2014
Profit net of tax attributable to owners of the parent (RM)	21,509,142	16,170,506
Weighted average number of ordinary shares	60,000,000	60,000,000
Basic earnings per share (sen)	35.85	26.95

(b) Diluted

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

16. PROPERTY, PLANT AND EQUIPMENT

Group	* Land and buildings RM	Renovation RM	Plant and machinery RM	Motor vehicles RM	Furniture, fittings and office equipment RM	Capital work-in-progress RM	Total RM
Cost or valuation							
At 1 April 2013	34,832,175	352,209	93,664,508	5,839,215	12,905,038	8,208,843	155,801,988
Additions	-	-	4,421,907	272,012	698,161	640,736	6,032,816
Disposals	-	-	(80,000)	(241,525)	(34,400)	-	(355,925)
Written off	-	-	(11,800)	-	(644)	-	(12,444)
Reclassifications	2,158,050	-	5,895,528	-	88,242	(8,141,820)	-
At 31 March 2014 and 1 April 2014	36,990,225	352,209	103,890,143	5,869,702	13,656,397	707,759	161,466,435
Additions	12,104,200	170,614	1,133,837	1,932,601	692,325	1,547,661	17,581,238
Disposals	-	-	-	(1,799,890)	(4,500)	-	(1,804,390)
Written off	-	-	-	-	(580)	-	(580)
Reclassifications	-	-	699,198	-	-	(699,198)	-
At 31 March 2015	49,094,425	522,823	105,723,178	6,002,413	14,343,642	1,556,222	177,242,703
Accumulated depreciation							
At 1 April 2013	6,013,387	2,935	44,516,034	3,123,196	8,883,977	-	62,539,529
Depreciation charge for the year (Note11)	1,305,130	35,221	4,165,352	421,796	896,378	-	6,823,877
Disposals	-	-	(36,051)	(216,520)	(5,024)	-	(257,595)
Written off	-	-	(9,818)	-	(521)	-	(10,339)
At 31 March 2014 and 1 April 2014	7,318,517	38,156	48,635,517	3,328,472	9,774,810	-	69,095,472
Depreciation charge for the year (Note 11)	1,351,752	38,408	4,823,257	584,365	819,568	-	7,617,350
Disposals	-	-	-	(632,499)	(2,587)	-	(635,086)
Written off	-	-	-	-	(579)	-	(579)
At 31 March 2015	8,670,269	76,564	53,458,774	3,280,338	10,591,212	-	76,077,157
Net carrying amount							
At 31 March 2014	29,671,708	314,053	55,254,626	2,541,230	3,881,587	707,759	92,370,963
At 31 March 2015	40,424,156	446,259	52,264,404	2,722,075	3,752,430	1,556,222	101,165,546

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

*** Land and buildings**

Group	Freehold land RM	Leasehold land RM	Buildings RM	Total RM
Cost				
At 1 April 2013	1,150,000	13,701,132	19,981,043	34,832,175
Additions	-	8,699,600	3,404,600	12,104,200
Reclassifications	-	-	2,158,050	2,158,050
At 31 March 2014 and 1 April 2014 and 31 March 2015	1,150,000	22,400,732	25,543,693	49,094,425
Accumulated depreciation				
At 1 April 2013	-	1,604,450	4,408,937	6,013,387
Depreciation charge for the year	-	175,800	1,129,330	1,305,130
At 31 March 2014 and 1 April 2014	-	1,780,250	5,538,267	7,318,517
Depreciation charge for the year	-	191,812	1,159,940	1,351,752
At 31 March 2015	-	1,972,062	6,698,207	8,670,269
Net carrying amount				
At 31 March 2014	1,150,000	20,620,482	20,005,426	41,775,908
At 31 March 2015	1,150,000	20,428,670	18,845,486	40,424,156

17. INVESTMENT PROPERTIES

	Group 2015 RM	Group 2014 RM
Cost:		
At 1 April 2013/31 March 2014 and 31 March 2015	1,077,209	1,077,209
Accumulated depreciation:		
At 1 April	169,118	153,335
Depreciation charge for the year (Note 11)	15,783	15,783
At 31 March	184,901	169,118
Net carrying amount	892,308	908,091
Fair value	4,331,000	2,893,000

The fair value of the investment properties was determined based on level 2 valuation technique of the fair value hierarchy.

Valuation is performed by accredited independent valuers with recent experience in the location and category of properties being valued.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

18. INVESTMENT IN SUBSIDIARIES

	Company 2015 RM	Company 2014 RM
Unquoted shares in Malaysia, at cost	38,968,751	38,968,751

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

Name of subsidiaries	Principal activities	Proportion (%) of ownership interest 2015	Proportion (%) of ownership interest 2014
Oriental Food Industries Sdn. Bhd.	Manufacturing and marketing of snack food and confectioneries	100	100
OFI Properties Sdn. Bhd.	Property development	90	90
Held through Oriental Food Industries Sdn. Bhd.:			
Oriental Food Marketing (M) Sdn. Bhd.	Sales and marketing of snack food and confectioneries	100	100

19. Investment security

	Group 2015 RM	Group 2014 RM
Available-for-sale financial asset - Equity instrument (unquoted), at cost	372,438	372,438

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

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

20. Property development costs

Group

(a) Land held for property development

	Leasehold land RM
Cost/carrying amount:	
At 1 April 2013/31 March 2014 and 31 March 2015	957,769

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

20. PROPERTY DEVELOPMENT COSTS (CONTINUED)

(b) Property development costs

	Leasehold land RM	Development costs RM	Total RM
Cumulative property development costs:			
At 1 April 2013	4,973,071	11,208,725	16,181,796
Cost incurred during the year	-	750,256	750,256
Unsold units transferred to inventories	(1,126,397)	(2,708,699)	(3,835,096)
Reversal of completed project	(3,846,674)	(9,250,282)	(13,096,956)
At 31 March 2014 and 31 March 2015	-	-	-
Cumulative costs recognised in profit or loss:			
At 1 April 2013	4,032,274	8,596,460	12,628,734
Recognised during the year	282,213	747,169	1,029,382
Reversal of costs recognised for a cancelled sale	(467,813)	(93,347)	(561,160)
Reversal of completed project	(3,846,674)	(9,250,282)	(13,096,956)
At 31 March 2014 and 31 March 2015	-	-	-
Property development costs:			
At 31 March 2014 and **31 March 2015**	**-**	**-**	**-**

21. INVENTORIES

	Group 2015 RM	Group 2014 RM
Cost		
Raw materials	16,579,530	17,214,280
Work-in-progress	22,344	77,386
Finished goods	5,109,339	5,380,311
Trading goods	580,800	-
Development properties	3,835,096	3,835,096
	26,127,109	26,507,073

During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group was RM177,294,584 (2014: RM170,240,788).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

22. Trade and other receivables

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Trade receivables				
Third parties	35,039,089	31,381,262	-	-
Less: Allowance for impairment	(1,305,028)	(1,063,326)	-	-
Trade receivables, net	33,734,061	30,317,936	-	-
Other receivables				
Third parties	574,543	720,195	-	-
Amounts due from subsidiaries	-	-	26,755,325	27,813,076
Refundable deposits	1,149,777	966,428	15,000	15,000
Staff loans	82,821	83,000	-	-
	1,807,141	1,769,623	26,770,325	27,828,076
Total trade and other receivables	35,541,202	32,087,559	26,770,325	27,828,076
Add: Cash and bank balances, excluding investment in money market fund	32,416,464	26,566,178	170,218	190,391
Total loans and receivables	67,957,666	58,653,737	26,940,543	28,018,467

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 120 days (2014: 30 to 120 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

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

	Group	
	2015	2014
	RM	RM
Neither past due nor impaired	9,286,925	15,529,633
1 to 30 days past due not impaired	12,097,910	8,507,986
31 to 60 days past due not impaired	4,996,127	2,987,055
More than 61 days past due not impaired	7,353,099	3,293,262
	24,447,136	14,788,303
Impaired	1,305,028	1,063,326
	35,039,089	31,381,262

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

22. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables (continued)

Receivables that are neither past due nor impaired

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

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

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM24,447,136 (2014: RM14,788,303) that are past due at the reporting date but not impaired. These receivables are active accounts which the management considers to be recoverable.

Receivables that are impaired

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

	Group	
	2015 RM	2014 RM
Trade receivables - nominal amounts	1,305,028	1,063,326
Less: Allowance for impairment	(1,305,028)	(1,063,326)
	-	-

Movement in allowance accounts:

	Group	
	2015 RM	2014 RM
At 1 April	1,063,326	1,088,124
Impairment loss recovered during the year (Note 9)	-	(14,042)
Written off	-	(10,756)
Additions (Note 11)	241,702	-
At 31 March	1,305,028	1,063,326

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

(b) Related party balances

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

22. TRADE AND OTHER RECEIVABLES (CONTINUED)

(c) Staff loans

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

23. OTHER CURRENT ASSETS

	Group		Company	
	2015 RM	**2014 RM**	**2015 RM**	**2014 RM**
Advances to suppliers of property, plant and equipment	2,807,987	635,455	-	-
Prepaid operating expenses	627,912	693,149	21,151	11,152
Deposit placed in Bursa Malaysia Securities Berhad's dividend account	1,200,000	-	1,200,000	-
	4,635,899	1,328,604	1,221,151	11,152

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

	Group	
	2015 RM	**2014 RM**
Construction contract costs incurred to date	-	13,114,428
Attributable profits	-	6,317,544
	-	19,431,972
Less: Progress billings	-	(19,431,972)
	-	-

25. DERIVATIVES

	2015 RM		2014 RM	
	Contract/ Notional Amount	**(Liabilities)**	**Contract/ Notional Amount**	(Liabilities)
Non-hedging derivatives:				
Forward currency contracts	-	-	939,000	(40,650)

The Group used forward currency contracts to hedge the foreign currency risk exposure arising from the trade receivables denominated in USD. These contracts were not designated as cash flow or fair value hedges and entered into for periods consistent with currency transaction exposure. Such derivatives did not qualify for hedge accounting.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

26. CASH AND BANK BALANCES

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Cash at banks and on hand	26,067,195	20,418,624	170,218	190,391
Short term deposits with licensed banks	6,349,269	6,147,554	-	-
Investment in money market fund	1,052,176	1,019,345	-	-
Cash and bank balances	33,468,640	27,585,523	170,218	190,391

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

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Cash and bank balances	33,468,640	27,585,523	170,218	190,391
Bank overdraft (Note 27)	-	(1,276,928)	-	-
	33,468,640	26,308,595	170,218	190,391
(Less):				
Investment in money market fund	(1,052,176)	(1,019,345)	-	-
Cash and cash equivalents	32,416,464	25,289,250	170,218	190,391

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of between one month and three months depending on the immediate cash requirements of the Group and earn interests at respective short term deposit rates. The weighted average effective interest rate as at 31 March 2015 for the Group was 3.23% (2014: 3.17%) per annum.

The weighted average effective interest rate of investment in money market fund of the Group at the reporting date was 3.30% (2014: 3.03%) per annum.

27. LOANS AND BORROWINGS

		Group	
Current	**Maturity**	**2015 RM**	**2014 RM**
Unsecured:			
Bank overdraft (Note 26)		-	1,276,928
Bank loans:			
- RM loan at COF + 0.50% p.a.	2016	1,642,837	1,581,681
- RM loan at BFR - 2.35% p.a.	2016	1,315,040	-
		2,957,877	2,858,609

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

27. LOANS AND BORROWINGS (CONTINUED)

		Group	
		2014	2013
Current	**Maturity**	**RM**	**RM**
Non-current			
Unsecured:			
Bank loans:			
- RM loan at COF + 0.50% p.a.	2017	2,148,199	3,790,896
- RM loan at BFR - 2.35% p.a.	2020	6,684,960	-
		8,833,159	3,790,896
Total loans and borrowings (Note 28)		11,791,036	6,649,505

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

	Group	
	2015	**2014**
	RM	**RM**
On demand or within one year	2,957,877	2,858,609
More than 1 year and less than 2 years	3,072,936	1,642,843
More than 2 years but less than 5 years	4,871,355	2,148,053
More than 5 years	888,868	-
	11,791,036	6,649,505

Bank loans

These bank loans are secured by way of corporate guarantees by the Company.

28. TRADE AND OTHER PAYABLES

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Trade payables				
Third parties	13,730,514	14,716,907	-	-
Other payables				
Third parties	4,064,934	3,951,097	-	-
Accrued operating expenses	1,892,647	3,122,851	360,413	332,933
Amount due to a subsidiary	-	-	-	7,500
Dividend payable	1,200,000	1,200,000	1,200,000	1,200,000
	7,157,581	8,273,948	1,560,413	1,540,433

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

28. TRADE AND OTHER PAYABLES (CONTINUED)

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Total trade and other payables	20,888,095	22,990,855	1,560,413	1,540,433
Add: Loans and borrowings (Note 27)	11,791,036	6,649,505	-	-
Total financial liabilities carried at amortised cost	32,679,131	29,640,360	1,560,413	1,540,433

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on average 60 days (2014: 60 days) term.

(b) Other payables

These amounts are non-interest bearing. Other payables are normally settled on average 60 days (2014: 60 days) term.

29. DEFERRED TAX LIABILITIES

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

	Deferred tax liabilities	← Deferred tax assets →			
Group	Property, plant and equipment RM	Unabsorbed reinvestment allowances RM	Unabsorbed allowances for increase in export RM	Others RM	Total RM
At 1 April 2013	11,742,856	(5,046,500)	-	(121,000)	6,575,356
Recognised in profit or loss	380,170	1,581,845	-	(55,588)	1,906,427
At 31 March 2014 and 1 April 2014	12,123,026	(3,464,655)	-	(176,588)	8,481,783
Recognised in profit or loss	(753,319)	2,496,428	(278,802)	99,693	1,564,000
At 31 March 2014	11,369,707	(968,227)	(278,802)	(76,895)	10,045,783

30. Share capital

	Group and Company Number of ordinary shares of RM1 each		Group and Company Amount	
	2015	2014	2015	2014
Authorised				
At beginning and end of the year	100,000,000	100,000,000	100,000,000	100,000,000
Issued and fully paid				
At beginning and end of the year	60,000,000	60,000,000	60,000,000	60,000,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

30. SHARE CAPITAL (CONTINUED)

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

31. RETAINED EARNINGS

The Company may distributes dividends out of its entire retained earnings as at 31 March 2015 under the single tier system.

32. RELATED PARTY TRANSACTIONS

(a) Sale and purchase of goods and services

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

Group	2015 RM	2014 RM
Transactions with a company in which a director has interest:		
Sales of goods to Syarikat Perniagaan Chong Mah	3,949,684	4,738,381
Transaction with a company in which a director has interest:		
Rental income received from Skyline Motion Sdn. Bhd.	48,000	-
Company		
Transaction with a subsidiary:		
Dividend income received from Oriental Food Industries Sdn. Bhd.	6,329,598	4,146,978

(b) Compensation of key management personnel

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

33. Commitments

Capital commitments

Capital expenditure as at the reporting date is as follows:

	Group 2015 RM	Group 2014 RM
Capital expenditure approved and contracted for:		
Property, plant and equipment	9,350,000	12,442,000
Investment properties	2,133,000	-
	11,483,000	12,442,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

34. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

	Fair value measurement using			
	Quoted prices in active market Level 1	**Significant observable inputs Level 2**	**Significant unobservable inputs Level 3**	**Total**
	RM	**RM**	**RM**	**RM**
At 31 March 2015				
Financial asset:				
Investment in money market fund	-	1,052,176	-	1,052,176
At 31 March 2014				
Financial asset:				
Investment in money market fund	-	1,019,345	-	1,019,345
Financial liability:				
Foreign currency forward contracts (derivatives)	-	40,650	-	40,650

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

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

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

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

There have been no transfers between Level 1, Level 2 and Level 3 fair value measurements during the financial years ended 31 March 2015 and 31 March 2014.

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

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

	Note
Trade and other receivables	22
Trade and other payables	28
Loans and borrowings	27

34. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

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

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

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

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

(c) Fair value of financial instrument that is not carried at fair value and whose carrying amount is not reasonable approximations of fair value

		2015		2014	
	Note	**Carrying amount RM**	**Fair value RM**	**Carrying amount RM**	**Fair value RM**
Financial asset:					
Equity instrument (unquoted) at cost	19	372,438	*	372,438	*

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

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

(a) Market risk

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(i) Interest rate risk

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

Interest rate sensitivity

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

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's functional currency).

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

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

At the reporting date, the Group's cash and bank balances denominated in USD amounted to RM12,180,730 (2014: RM5,246,113). Approximately 31% (2014: 26%) of the Group's gross trade receivables is denominated in USD.

Sensitivity analysis for foreign currency risk

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

	Increase/(decrease) in Group's profit net of tax	
	2015	2014
	RM	RM
USD strengthened by 3% (2014: 3%)	622,000	322,000
USD weakened by 3% (2014: 3%)	(622,000)	(322,000)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk

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

(i) Trade receivables

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

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

At the reporting date, approximately 21.6% (2014: 10.7%) of the Group's gross trade receivables were due from two (2014: one) customer totaling RM7.56 million (2014: RM3.20 million).

A nominal amount of RM41 million (2014: RM33 million) relating to a corporate guarantee provided by the Company to banks for a subsidiary's bank loans.

(ii) Financial instruments and cash deposits

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

(c) Liquidity risk

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk (continued)

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

As at 31 March 2015	**Within one year RM**	**One to five years RM**	**Total RM**
Group			
Financial liabilities:			
Trade and other payables	20,888,095	-	20,888,095
Loans and borrowings	3,358,476	9,536,606	12,895,082
Total undiscounted financial liabilities	24,246,571	9,536,606	33,783,177
Company			
Financial liability:			
Trade and other payables	1,560,413	-	1,560,413
As at 31 March 2014			
Group			
Financial liabilities:			
Trade and other payables	22,990,855	-	22,990,855
Loans and borrowings	3,035,408	3,961,371	6,996,779
Total undiscounted financial liabilities	26,026,263	3,961,371	29,987,634
Company			
Financial liability:			
Trade and other payables	1,540,433	-	1,540,433

36. CAPITAL MANAGEMENT

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

36. CAPITAL MANAGEMENT (CONTINUED)

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

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Loans and borrowings	11,791,036	6,649,505	-	-
Trade and other payables	20,888,095	22,990,855	1,560,413	1,540,433
Less: - Cash and bank balances	(33,468,640)	(27,585,523)	(170,218)	(190,391)
Net debt	-	2,054,837	1,390,195	1,350,042
Equity attributable to owners of the parent	159,984,490	144,175,348	65,700,493	65,629,022
Capital and net debt	159,984,490	146,230,185	67,090,688	66,979,064
Gearing ratio	N/A	1.4%	2.1%	2.0%

37. SEGMENT INFORMATION

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

I. Manufacturing and marketing of snack food and confectioneries

II. Property development

III. Investment holding

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

37. SEGMENT INFORMATION (CONTINUED)

31 March 2015	Manufacturing and marketing of snack food and confectioneries RM	Property development RM	Investment holding RM	Adjustments and eliminations RM	Notes	Per consolidated financial statements RM
Revenue:						
External customers	237,028,031	-	-	-		237,028,031
Inter-segment	-	-	6,329,598	(6,329,598)	A	-
Total revenue	237,028,031	-	6,329,598	(6,329,598)		237,028,031
Results:						
Interest income	285,416	718	24	-		286,158
Depreciation of:						
- Property, plant and equipment	7,617,350	-	-	-		7,617,350
- Investment properties	15,783	-	-	-		15,783
Other non-cash expenses	(243,930)	-	-	-	B	(243,930)
Segment profit	25,409,341	14,459	5,771,471	(5,771,447)	C	25,423,824
Assets:						
Additions to non-current assets	17,581,238	-	-	-	D	17,581,238
Segment assets	195,508,420	6,762,377	1,536,830	-	E	203,807,627
Segment liabilities	41,586,941	31,995	1,560,413	-	F	43,179,349
31 March 2014						
Revenue:						
External customers	225,189,212	1,700,094	-	-		226,889,306
Inter-segment	-	-	4,146,978	(4,146,978)	A	-
Total revenue	225,189,212	1,700,094	4,146,978	(4,146,978)		226,889,306
Results:						
Interest income	247,509	570	27	-		248,106
Depreciation of:						
- Property, plant and equipment	6,823,877	-	-	-		6,823,877
- Investment properties	15,783	-	-	-		15,783
Other non-cash expenses	1,511,094	-	-	-	B	1,511,094
Segment profit	20,142,010	499,404	3,563,015	(3,563,015)	C	20,641,414

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

37. SEGMENT INFORMATION (CONTINUED)

31 March 2014	Manufacturing and marketing of snack food and confectioneries RM	Property development RM	Investment holding RM	Adjustments and eliminations RM	Notes	Per consolidated financial statements RM
Assets:						
Additions to non-current assets	6,032,816	-	-	-	D	6,032,816
Segment assets	176,455,052	7,088,385	-	-	E	183,543,437
Segment liabilities	38,073,080	651,301	-	-	F	38,724,381

A Inter-segment revenues are eliminated on consolidation.

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

	2015 RM	2014 RM
Impairment loss on trade receivables	(241,702)	-
Property, plan and equipment written off	(1)	-
Inventories written off	(868,103)	(862,046)
Unrealised gain/(loss) on foreign exchange	1,353,736	(649,048)
	243,930	(1,511,094)

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

	2015 RM	2014 RM
Dividend income from inter-segment	6,329,598	4,146,978
Unallocated corporate expenses	(558,151)	(583,963)
	5,771,447	3,563,015

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

37. SEGMENT INFORMATION (CONTINUED)

Geographical information

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

	Revenues	
	2015	**2014**
	RM	**RM**
Malaysia	107,142,272	108,219,958
Asia	80,413,061	74,431,092
Others	49,472,698	44,238,256
	237,028,031	226,889,306

38. DIVIDENDS

	Group and Company	
	20145	**2014**
	RM	**RM**
Recognised during the financial year:		
Dividends on ordinary shares:		
- Final single tier dividend for 2014: 3.5 sen (2013: 2 sen) per share	2,100,000	1,200,000
- First interim single tier dividend for 2015: 2 sen (2014: 2 sen) per share	1,200,000	1,200,000
- Second interim single tier dividend for 2015: 2 sen (2014: 2 sen) per share	1,200,000	1,200,000
- Third interim single tier dividend for 2015: 2 sen (2014: 2 sen) per share	1,200,000	1,200,000
	5,700,000	4,800,000
Proposed but not recognised as a liability as at 31 March:		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
- Final single tier dividend for 2015: 2 sen (2014: 3.5 sen) per share	1,200,000	2,100,000

At the forthcoming Annual General Meeting, a final single tier dividend in respect of the financial year ended 31 March 2015, of 2% on 60,000,000 ordinary shares, amounting to a dividend payable of RM1,200,000 (2 sen per share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2016.

39. SUBSEQUENT EVENTS

On 21 May 2015, the Company announced that it proposes to undertake the following proposals:

i) Proposed bonus issue of 60,000,000 new ordinary shares of RM1.00 each ("Bonus share(s)") on the basis of one (1) Bonus Share for every one (1) existing ordinary share of RM1.00 each in the Company ("OFI Share(s)") held by the entitled shareholders of the Company on an entitlement date to be determined and announced later ("Entitlement Date") ("Proposed Bonus Issue");

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

39. SUBSEQUENT EVENTS (CONTINUED)

ii) Proposed share split involving the subdivision of every one (1) OFI share into two (2) new ordinary shares of RM0.50 each in the Company ("subdividend share(s)") after completion of the Proposed Bonus Issue ("Proposed Share Split");

iii) Proposed increase in the authorised share capital of the Company from RM100,000,000 comprising 100,000,000 OFI shares to RM200,000,000 comprising 400,000,000 subdivided share ("Proposed Increase in Authorised Share Capital"); and

iv) Proposed amendments to the Memorandum and Articles of Association of the Company to facilitate the implementation of the Proposed Bonus Issue and Proposed Share Split ("Proposed Amendments").

The above proposals are still on-going as at the date of financial statements were authorised for issue.

On 21 May 2015, the Company declared an interim single tier dividend in respect of the financial year ended 31 March 2015 of 5% on 60,000,000 ordinary shares, amounting to RM3,000,000 which will be recognised in the financial year ending 31 March 2016.

40. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 March 2015 were authorised for issue in accordance with a resolution of the directors on 22 July 2015.

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

The breakdown of the retained earnings of the Group and of the Company as at 31 March 2015 into realised and unrealised earnings is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Total retained earnings of the Company and its subsidiaries:				
- Realised	138,939,807	123,506,816	169,499	98,028
- Unrealised	(8,692,047)	(9,171,481)	-	-
	130,247,760	114,335,335	169,499	98,028
Less: Consolidated adjustments	(30,263,270)	(30,159,987)	-	-
Retained earnings as per financial statements	99,984,490	84,175,348	169,499	98,028

ANALYSIS OF SHAREHOLDINGS

AS AT 30 JUNE 2015

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

Distribution of Shareholders

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	26	2.5692	792	0.0013
100 - 1,000	185	18.2806	135,760	0.2263
1,001 - 10,000	603	59.5850	2,198,948	3.6649
10,001 - 100,000	144	14.2292	4,233,099	7.0552
100,001 - less than 5% of issued shares	52	5.1383	26,542,971	44.2383
5% and above of issued shares	2	0.1976	26,888,430	44.8141
	1,012	**100.0000**	**60,000,000**	**100.0000**

List of Thirty Largest Shareholders

No.	Name of Shareholders	Total No. of Shares Held	%
1	Datuk Son Chen Chuan	18,307,383	30.51
2	Syarikat Perniagaan Chong Mah Sdn. Bhd.	8,581,047	14.30
3	Thung Shung (M) Sdn Bhd	2,939,177	4.90
4	HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (M) Trustee Bhd for RHB-OSK Kidsave Trust (3621)	2,805,400	4.68
5	Summer Legend Sdn. Bhd.	1,827,300	3.05
6	Son Tong Eng	1,280,124	2.13
7	HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (M) Trustee Bhd for RHB Smart Treasure Fund	1,205,000	2.01
8	Citigroup Nominees (Asing) Sdn Bhd Goldman Sachs International	1,028,700	1.71
9	Pah Hey Ee	1,005,462	1.68
10	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Datuk Son Tong Leong (MY1225)	900,000	1.50
11	Lim Wei Hong	827,100	1.38
12	Lim Keat Sear	733,753	1.22
13	Lim Siew Guat	681,700	1.14
14	Lee Siew Geok	630,521	1.05
15	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ting Siew Pin (8118995)	625,800	1.04

ANALYSIS OF SHAREHOLDINGS
AS AT 30 JUNE 2015

No.	Name of Shareholders	Total No. of Shares Held	%
16	Lee Kong Hooi	615,000	1.03
17	HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (M) Trustee Bhd for CIMB-Principal Malaysia Equity Fund	552,300	0.93
18	Summer Legend Sdn. Bhd.	530,800	0.89
19	Cartaban Nominees (Tempatan) Sdn Bhd TMF Trustees Malaysia Berhad for RHB-OSK Private Fund- Series 6	450,000	0.75
20	Son Mei Chin	439,800	0.73
21	Son Kee Geok	432,224	0.72
22	Chew Tee Yong	428,900	0.71
23	Ong Chin Chien	417,200	0.70
24	HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (M) Trustee Bhd for RHB-OSK Growth and Income Focus Trust (4892)	400,000	0.67
25	HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (M) Trustee Bhd for RHB-OSK Dana Kidsave	400,000	0.67
26	Son Chew Pheng	398,200	0.66
27	Affin Hwang Nominees (Asing) Sdn Bhd DBS Vickers Secs (S) Pte Ltd for Punit Khanna	339,000	0.57
28	Malacca Equity Nominees (Tempatan) Sdn. Bhd Pledged Securities Account for Datuk Son Tong Leong	326,000	0.54
29	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for CIMB Islamic Balanced Growth Fund (230122)	291,000	0.49
30	Apendo Capital Sdn Bhd	277,500	0.46

Substantial Shareholders

Name	Direct No. of Shares	%	Indirect No. of Shares	%
Datuk Son Chen Chuan	18,307,383	30.51	4,184,523 (1)	7.00
Lim Keat Sear	733,753	1.22	11,798,224 (2)	19.66
Syarikat Perniagaan Chong Mah Sdn. Bhd.	8,581,047	14.30	-	-

Notes:

(1) Deemed interested by virtue of his substantial shareholdings in Apendo Capital Sdn. Bhd. and shares held by his children.

(2) Deemed interested pursuant to Section 6A of the Act by virtue of his substantial shareholding in Apendo Capital Sdn. Bhd., Syarikat Perniagaan Chong Mah Sdn Bhd and Thung Shung (M) Sdn Bhd.

ANALYSIS OF SHAREHOLDINGS

AS AT 30 JUNE 2015

Analysis of Shareholdings as at 30 June 2015

Directors Shareholdings

Name	Direct No. of Shares	%	Indirect No. of Shares	%
Datuk Son Chen Chuan	18,307,383	30.51	4,184,523 [1]	7.00
Hoo Beng Lee	70,221	0.117	-	-
Lim Keat Sear	733,753	1.22	11,798,224 [2]	19.66
Datuk Son Tong Leong	1,356,175	2.26	-	-
Son Tong Eng	1,280,124	2.13	-	-

Notes:

(1) Deemed interested pursuant to Section 6A of the Act by virtue of his substantial shareholdings in Apendo Capital Sdn. Bhd. and shares held by his children.

(2) Deemed interested pursuant to Section 6A of the Act by virtue of his substantial shareholdings in Apendo Capital Sdn. Bhd., Syarikat Perniagaan Chong Mah Sdn Bhd and Thung Shung (M) Sdn Bhd.

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 31.03.2015 (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 from 3 to 16 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	17,811,905
2	Factory complexes with a total built up area of approximately 6,235 square metres. The age of the building range from 16 to 17 years	Plot No. 96A & 96B, Jalan Usaha 7, Ayer Keroh Industrial Estate, 75450 Melaka	9,519	Leasehold (99 years) expiring on 2 September 2078 & 13 January 2080 respectively	25 Nov 1993 (Plot No. 96A) 12 Nov 1990 (Plot No. 96B)	3,349,780
3	Factory complex with a built up area of approximately 4,896 square metres. The age of the buildings are approximately 26 years	No. 127-C, Jalan Usaha 9, Ayer Keroh Industrial Estate, 75450 Melaka	7,564	Leasehold (99 years) expiring 4May 2082	9 Sept 1998	2,170,584
4	2 units of semi detached factory buildings with a total built up area of approximately 2,303 square metres. The age of the buildings are approximately 38 years	No. 85 & 86, Ayer Keroh Industrial Estate, 75450 Melaka.	4,140	Leasehold (99 years) expiring 30 May 2072	8 Sept 1986 (No. 85) 1980 (No. 86)	1,160,800
5	Vacant Industrial Land*	Lot No. 7521 (Plot 5), Ayer Keroh Industrial Estate, Phase 4, 75450 Melaka.	19,066	Leasehold (99 years) expiring 24 May 2072	10 Aug 1991	2,475,819
6	2 units of 3-Storey Shop Office with a total built up area of approximately 662.21 square metres. The age of the buildings are approximately 18 years	No. 7, 7A & 7B and No. 9. 9A & 9B, Jalan Melaka Raya 11, Taman Melaka Raya, 75000 Melaka.	286	Leasehold (99 years) expiring 7 July 2093	19 Oct 1992 (No. 7, 7A & 7B) 21 Oct 1992 (No. 9, 9A & 9B))	479,837
7	Vacant Land	Lot No. 6148, Mukim Bukit Katil, Daerah Melaka Tengah, Negeri Melaka.	1,077	Freehold	4 Dec 1999	173,895
8	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 31.03.2015 (RM)
9	Semi detached factories with a built up area of approximately 478 square metres. The age of the building is approximately 10 years (4)	No. 20, Jalan TPP 1/1A, Taman Industri Puchong, Batu 12, Jalan Puchong, 47100 Puchong, Selangor	1,407	Freehold	10 Jul 2002	1,367,079
10	Industrial Land together with a factory building	Lot 97, Jalan Usaha 7, Ayer Keroh Industrial Estate, 75450 Melaka	42,640	Leasehold (99 years) expiring 30 May 2072	23 Jun 2014	12,088,188

Notes:

- Properties No. 1 to 5 were revalued by Messrs C. H. Williams Talhar & Wong on 15 March 2013 and Property No. 10 on 17 December 2014.
- * On 21 July 2015 a Sale and Purchase Agreement was entered between Oriental Food Industries Sdn Bhd and Longma Paper Industry Sdn Bhd for the disposal of the said property.

OTHER INFORMATION

1. **Share Buy-Back**

   The Company did not make any share buy-back during the financial year.

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

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

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

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

4. **Non-audit Fees**

   The amount of non-audit fees paid to the external auditors by the Group for the financial year ended 31 March 2015 amounted to RM5,000.00.

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

   There was no deviation of ten percent (10%) or more between the profit after tax and minority interest stated in the announced unaudited results and the audited financial statements accounts of the Group for the financial year ended 31 March 2015.

6. **Profit Guarantees**

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

7. **Material Contracts**

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

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

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

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

9. **Revaluation of Landed Properties**

   The Group had previously adopted the policy of regular revaluation on the Group's landed properties. Upon transition to MFRS, the Group has elected to measures all its landed properties using cost model and regard the carrying amounts at valuation of landed properties as at 31 March 2013 as deemed cost at the date of transition. The details are stated in Note 4 (a) of the financial statements.

10. **Recurrent Related Parties Transactions**

    Pursuant to a Shareholders' Mandate obtained on 28 August 2014, 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 RM3,597,185 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.

This page is intentionally left blank.

FORM OF PROXY

ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD

(Company No : 389769-M)
(Incorporated in Malaysia)

No. of ordinary shares held	

I/We ____
(Full Name in Capital Letters)

of ____
(Full address)

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

____
(Full Name in Capital Letters)

of ____
(Full address)

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

of ____
(Full address)

as * my/our proxy/proxies to attend and vote for *me/us and on *my/our behalf at the 19th Annual General Meeting of the Company, to be held at Tiara Banquet Hall, Tiara Melaka Golf and Country Club, Jalan Gapam, Bukit Katil, 75760 Melaka on Wednesday, 26 August 2015 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 Single Tier Final Dividend of RM0.02 per share for the financial year ended 31 March 2015.	Resolution 1		
2	To approve the payment of Directors' Fees totalling RM360,000.00 for the financial year ended 31 March 2015.	Resolution 2		
3	To re-elect the following Directors pursuant to Article 75 of the Company's Articles of Association:			
	3.1 Mr. Son Tong Eng	Resolution 3		
	3.2 Mr. Lim Keat Sear	Resolution 4		
	3.3 Datuk Jefferey Ong Cheng Lock	Resolution 5		
4	To re-appoint Y. Bhg. Tan Sri Dato' Azizan Bin Husain pursuant to Section 129(6) of the Companies Act, 1965.	Resolution 6		
5	To re-appoint Messrs. Ernst & Young as Auditors of the Company and to authorise the Directors to determine their remuneration.	Resolution 7		
	As Special Business			
6	To approve continuation in office of Y. Bhg. Tan Sri Dato' Azizan Bin Husain as an Independent Non-Executive Director of the Company.	Resolution 8		
7	To approve continuation in office of Mr. Lim Hwa Yu as an Independent Non-Executive Director of the Company.	Resolution 9		
8	To authorise the Directors to issue shares pursuant to Section 132D of the Companies Act, 1965.	Resolution 10		
9	To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature.	Resolution 11		
10	To approve the Proposed Share Buy-Back	Resolution 12		

(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 his/her 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 ____________ 2015.

____
Signature

Notes :

1. In regard of deposited securities, only members whose names appear in the Record of Depositors as at 19 August 2015 ("General Meeting Record of Depositors") shall be eligible to attend and vote at the Meeting.
2. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy may but need not be a member of the Company. Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
3. A member may appoint more than two (2) proxies to attend the same meeting. Where a member appoints two (2) or more proxies, the proxies shall not be valid unless the member specifies the proportion of his shareholdings to be represented by each proxy.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy in the case of an individual shall be signed by the appointor or his attorney and in the case of corporation the instrument appointing a proxy or proxies must be under seal or under the hand of an officer or attorney duly authorised.
6. The instrument appointing proxy shall be deemed to confer authority to demand or join in demanding a poll.
7. The instrument appointing a proxy must be deposited at the Registered Office at Level 8, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan at least forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
8. Proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting. There shall be no restriction as to the qualification of the proxy.

Fold this flap for sealing

AFFIX
STAMP
HERE

THE COMPANY SECRETARY

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

Fold this flap for sealing

ORIENTAL

ORIENTAL FOOD
INDUSTRIES HOLDINGS BERHAD
NO. SYARIKAT 389769-M

www.ofih.com.my www.jacker.com.my

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