

OVERSEA ENTERPRISE BERHAD (317155-U)
UNAUDITED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2018

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year to Date Ended	Preceding 6 Months Corresponding Period Ended
	31-Dec-18 RM'000	31-Dec-17 RM'000	31-Dec-18 RM'000	31-Dec-17 RM'000
Revenue	11,511	12,369	42,238	43,354
Cost of sales	(4,362)	(5,096)	(17,140)	(17,692)
Gross profit	7,149	7,273	25,098	25,662
Other operating income	1,035	1,007	2,771	2,777
Administration expenses	(2,512)	(2,429)	(7,322)	(7,325)
Selling and Distribution expenses	(7,502)	(7,290)	(22,088)	(22,560)
Operating loss	(1,830)	(1,439)	(1,541)	(1,446)
Share of results in associates	260	172	614	363
Loss before interest and tax	(1,570)	(1,267)	(927)	(1,083)
Finance costs	(21)	(14)	(53)	(51)
Loss before taxation	(1,591)	(1,281)	(980)	(1,134)
Income tax	(139)	(234)	(656)	(660)
Loss after taxation	(1,730)	(1,515)	(1,636)	(1,794)
Other comprehensive income/(expense)				
Fair value changes of available-for-sale financial assets	(4)	18	(5)	(1)
Foreign currency translation	9	59	(224)	113
Total comprehensive expense	(1,725)	(1,438)	(1,865)	(1,682)
Loss attributable to:				
Owners of the Company	(1,730)	(1,495)	(1,636)	(1,745)
Non-controlling interest	-	(20)	-	(49)
	(1,730)	(1,515)	(1,636)	(1,794)
Total comprehensive expense attributable to:				
Owners of the Company	(1,725)	(1,418)	(1,865)	(1,633)
Non-controlling interest	-	(20)	-	(49)
	(1,725)	(1,438)	(1,865)	(1,682)
Weighted average ordinary shares in issue ('000)	242,515	242,221	242,515	242,223
Losses per share (sen):				
- Basic	(0.71)	(0.62)	(0.67)	(0.72)

Notes:

- (i) Basic earnings per share for the quarter and financial period is calculated based on the profit divided by the weighted average number of ordinary shares for the quarter and financial period respectively.
- (ii) The unaudited condensed consolidated statements of comprehensive income should be read in conjunction with the annual audited accounts for the financial year ended 31 March 2018 and the accompanying explanatory notes attached to this interim financial report.

OVERSEA ENTERPRISE BERHAD (317155-U)
UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	UNAUDITED	AUDITED
	As at	As at
	31-Dec-18	31-Mar-18
	RM'000	RM'000
ASSETS		
Non-current assets		
Investment in associate	1,709	1,600
Property, plant and equipment	49,692	47,465
Investment properties	2,450	2,450
Other investments	136	141
Intangible assets	64	91
Long-term receivables	44	82
Deferred tax asset	49	49
	<u>54,144</u>	<u>51,878</u>
Current Assets		
Inventories	5,409	5,516
Trade and other receivables	5,402	3,093
Amount due from an associate	140	140
Tax refundable	348	277
Short-term investment with financial institutions	45	43
Deposits, bank and cash balances	6,257	11,236
	<u>17,601</u>	<u>20,305</u>
TOTAL ASSETS	<u>71,745</u>	<u>72,183</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	49,283	49,283
Reserves	8,038	9,903
Total equity attributable to owners of the Company	<u>57,321</u>	<u>59,186</u>
Non-controlling interest	-	-
Total equity	<u>57,321</u>	<u>59,186</u>
Non-current liabilities		
Hire purchase creditors	265	236
Term loans	1,242	1,279
Deferred taxation	5,736	5,792
	<u>7,243</u>	<u>7,307</u>
Current Liabilities		
Trade and other payables	6,662	5,378
Provision for tax	379	188
Hire purchase creditors	82	67
Term loans	58	57
	<u>7,181</u>	<u>5,690</u>
Total liabilities	<u>14,424</u>	<u>12,997</u>
TOTAL EQUITY AND LIABILITIES	<u>71,745</u>	<u>72,183</u>
Net Assets Per Share Attributable to ordinary equity holders of the Company (RM)	0.24	0.24

Notes:-

- (i) The unaudited condensed statement of financial position should be read in conjunction with the annual audited accounts for the financial year ended 31 March 2018 and the accompanying explanatory notes attached to this interim financial report.

OVERSEA ENTERPRISE BERHAD (317155-U)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018

	Attributable to equity holders of the Company						Total	Non-Controlling Interest	Total Equity	
	Non-Distributable					Distributable Retained Profits/ (Accumulated Losses)				
	Share Capital	Share Premium	Fair Value Reserve	Treasury Reserve	Revaluation Reserve					Foreign Exchange Translation Reserve
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
The Group										
Balance as at 1 April 2018	49,283	1,038	(63)	(835)	17,871	(56)	(8,052)	59,186	-	59,186
Loss after taxation	-	-	-	-	-	-	(1,636)	(1,636)	-	(1,636)
Other comprehensive expense:										
- loss on fair value changes of available-for-sale financial assets	-	-	(5)	-	-	-	-	(5)	-	(5)
- Foreign currency translation	-	-	-	-	-	(224)	-	(224)	-	(224)
Total other comprehensive expenses	-	-	(5)	-	-	(224)	(1,636)	(1,865)	-	(1,865)
Amortisation of revaluation reserve	-	-	-	-	(178)	-	178	-	-	-
Balance as at 31 December 2018	49,283	1,038	(68)	(835)	17,693	(280)	(9,510)	57,321	-	57,321
Balance as at 1 April 2017	49,283	1,038	(20)	(867)	18,109	(520)	(3,696)	63,327	-	63,327
Loss after taxation	-	-	-	-	-	-	(4,789)	(4,789)	(70)	(4,859)
Other comprehensive expense:										
- loss on fair value changes of available-for-sale financial assets	-	-	(1)	-	-	-	-	(1)	-	(1)
- transfer to profit or loss upon disposal of available-for-sale financial assets	-	-	(42)	-	-	-	-	(42)	-	(42)
- Foreign currency translation	-	-	-	-	-	392	-	392	11	403
Total other comprehensive (expenses)/income	-	-	(43)	-	-	392	(4,789)	(4,440)	(59)	(4,499)
Transactions with owners of the Company:										
- treasury shares sold	-	-	-	32	-	-	9	41	-	41
- Issuance of shares by a subsidiary to non-controlling interest	-	-	-	-	-	-	-	-	85	85
- changes in ownership interests in subsidiary that do not result in loss of control	-	-	-	-	-	23	186	209	(210)	(1)
- disposal of a subsidiary	-	-	-	-	-	49	-	49	184	233
Total transaction with owners	-	-	-	32	-	72	195	299	59	358
Amortisation of revaluation reserve	-	-	-	-	(238)	-	238	-	-	-
Balance as at 31 March 2018	49,283	1,038	(63)	(835)	17,871	(56)	(8,052)	59,186	-	59,186

Note:-

(i) The unaudited condensed consolidated statements of changes in equity should be read in conjunction with the annual audited accounts for the financial year ended 31 March 2018 and the accompanying explanatory notes attached to this interim financial report.

OVERSEA ENTERPRISE BERHAD (317155-U)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASHFLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018

	Current Year Ended 31 December 2018 RM'000	Preceding Year to Date Ended 31 December 2017 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Loss before taxation	(980)	(1,134)
Adjustments for:-		
Amortisation of intangible assets	14	27
Depreciation of property, plant & equipment	2,138	2,032
Impairment loss for investment in associate	147	-
Interest expense	52	55
Trade mark written off	23	-
Gain on disposal of plant and equipment	-	(4)
Property, plant and equipment written off	205	-
Share of profits in associates, net of income tax expense	(614)	(363)
Interest income	(147)	(246)
Operating profit before working capital changes	838	367
Decrease in inventories	107	25
Increase in trade and other receivables	(1,306)	(2,003)
Increase in trade and other payables	1,285	1,546
CASH FROM/(FOR) OPERATIONS	924	(65)
Income tax paid	(779)	(738)
Income tax refunded	186	250
NET CASH FROM/(FOR) OPERATING ACTIVITIES	331	(553)
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	147	246
Redemption of preferred share from associate company	118	-
Investment in associate company	-	(637)
Proceeds from disposal of:		
- property, plant and equipment	-	4
Purchase of property, plant and equipment	(4,570)	(1,643)
Deposits paid for renovation work	(963)	(1,258)
Proceeds from disposal of own shares	-	41
Dividend income	240	-
Payment for intangible assets	(10)	(11)
NET CASH FOR INVESTING ACTIVITIES	(5,038)	(3,258)
CASH FLOWS FOR FINANCING ACTIVITIES		
Interest paid	(52)	(55)
Repayment of hire purchase obligations	(56)	(27)
Repayment of term loans	(36)	(40)
HP facilities granted	99	-
Proceeds from issuance of shares to non controlling interest	-	85
NET CASH FOR FINANCING ACTIVITIES	(45)	(37)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,752)	(3,848)
EFFECT OF FOREIGN EXCHANGE TRANSLATION	(225)	142
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	11,279	15,716
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	6,302	12,010
CASH AND CASH EQUIVALENTS COMPRISES:-		
Short-term investment with financial institution	45	43
Short term and fixed deposits with licensed banks	1,793	5,666
Cash and bank balances	4,464	6,301
	6,302	12,010

Note:-

- (i) The unaudited condensed consolidated statements of cash flow should be read in conjunction with the annual audited accounts for the financial year ended 31 March 2018 and the accompanying explanatory notes attached to this interim financial report.

NOTES TO THE QUARTERLY REPORT

PART A – EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARDS ("FRS") 134: INTERIM FINANCIAL REPORTING

A1. Basis Of Preparation

The interim financial statements are unaudited and have been prepared in accordance with IAS 134: Interim Financial Reporting and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

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

The interim financial statements should be read in conjunction with the audited financial statements for year ended 31 March 2018 and the accompanying explanatory notes attached to the interim financial report.

A2. Adoption Of New And Revised Accounting Policies

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

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 16 Leases	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
IC Interpretation 23 Uncertainty Over Income Tax Treatments	1 January 2019
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Annual Improvements to MFRS Standards 2015 – 2017 Cycles	1 January 2019

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

**OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2018**

A3. Auditors' Report On Preceding Annual Financial Statements

The auditors' report on the preceding audited financial statements of the Company and its subsidiaries for the financial year ended 31 March 2018 were not subject to any qualification.

A4. Seasonal Or Cyclical Factors

For the financial quarter under review, there were no major seasonal nor cyclical factors affecting the Group's business operation.

A5. Unusual items due to their nature, size and incidence

There were no unusual items affecting the assets, liabilities, equity, net income or cash flow of the Group in the current financial quarter under review.

A6. Changes In Estimates

There were no changes in estimates of amounts reported in prior financial years that have had a material effect in the current financial quarter under review.

A7. Changes In Debt and Equity Securities

There were no issuance, repurchases and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial quarter under review.

A8. Dividend Paid

No dividend was paid during the current financial quarter under review.

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OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2018

A9. Segmental Information

The Group is organized into the following operating segments:-

- a) Restaurant
- b) Manufacturing and wholesale of baked products ("Manufacturing")
- c) Others i.e. investment holdings and central purchasing of high value stocks such as shellfish, shark's fin, dried seafood, meat and other consumables.

Segmental Reporting

	Restaurant		Manufacturing	Others	Eliminations	Consolidated
	Malaysia	Foreign*				
	RM' 000	RM' 000				
3 months period ended						
31 December 2018						
Revenue from						
External customers	10,875	432	204	-	-	11,511
Inter-segment revenue	74	-	27	37	(138)	-
Total revenue	10,949	432	231	37	(138)	11,511
(Loss)/Profit before taxation	(617)	(151)	(511)	226	(538)	(1,591)
Income tax						(139)
Loss after taxation						(1,730)
Other comprehensive income						5
Total comprehensive expense						(1,725)
9 months ended 31 December						
2018						
Revenue from						
External customers	28,681	1,241	12,315	1	-	42,238
Inter-segment revenue	198	-	7,454	96	(7,748)	-
Total revenue	28,879	1,241	19,769	97	(7,748)	42,238
(Loss)/Profit before taxation	(3,261)	(418)	2,708	625	(634)	(980)
Income tax						(656)
Loss after taxation						(1,636)
Other comprehensive expense						(229)
Total comprehensive expense						(1,865)

*Note: Comprises Ipoh Group Limited (Hong Kong)

OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2018

A9. Segmental Information (Cont'd)

Segmental Reporting

	Restaurant		Manufacturing	Others	Eliminations	Consolidated
	Malaysia	Foreign*				
	RM' 000	RM' 000				
3 months period ended 31 December 2017						
Revenue from						
External customers	10,609	1,319	440	1	-	12,369
Inter-segment revenue	56	-	326	3	(385)	-
Total revenue	10,665	1,319	766	4	(385)	12,369
Profit/(Loss) before taxation	122	(438)	(932)	98	(131)	(1,281)
Income tax						(234)
Loss after taxation						(1,515)
Other comprehensive income						77
Total comprehensive expense						(1,438)
9 months ended 31 December 2017						
Revenue from						
External customers	28,194	3,976	11,183	1	-	43,354
Inter-segment revenue	77	-	6,539	18	(6,634)	-
Total revenue	28,271	3,976	17,722	19	(6,634)	43,354
(Loss)/Profit before taxation	(1,864)	(1,073)	1,980	81	(258)	(1,134)
Income tax						(660)
Loss after taxation						(1,794)
Other comprehensive income						112
Total comprehensive expense						(1,682)

*Note: Comprises Ipoh Group Limited (Hong Kong) and Taiwan Haewaytian Limited (Taiwan)

	Restaurant		Manufacturing	Others	Eliminations	Consolidated
	Malaysia	Foreign*				
	RM' 000	RM' 000				
As at 31 December 2018						
Segmented assets	42,644	148	26,386	2,567	-	71,745
Unallocated assets						(397)
						71,348
As at 31 December 2017						
Segmented assets	42,709	1,965	29,355	2,099	-	76,128
Unallocated assets						(792)
						75,336

*Note: Comprises Ipoh Group Limited (Hong Kong) in Year 2017 and 2018 and Taiwan Haewaytian Limited (Taiwan) in Year 2017 only.

OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2018

A10. Valuation Of Property, Plant and Equipment

There was no valuation exercise performed on the property, plant and equipment during the current financial quarter under review.

A11. Operating Lease Commitments

Non-cancellable lease commitments of the Group as at 31 December 2018 is as follows:-

	RM'000
Current:	
- within one year	2,727
Non-current:	
- between one and two years	2,153
- between two and five years	677
Total	<u>5,557</u>

A12. Material Events Subsequent To The End Of The Current Financial Quarter

There were no material events subsequent to the end of the current financial quarter.

A13. Changes In Composition Of The Group

There were no changes in the composition of the Group during the financial quarter under review.

A14. Contingent Liabilities Or Contingent Assets

Contingent liabilities of the Group comprise the following:

	As at 31.12.2018 RM'000	Audited 31.03.2018 RM'000
<u>Corporate guarantees given by the Company to financial institutions for facilities granted to subsidiaries</u>		
- Total facilities granted	6,743	6,743
- Current Exposure	1,753	1,784

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OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2018

A15. Significant Related Party Transactions

The Group had entered into the following transactions during the current financial quarter with related parties in which certain directors of the Company have substantial financial interest:-

Transactions	Current financial quarter ended 31.12.2018 RM'000	Current financial year to-date 31.12.2018 RM'000
Rental paid to a Director	46	138
Rental paid to related parties ⁽¹⁾	281	928

Note:

(1) These parties are related to directors who are also substantial shareholders of Oversea Enterprise Berhad.

All the above transactions were carried out on the terms and conditions not materially different from those obtainable in transactions with non-related parties and in the ordinary course of business of the Company.

A16. Capital Commitments

There is no outstanding commitment in respect of capital expenditure at the end of the reporting period not provided for in the interim financial statements, other than as disclosed below:

	Amount (RM'000)
Authorised but not contracted for:	
Property, plant and equipment	<u>822</u>

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PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review Of Group’s Performance and Segmental Analysis

(A) Overall Review of Group’s Financial Performance

	Individual Quarter 3 Months ended		Changes (%)	Cumulative Period ended		Changes (%)
	31.12.2018	31.12.2017		31.12.2018	31.12.2017	
RM'000	Unaudited	Unaudited		Unaudited	Unaudited	
Revenue	11,511	12,369	-6.9%	42,238	43,354	-2.6%
Operating Loss	(1,830)	(1,439)	27.2%	(1,541)	(1,446)	6.6%
Loss Before Interest and Tax	(1,570)	(1,267)	23.9%	(927)	(1,083)	-14.4%
Loss Before Tax	(1,591)	(1,281)	24.2%	(980)	(1,134)	-13.6%
Loss After tax	(1,730)	(1,515)	14.2%	(1,636)	(1,794)	-8.8%
Loss Attributable to Ordinary Equity Holders of the Parent	(1,730)	(1,495)	15.7%	(1,636)	(1,745)	-6.2%

(i) Statement of profit and loss and other comprehensive income

The Group recorded revenue of RM11.5 million for the quarter ended 31 December 2018, posted a decline in revenue of 6.9% as compared to RM12.4 million in the quarter ended 31 December 2017. The drops in revenue were mainly due to the disposal of Taiwan Haewaytian Limited.

The Group posted loss before tax (LBT) of RM1.6 million for the quarter ended 31 December 2018, indicating an increase of 24.2% as compared to LBT of RM1.28 million in the quarter ended 31 December 2017. The higher LBT arises from restaurant segment by an additional RM1.0 million losses. However, the impact was offset by lower losses of RM0.4 million from manufacturing segment.

Gross margin grew from 59% to 62% for current quarter compared to last year quarter. The cumulative gross margins are maintained at 59% for same cumulative quarter under review.

Group revenue for the nine months ended 31 December 2018 stood at RM42.2 million. This was RM1.2 million lower than the same period last year, which was RM43.4 million. The decrease was mainly attributable to restaurant segment with RM2.3 million lower sales. This was however offset by higher revenue of RM1.1 million from manufacturing segment.

The Group recorded LBT of RM980,000 for the 9 months ended 31 December 2018 compared to RM1.1 million for the 9 months ended 31 December 2017.

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OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2018

B1. Review Of Group's Performance and Segmental Analysis (Cont'd)

(A) Overall Review of Group's Financial Performance (Cont'd)

(ii) Statement of financial position

As at 31 December 2018, total equity attributable to owners of the Company stood at RM57.3 million, which is 3% lower than RM59.2 million as at 31 March 2018.

Trade and other receivables increased from RM3.1 million to RM5.4 million mainly due to deposit paid for renovation work of new outlet and security deposit of new outlet premise.

(iii) Statement of cash flow

The net operating cash flows from operations of the Group was RM331,000 for the 9 months ended 31 December 2018 against the outflow of RM553,000 for the corresponding period in 2017.

Net cash used in investing activities of the Group was RM5.0 million for the 9 months ended 31 December 2018, which is RM1.7 million higher as compared to RM3.3 million for the 9 months ended 31 December 2017. The increase in cash outflow for investing activity is mainly contributed from the acquisition of fixed asset for the opening of new outlet.

Net cash for financing activities was RM45,000 in 9 months ended 31 December 2018. In prior year to date 9 months ended 31 December 2017, total net cash for financing activities was RM37,000.

Cash and cash equivalent decreases by RM4.8 million as compared with the opening cash and cash equivalent as at 1 April 2018. The total cash and cash equivalent stood at RM6.3 million as at 31 December 2018.

(B) Segmental Analysis

	Individual Quarter 3 Months ended		Change (%)	Cumulative Period ended		Change (%)
	31.12.2018	31.12.2017		31.12.2018	31.12.2017	
RM'000	Unaudited	Unaudited		Unaudited	Unaudited	
Revenue						
Restaurant	11,307	11,928	-5.2%	29,922	32,170	-7.0%
Manufacturing	204	440	-53.6%	12,315	11,183	10.1%
Others	-	1	0.0%	1	1	0.0%
Total	11,511	12,369	-6.9%	42,238	43,354	-2.6%
(Loss)/Profit before tax						
Restaurant	(1,297)	(316)	- >100%	(4,145)	(2,937)	-41.1%
Manufacturing	(511)	(932)	45.2%	2,708	1,980	36.8%
Others	217	(33)	> 100%	457	(177)	>100%
Total	(1,591)	(1,281)	-24.2%	(980)	(1,134)	13.6%

OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2018

B1. Review Of Group's Performance and Segmental Analysis (Cont'd)

(B) Segmental Analysis (Cont'd)

3-month period (31.12.2018 vs. 31.12.2017)

Restaurant segment

The Group restaurant segment recorded revenue of RM11.3 million for the quarter ended 31 December 2018, which represents a decrease of 5.2% as compared to RM11.9 million in the quarter ended 31 December 2017. The decrease in revenue was mainly attributable to the disposal of Taiwan Haewaytian Limited.

The Group's restaurant segment recorded LBT of RM1.3 million for the quarter ended 31 December 2018, which represents an increase in LBT by RM981,000 compared to LBT of RM316,000 in the quarter ended 31 December 2017.

Manufacturing segment

Manufacturing segment posted a lower revenue of RM236,000 for the quarter ended 31 December 2018. Notwithstanding the decrease in revenue, the PBT is increase by RM421,000.

9-month period (31.12.2018 vs. 31.12.2017)

Restaurant segment

The Group restaurant segment recorded revenue of RM29.9 million for the months ended 31 December 2018, versus RM32.2 million in last year. The 7% decrease in revenue was as a result of disposal of our Taiwan outlet. Meanwhile, the effect of closure of PJ outlet was set off by the opening of new outlet in Genting.

The Group's restaurant segment recorded LBT of RM4.1 million for the 9 months ended 31 December 2018, indicating 41.1% increase of LBT as compared to RM2.9 million for the 9 months ended 31 December 2017. The increase in LBT was mainly due to the high overhead cost incurred by new outlets.

Manufacturing segment

The manufacturing segment recorded revenue of RM12.3 million for the 9 months ended 31 December 2018, represents a 10% increase compared to RM11.2 million in the 9 months ended 31 December 2017. The revenue growth was mainly due to increase in moon cake sales from domestic market.

Manufacturing segment recorded PBT of RM2.7 million for the 9 months ended 31 December 2018, represents an increase of 36.8% as compared to PBT of RM1.9 million for the 9 month ended 31 December 2018. The improved performance was mainly attributable to improved sales.

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OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2018

B2. Financial Review For The Current Quarter Compare To The Results Of The Previous Quarter

	3 Months ended		Change (%)
	31.12.2018	30.09.2018	
RM'000	Unaudited	Unaudited	
Revenue	11,511	19,836	-42.0%
Operating (Loss)/Profit	(1,830)	1,816	->100%
(Loss)/Profit Before Interest and Tax	(1,570)	1,918	->100%
(Loss)/Profit Before Tax	(1,591)	1,902	->100%
(Loss)/Profit After tax	(1,730)	1,367	->100%
(Loss)/Profit Attributable to Ordinary Equity Holders of the Parent	(1,730)	1,367	->100%

The Group recorded revenue of RM11.5 million for the quarter ended 31 December 2018, representing a decrease of 42% as compared to RM19.8 million in the previous corresponding quarter. The significant decrease was due to mid-autumn season cycle fall in previous quarter.

The Group recorded LBT of RM1.6 million for the quarter ended 31 December 2018, from PBT of RM1.9 million in the previous corresponding quarter. The decline was due to selling of moon cakes were happened in previous quarter.

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OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2018

B2. Financial Review For The Current Quarter Compare To The Results Of The Previous Quarter (Cont'd)

	3 months ended		Change (%)
	31.12.2018	30.09.2018	
<i>RM'000</i>	Unaudited	Unaudited	
Revenue			
<i>Restaurant</i>	11,307	9,725	16.3%
<i>Manufacturing</i>	204	10,111	-98.0%
<i>Others</i>	-	-	0.0%
Total	11,511	19,836	-42.0%
(Loss)/Profit before tax			
<i>Restaurant</i>	(1,297)	(1,294)	-0.2%
<i>Manufacturing</i>	(511)	3,182	- >100%
<i>Others</i>	217	14	>100%
Total	(1,591)	1,902	- >100%

3-month period (31.12.2018 vs. 30.09.2018)

Restaurant segment

The restaurant segment posted a growth of RM1.6 million or 16.3% in revenue as compared to previous corresponding quarter. This was mainly contributed by our new outlet in Genting. LBT was consistent with previous corresponding quarter.

Manufacturing segment

The Group's manufacturing segment recorded revenue of RM204,000 in the current quarter and LBT of RM0.5 million, representing a decrease of RM9.9 million in revenue and RM3.7 million in PBT as compared to previous corresponding quarter. The main reason was due to moon cake sales recorded for Mid-Autumn Festival falls in previous quarter.

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B3. Prospects

Restaurant Operations and Manufacturing

Domestic demand is the main challenge for the Group moving forward in the financial year 2019. The Group had consolidated its investment in various food and beverages model and is now focusing on selected business structure and model and are targeting on specific location that have proven to be key assets with potential for business growth. The Group shall endeavor to keep cost down and vigorously promote the branding of "Restoran Oversea".

The Group latest outlet in Genting Highlands is expected to contribute positively to the Group's income.

B4. Profit Forecast And Profit Estimate

The Group has not issued any profit forecast or profit estimate for the current financial quarter under review or in any public documents.

B5. Taxation

	Current financial quarter ended 31.12.2018 RM'000	Current financial year to-date 31.12.2018 RM'000
Income tax:-		
Current period	139	656

The tax expense is computed based on respective subsidiaries chargeable income. As such, the Group had taken into the account the unabsorbed losses, capital allowances and unutilized reinvestment allowances, which will largely affect its provisional amount.

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OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2018

B6. Notes To The Statement of Comprehensive Income

Loss before taxation is arrived at after charging/(crediting):-

	Current financial quarter ended 31.12.2018 RM'000	Current financial year to-date 31.12.2018 RM'000
Interest income	(38)	(147)
Other income including investment income	(997)	(2,865)
Depreciation and amortization	863	2,152
Interest expenses	20	52
Impairment loss for investment in associate	-	147
Property, plant and equipment written off	205	205
Trade mark written off	-	23

Other than the items mentioned above which have been included in the statement of comprehensive income, there were no provision for and/or write off of inventories, gain or loss on derivatives, unquoted investments and/or properties, impairment of assets and any other exceptional items for the current quarter and financial period ended 31 March 2018.

B7. Status Of Corporate Proposals Announced But Not Yet Completed

There were no corporate proposals announced but not yet completed by the Group for the current quarter under review.

B8. Group Borrowings And Debts Securities

The Group's borrowings and debts securities are as follows:

	Short Term (Secured) RM'000	Long Term (Secured) RM'000	Total (Secured) RM'000
as at 31 December 2018			
Term loan	58	1,242	1,300
Hire Purchase	82	265	347
Total Borrowing	140	1,507	1,647
as at 31 December 2017			
Term loan	56	1,294	1,350
Hire Purchase	38	121	159
	94	1,415	1,509

The increase in hire purchase as at 31 December 2018 compared to 31 December 2017 was due to new hire purchase facilities granted. The Group's borrowing and debts securities are denominated in RM.

OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2018

B9. Material Litigation

There was no material litigation (including status of any pending material litigation) for the current quarter under review.

B10. Dividends

The directors do not recommend any interim dividend for the quarter under review.

B11. Losses Per Share

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31.12.2018 RM'000	Preceding Year Corresponding Quarter Ended 31.12.2017 RM'000	Current Year to Date Ended 31.12.2018 RM'000	Preceding Year Corresponding Period Ended 31.12.2017 RM'000
LOSSES PER SHARE				
Losses for the period attributable to owners of the company	(1,730)	(1,495)	(1,636)	(1,745)
Weighted average number of ordinary shares in issue ('000)	242,515	242,221	242,515	242,223
Losses per share (sen)	(0.71)	(0.62)	(0.67)	(0.72)