

OVERSEA ENTERPRISE BERHAD (317155-U)
UNAUDITED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2016

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year to Date Ended	Preceding 6 Months Corresponding Period Ended
	30-Sep-16 RM'000	30-Sep-15 RM'000	30-Sep-16 RM'000	30-Sep-15 RM'000
Revenue	19,726	19,085	31,920	30,815
Cost of sales	(8,406)	(8,164)	(13,351)	(12,882)
Gross profit	11,320	10,921	18,569	17,933
Other operating income	1,060	1,005	2,101	1,505
Administration expenses	(2,198)	(2,394)	(4,437)	(4,746)
Selling and Distribution expenses	(7,789)	(7,718)	(14,968)	(14,714)
Finance costs	(21)	(24)	(44)	(71)
Share of results in an associate	-	(88)	-	(121)
Profit before tax	2,372	1,702	1,221	(214)
Income tax	(161)	(108)	(223)	(118)
Profit after tax	2,211	1,594	998	(332)
Other comprehensive incomes/(expenses)				
Fair value changes of available-for-sale financial assets	(4)	(94)	(51)	(94)
Foreign currency translation	(80)	(18)	(130)	(18)
Total comprehensive income/(expense)	2,127	1,482	817	(444)
Profit attributable to:				
Owners of the Company	2,211	1,594	998	(332)
Total comprehensive income/(expense) attributable to:				
Owners of the Company	2,127	1,482	817	(444)
Weighted average ordinary shares in issue ('000)	240,999	240,953	240,976	240,953
Earnings/(losses) per share (sen):				
- Basic	0.92	0.66	0.41	(0.14)

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 2016 and the accompanying explanatory notes attached to this interim financial report.

OVERSEA ENTERPRISE BERHAD (317155-U)
UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 September 2016

	UNAUDITED	AUDITED
	As at	As at
	30-Sep-16	31-Mar-16
	RM'000	RM'000
ASSETS		
Non-current assets		
Investment in associate	162	20
Property, plant and equipment	46,980	48,040
Investment properties	2,450	2,450
Other investments	321	372
Intangible assets	93	88
Long-term receivables	102	121
Deferred tax asset	192	343
	<u>50,300</u>	<u>51,434</u>
Current Assets		
Inventories	6,073	4,172
Trade and other receivables	8,758	3,428
Tax refundable	472	247
Short-term investment with financial institutions	236	233
Deposits, bank and cash balances	14,111	16,270
	<u>29,650</u>	<u>24,350</u>
TOTAL ASSETS	<u>79,950</u>	<u>75,784</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	49,283	49,000
Reserves	14,764	13,947
Total equity attributable to owners of the Company	<u>64,047</u>	<u>62,947</u>
Non-current liabilities		
Term loans	1,119	1,136
Deferred taxation	5,913	6,103
	<u>7,032</u>	<u>7,239</u>
Current Liabilities		
Trade and other payables	8,784	5,505
Provision for tax	37	49
Hire purchase creditors	-	6
Term loans	50	38
	<u>8,871</u>	<u>5,598</u>
Total liabilities	<u>15,903</u>	<u>12,837</u>
TOTAL EQUITY AND LIABILITIES	<u>79,950</u>	<u>75,784</u>
Net Assets Per Share Attributable to ordinary equity holders of the Company (RM)	0.27	0.26

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 2016 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 30 SEPTEMBER 2016**

	Attributable to equity holders of the Company						Total	Non-Controlling Interest	Total Equity	
	Non-Distributable					Distributable Retained Profits				
	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 2016	49,000	1,038	2	(867)	18,348	(180)	(4,394)	62,947	-	62,947
Profit after taxation	-	-	-	-	-	-	998	998	-	998
Other comprehensive expense:										
Recycle of revaluation reserve to retained earning	-	-	-	-	(119)	-	119	-	-	-
- loss on fair value changes of available-for-sale financial assets	-	-	(51)	-	-	-	-	(51)	-	(51)
- Foreign currency translation	-	-	-	-	-	(130)	-	(130)	-	(130)
Total other comprehensive expenses	-	-	(51)	-	(119)	(130)	1,117	817	-	817
Transactions with owners of the Company:										
- Additional shares issue	283	-	-	-	-	-	-	283	-	283
Total transaction with owners	283	-	-	-	-	-	-	283	-	283
Balance as at 30 September 2016	49,283	1,038	(49)	(867)	18,229	(310)	(3,277)	64,047	-	64,047
Balance as at 1 April 2015	49,000	1,038	(9)	(867)	-	(24)	(69)	49,069	(161)	48,908
Loss after taxation	-	-	-	-	-	-	(3,085)	(3,085)	-	(3,085)
Other comprehensive expense:										
- loss on fair value changes of available-for-sale financial assets	-	-	(55)	-	-	-	-	(55)	-	(55)
- transfer to profit and loss upon disposal of available-for-sale financial assets	-	-	66	-	-	-	-	66	-	66
- revaluation surplus from valuation of properties	-	-	-	-	18,348	-	-	18,348	-	18,348
- foreign currency translation	-	-	-	-	-	(156)	-	(156)	-	(156)
Total other comprehensive income/(expenses)	-	-	11	-	18,348	(156)	(3,085)	15,118	-	15,118
Transactions with owners of the Company:										
- Acquisition of shares in jointly controlled entity	-	-	-	-	-	-	(355)	(355)	-	(355)
- Dividend	-	-	-	-	-	-	(723)	(723)	-	(723)
- Acquisition of shares in subsidiary	-	-	-	-	-	-	(162)	(162)	161	(1)
Total transaction with owners	-	-	-	-	-	-	(1,240)	(1,240)	161	(1,079)
Balance as at 31 March 2016 (Audited)	49,000	1,038	2	(867)	18,348	(180)	(4,394)	62,947	-	62,947

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 2016 and the accompanying explanatory notes attached to this interim financial report.

OVERSEA ENTERPRISE BERHAD (317155-U)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASHFLOWS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2016

	Current Year Ended 30 September 2016 RM'000	Preceding Year to Date Ended 30 September 2015 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit/(loss) before taxation	1,221	(214)
Adjustments for:-		
Amortisation of intangible assets	17	31
Provision for doubtful debt	-	13
Depreciation of property, plant & equipment	1,376	1,283
Interest expense	28	39
Property, plant and equipment written off	-	6
Share of loss in an associate, net of income tax expense	-	121
Interest income	(197)	(297)
Operating profit before working capital changes	2,445	982
Increase in inventories	(1,901)	(343)
Increase in trade and other receivables	(5,311)	(6,104)
Increase in trade and other payables	3,278	3,392
CASH FOR OPERATIONS	(1,489)	(2,073)
Income tax paid	(498)	(792)
Income tax refund	-	-
NET CASH FOR OPERATING ACTIVITIES	(1,987)	(2,865)
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
Interest received	194	297
Investment in associate company	(142)	-
Advance to joint venture	-	(45)
Payment for intangible asset	(22)	-
Proceeds from disposal of:		
- property, plant and equipment	-	-
- investment property	-	-
Proceeds from disposal of other investments	-	-
Purchase of property, plant and equipment	(322)	(742)
Purchase of other investments	-	(603)
Proceeds from disposal of PPE	1	-
NET CASH FOR INVESTING ACTIVITIES	(291)	(1,093)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Interest paid	(28)	(39)
Repayment of hire purchase obligations	(6)	(11)
Repayment of term loans	(5)	(223)
Proceeds from issuance of shares	283	-
NET CASH FROM/(FOR) FINANCING ACTIVITIES	244	(273)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,034)	(4,231)
EFFECT OF FOREIGN EXCHANGE TRANSLATION	(126)	(18)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	16,271	18,272
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	14,111	14,023
CASH AND CASH EQUIVALENTS COMPRISES:-		
Short term and fixed deposits with licensed banks	9,772	8,913
Cash and bank balances	4,339	5,110
	14,111	14,023

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 2016 and the accompanying explanatory notes attached to this interim financial report.

**OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2016**

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 1965 in Malaysia.

The interim financial statements should be read in conjunction with the audited financial statements for year ended 31 March 2015 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 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 16 Leases	1 January 2019
Amendments to MFRS 107: Disclosure Initiative	1 January 2017
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017

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.

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 2016 were not subject to any qualification.

**OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2016**

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 other than the annual moon cake production.

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

Other than as disclosed below, 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.

On 23 September 2016, 1,415,000 Special Issue Shares were issued, listed and quoted on the ACE Market of Bursa Securities, marking the completion of the Special Bumiputera Issue.

A8. Dividend Paid

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

OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2016

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	RM' 000	RM' 000	RM' 000	RM' 000
3 months period ended 30 September 2016						
Revenue from						
External customers	9,741	1,162	8,823	-	-	19,726
Inter-segment revenue	19	-	7,250	6	(7,275)	-
Total revenue	9,760	1,162	16,073	6	(7,275)	19,726
Profit before taxation	(484)	(99)	2,978	(107)	84	2,372
Income tax						(161)
Profit after taxation						2,211
Other comprehensive expenses						(84)
Total comprehensive incomes						2,127
6 months ended 30 September 2016						
Revenue from						
External customers	19,331	2,079	10,510	-	-	31,920
Inter-segment revenue	32	-	7,355	10	(7,397)	-
Total revenue	19,363	2,079	17,865	10	(7,397)	31,920
Profit before taxation	(1,226)	(311)	2,845	(196)	108	1,221
Income tax						(223)
Profit after taxation						998
Other comprehensive expenses						(181)
Total comprehensive incomes						817
Segmented assets	44,767	1,518	32,461	1,204	-	79,950
Unallocated assets						(664)
						79,286

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

**OVERSEA ENTERPRISE BERHAD (317155-U)
 QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2016**

A10. Valuation Of Property, Plant and Equipment

There is a valuation exercise performed on the property, plant and equipment and investment properties to ascertain the market value of the properties as at the date of the financial report.

A11. Operating Lease Commitments

Non-cancellable lease commitments of the Group as at 30 September 2016 is as follows:-

	RM'000
Current:	
- within one year	2,499
Non-current:	
- between one and two years	668
- between two and five years	83
Total	<u>3,250</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 30.09.2016 RM'000	Audited 31.03.2016 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	1,601	1,999

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OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2016

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 30.09.2016 RM'000	Current financial year to-date 30.09.2016 RM'000
Rental paid to a Director	43	86
Rental paid to related parties ⁽¹⁾	278	557

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 commitments in respect of capital expenditure at the end of the reporting period not provided for in the interim financial statements.

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OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2016

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

B1. Review Of Performance

	Individual Quarter 3 Months ended		Cumulative Period ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
RM'000	Unaudited	Unaudited	Unaudited	Unaudited
Revenue				
Restaurant	10,903	10,912	21,410	21,790
Manufacturing	8,823	8,173	10,510	9,025
Others	-	-	-	-
Total	19,726	19,085	31,920	30,815
Profit/(Loss) before tax				
Restaurant	(576)	(852)	(1,530)	(2,145)
Manufacturing	2,978	2,839	2,845	2,315
Others	(30)	(285)	(94)	(384)
Total	2,372	1,702	1,221	(214)

3-month period (30.09.2016 vs. 30.09.2015)

The Group recorded revenue of RM19.7 million for the quarter ended 30 September 2016, which represents a slight increase of 3.36% as compared to RM19.1 million in the quarter ended 30 September 2015.

The profit before tax (PBT) for the quarter ended 30 September 2016 was RM2.4 million, which represents an improvement of 39.3% as compared to RM1.7 million in the quarter ended 30 September 2015.

The increase in PBT of RM0.7 million was contributed by all 3 segments, restaurant segment RM0.3 million, manufacturing segment RM0.1 million and others segment RM0.3 million.

Restaurant segment

The Group restaurant segment recorded revenue of RM10.9 million for the quarter ended 30 September 2016, which represents a consistent results as compared to RM10.9 million in the quarter ended 30 September 2015.

The Group's restaurant segment recorded loss before tax (LBT) of RM0.6 million for the quarter ended 30 September 2016, which represents 32.4% reduction in losses as compared to LBT of RM0.9 million in the quarter ended 30 September 2015. The improvement in bottom line was mainly due to closure of unprofitable café outlets.

Manufacturing segment

Manufacturing segment recorded revenue of RM8.8 million for the quarter ended 30 September 2016, which represents an increase of 8.0% as compared to RM8.1 million in the quarter ended 30 September 2015.

Manufacturing segment recorded PBT of RM3.0 million for the quarter ended 30 September 2016, represents an increase in PBT by 4.9% as compared to PBT RM2.8 million in the quarter ended 30 September 2015. This improvement was mainly due to higher sales recognised from mooncake sales in the current year.

OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2016

B1. Review Of Performance (cont'd)

6-month period (30.09.2016 vs. 30.09.2015)

The Group recorded revenue of RM31.9 million for the 6 months ended 30 September 2016, representing an increase of 3.6% as compared to RM30.8 million in the 6 months ended 30 September 2015. Overall, increase in revenue was mainly attributable to manufacturing segment where we see our mooncake sales recorded higher performance in both export and local channel. The closure of non-profitable café outlets in the previous financial year had contributed to the decrease in revenue in restaurant segment.

Gross margin has improved slightly from 57.2% in prior year to 58.8% in the current year as a result of constant cost monitoring and control.

The Group recorded PBT of RM1.2 million for the 6 months ended 30 September 2016. In the previous year, the bottom line for the 6 months ended 30 September 2016 was a LBT of RM0.2 million. All 3 segments showed improved performance in the current year 6 months ended 30 September 2016 compared to previous year.

Restaurant segment

The Group's restaurant segment recorded LBT of RM1.5 million for the 6 months ended 30 September 2016, representing an improvement of 28.7% as compared to LBT of RM2.1 million for the 6 months ended 30 September 2015.

Our traditional restaurant outlets had contributed RM0.5 million in reduction in losses before tax, closure of 2 non-profit making cafes had bring down the losses by RM0.2 million. However, our oversea operations is suffering higher losses by RM0.1 million.

Manufacturing segment

The manufacturing segment recorded revenue of RM10.5 million for the 6 months ended 30 September 2016, represents a 16.5% increase compared to RM9.0 million in the 6 months ended 30 September 2015.

Manufacturing segment recorded PBT of RM2.8 million for the 6 months ended 30 September 2016, represents a 22.9% increase compared to RM2.3 million in the 6 months ended 30 September 2015. The increase was mainly due to increase in sales both for export and local market.

OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2016

B2. Comparison To The Results Of The Previous Quarter

	3 months ended	
	30.09.2016	30.06.2016
<i>RM'000</i>	Unaudited	Unaudited
Revenue		
<i>Restaurant</i>	10,903	10,507
<i>Manufacturing</i>	8,823	1,687
<i>Others</i>	-	-
Total	19,726	12,194
Profit/(Loss) before tax		
<i>Restaurant</i>	(576)	(954)
<i>Manufacturing</i>	2,978	(133)
<i>Others</i>	(30)	(64)
Total	2,372	(1,151)

3-month period (30.09.2016 vs. 30.06.2016)

The Group recorded revenue of RM19.7 million for the quarter ended 30 September 2016, representing an increase of 61.8% as compared to RM12.2 million in the previous quarter ended 30 June 2016. The increase was mainly due to seasonal cycle. The current quarter was where the manufacturing operations recorded higher sales during Mid-Autumn Festival .

The Group recorded PBT of RM2.4 million for the quarter ended 30 September 2016, from LBT of RM1.2 million in the previous quarter ended 30 June 2016.

The main reason for the PBT of RM2.4 million in this quarter were mainly due to higher sales recorded in manufacturing segment.

Restaurant segment

The Group's restaurant segment recorded LBT of RM0.6 million for the 3-month ended 30 September 2016 as compared to LBT of close to RM1.0 million in the preceding quarter ended 30 June 2016. The improved performance was mainly due to the closure of unprofitable outlets.

Manufacturing segment

The Group's manufacturing segment recorded PBT of RM3.0 million for the 3-month ended 30 September 2016 as compared to LBT of RM0.1 million in the preceding quarter ended 30 June 2016. The main reason was moon cake sales recorded for Mid-Autumn Festival falls in the current quarter.

B3. Prospects

Restaurant Operations and Manufacturing

We are currently looking for new opportunities to enlarge our profit base and to provide long term growth for the Group. We are actively pursuing additional opportunities of the manufacturing of non-seasonal product to increase our plant utilisation. Due to the ever changing landscape of the consumer tastes and trends in tandem with their lifestyles, it is crucial to evolve and provide more relevant innovative product solutions in order to grow the business and promote customer awareness of our brand name. In line with this, we are trying to increase our market penetration via more aggressive marketing strategies and to develop our product as all year round product.

Prospects

Given the slower growth and rising cost of living, consumers will become more price sensitive and selective in the purchases of goods and services. Competition is also expected to be more intense. Despite the challenging economic conditions, the Group remain steadfast and positive about the industry and the business as we have built strong foundation for the Group over the years.

We are mindful of the challenges ahead and the Group will continue to focus on product, service and marketing innovations as well as improving cost competitiveness to drive sales and profits.

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 30.09.2016 RM'000	Current financial year to-date 30.09.2016 RM'000
Income tax:-		
Current period	(161)	(223)

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 SECOND QUARTER ENDED 30 SEPTEMBER 2016**

B6. Notes To The Statement of Comprehensive Income

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

	Current financial quarter ended 30.09.2016 RM'000	Current financial year to-date 30.09.2016 RM'000
Interest income	(89)	(197)
Other income including investment income	(971)	(1,905)
Interest expenses	14	28
Depreciation and amortization	707	1,376

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 30 September 2016.

B7. Status Of Corporate Proposals Announced But Not Yet Completed

There were no corporate proposals announced but not yet completed by the Group as at the latest practicable date of 29 November 2016.

B8. Group Borrowings And Debts Securities

The Group's borrowings and debts securities as at 30 September 2016 are as follows:

	Short Term (Secured) RM'000	Long Term (Secured) RM'000
Term loan	50	1,119

B9. Material Litigation

There was no material litigation (including status of any pending material litigation) as at the latest practicable date of 29 November 2016.

B10. Dividends

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

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OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2016

B11. Earnings Per Share

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30.09.2016 RM'000	Preceding Year Corresponding Quarter Ended 30.09.2015 RM'000	Current Year to Date Ended 30.09.2016 RM'000	Preceding Year Corresponding Period Ended 30.09.2015 RM'000
BASIC EARNINGS PER SHARE				
Earning for the period attributable to owners of the company	2,211	1,594	998	(332)
Weighted average number of ordinary shares in issue ('000)	240,999	240,953	240,976	240,953
Basic earnings/(losses) per share (sen)	0.92	0.66	0.41	(0.14)

B12. Realised and unrealised retained earnings

The retained profit may be analysed as follows:

	As at the end of current quarter 30.09.2016 RM'000	Audited 31.03.2016 RM'000
Realised	2,095	1,172
Unrealised	5,453	5,760
	7,548	6,932
Total share of losses of a jointly controlled entity:		
- Realised	-	-
Total share of losses of an associate:		
- Realised	-	(237)
	7,548	6,695
Less: Consolidation adjustments	(10,825)	(11,089)
	(3,277)	(4,394)

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