

OVERSEA ENTERPRISE BERHAD (317155-U)
UNAUDITED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2018

	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-18 RM'000	30-Sep-17 RM'000	30-Sep-18 RM'000	30-Sep-17 RM'000
Revenue	19,836	19,093	30,727	30,985
Cost of sales	(8,271)	(7,815)	(12,778)	(12,596)
Gross profit	11,565	11,278	17,949	18,389
Other operating income	825	859	1,736	1,770
Administration expenses	(2,606)	(2,418)	(4,810)	(4,895)
Selling and Distribution expenses	(7,968)	(8,018)	(14,586)	(15,271)
Operating profit/(loss)	1,816	1,701	289	(7)
Share of results in associates	102	(45)	354	191
Profit before interest and tax	1,918	1,656	643	184
Finance costs	(16)	(22)	(32)	(37)
Profit before taxation	1,902	1,634	611	147
Income tax	(535)	(361)	(517)	(426)
Profit/(Loss) after taxation	1,367	1,273	94	(279)
Other comprehensive income/(expenses)				
Fair value changes of available-for-sale financial assets	5	(19)	(1)	(19)
Foreign currency translation	(138)	19	(233)	54
Total comprehensive income/(expense)	1,234	1,273	(140)	(244)
Profit/(Loss) attributable to:				
Owners of the Company	1,367	1,287	94	(250)
Non-controlling interest	-	(14)	-	(29)
	1,367	1,273	94	(279)
Total comprehensive income/(expense) attributable to:				
Owners of the Company	1,234	1,287	(140)	(215)
Non-controlling interest	-	(14)	-	(29)
	1,234	1,273	(140)	(244)
Weighted average ordinary shares in issue ('000)	242,515	242,221	242,515	242,225
Earnings/(Losses) per share (sen):				
- Basic	0.56	0.53	0.04	(0.10)

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 30 SEPTEMBER 2018

	UNAUDITED	AUDITED
	As at	As at
	30-Sep-18	31-Mar-18
	RM'000	RM'000
ASSETS		
Non-current assets		
Investment in associate	1,448	1,600
Property, plant and equipment	47,480	47,465
Investment properties	2,450	2,450
Other investments	140	141
Intangible assets	66	91
Long-term receivables	47	82
Deferred tax asset	49	49
	<u>51,680</u>	<u>51,878</u>
Current Assets		
Inventories	5,317	5,516
Trade and other receivables	13,284	3,093
Amount due from an associate	140	140
Tax refundable	132	277
Short-term investment with financial institutions	44	43
Deposits, bank and cash balances	6,594	11,236
	<u>25,511</u>	<u>20,305</u>
TOTAL ASSETS	<u>77,191</u>	<u>72,183</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	49,283	49,283
Reserves	9,763	9,903
Total equity attributable to owners of the Company	<u>59,046</u>	<u>59,186</u>
Non-controlling interest	-	-
Total equity	<u>59,046</u>	<u>59,186</u>
Non-current liabilities		
Hire purchase creditors	286	236
Term loans	1,256	1,279
Deferred taxation	5,754	5,792
	<u>7,296</u>	<u>7,307</u>
Current Liabilities		
Trade and other payables	10,347	5,378
Provision for tax	364	188
Hire purchase creditors	80	67
Term loans	58	57
	<u>10,849</u>	<u>5,690</u>
Total liabilities	<u>18,145</u>	<u>12,997</u>
TOTAL EQUITY AND LIABILITIES	<u>77,191</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 30 SEPTEMBER 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
Profit after taxation	-	-	-	-	-	-	94	94	-	94
Other comprehensive expense:										
- loss on fair value changes of available-for-sale financial assets	-	-	(1)	-	-	-	-	(1)	-	(1)
- Foreign currency translation	-	-	-	-	-	(233)	-	(233)	-	(233)
Total other comprehensive (expenses)/income	-	-	(1)	-	-	(233)	94	(140)	-	(140)
Amortisation of revaluation reserve	-	-	-	-	(119)	-	119	-	-	-
Balance as at 30 September 2018	49,283	1,038	(64)	(835)	17,752	(289)	(7,839)	59,046	-	59,046
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 30 SEPTEMBER 2018

	Current Year Ended 30 September 2018 RM'000	Preceding Year to Date Ended 30 September 2017 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit before taxation	611	147
Adjustments for:-		
Amortisation of intangible assets	10	18
Depreciation of property, plant & equipment	1,279	1,359
Impairment loss for investment in associate	147	-
Interest expense	32	37
Trade mark written off	23	-
Gain on disposal of plant and equipment	-	(4)
Share of profits in associates, net of income tax expense	(354)	(191)
Interest income	(109)	(180)
Operating profit before working capital changes	1,639	1,186
Decrease/(Increase) in inventories	198	(348)
Increase in trade and other receivables	(7,929)	(9,611)
Increase in trade and other payables	4,969	5,118
CASH FOR OPERATIONS	(1,123)	(3,655)
Income tax paid	(420)	(239)
Income tax refunded	186	-
NET CASH FOR OPERATING ACTIVITIES	(1,357)	(3,894)
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	109	180
Redemption of preferred share from associate company	118	-
Investment in associate company	-	(557)
Proceeds from disposal of:		
- property, plant and equipment	-	4
Purchase of property, plant and equipment	(1,294)	(631)
Deposits paid for renovation work	(2,225)	-
Proceeds from disposal of own shares	-	41
Dividend income	240	-
Payment for intangible assets	(7)	(11)
NET CASH FOR INVESTING ACTIVITIES	(3,059)	(974)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(32)	(37)
Repayment of hire purchase obligations	(36)	(18)
Repayment of term loans	(23)	(23)
HP facilities granted	99	-
Proceeds from issuance of shares to non controlling interest	-	85
NET CASH FROM FINANCING ACTIVITIES	8	7
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,408)	(4,861)
EFFECT OF FOREIGN EXCHANGE TRANSLATION	(233)	70
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	11,279	15,716
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	6,638	10,925
CASH AND CASH EQUIVALENTS COMPRISES:-		
Short-term investment with financial institution	44	43
Short term and fixed deposits with licensed banks	2,095	6,403
Cash and bank balances	4,499	4,479
	6,638	10,925

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.

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 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

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 SECOND QUARTER ENDED 30 SEPTEMBER 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 30 September 2018						
Revenue from						
External customers	9,301	424	10,111	-	-	19,836
Inter-segment revenue	60	-	7,426	58	(7,544)	-
Total revenue	9,361	424	17,537	58	(7,544)	19,836
(Loss)/Profit before taxation	(1,213)	(113)	3,182	159	(113)	1,902
Income tax						(535)
Profit after taxation						1,367
Other comprehensive expense						(133)
Total comprehensive income						1,234
6 months ended 30 September 2018						
Revenue from						
External customers	17,806	809	12,111	1	-	30,727
Inter-segment revenue	124	-	7,427	59	(7,610)	-
Total revenue	17,930	809	19,538	60	(7,610)	30,727
(Loss)/Profit before taxation	(2,644)	(267)	3,219	399	(96)	611
Income tax						(517)
Profit after taxation						94
Other comprehensive expense						(234)
Total comprehensive expense						(140)

*Note: Comprises Ipoh Group Limited (Hong Kong)

OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2018

A9. Segmental Information (Cont'd)

Segmental Reporting

	Restaurant		Manufacturing	Others	Eliminations	Consolidated
	Malaysia	Foreign*				
	RM' 000	RM' 000				
3 months period ended 30 September 2017						
Revenue from						
External customers	8,474	1,349	9,270	-	-	19,093
Inter-segment revenue	12	-	6,123	5	(6,140)	-
Total revenue	8,486	1,349	15,393	5	(6,140)	19,093
(Loss)/Profit before taxation	(981)	(308)	3,238	(211)	(104)	1,634
Income tax						(361)
Profit after taxation						1,273
Other comprehensive income						-
Total comprehensive income						1,273
6 months ended 30 September 2017						
Revenue from						
External customers	17,585	2,657	10,743	-	-	30,985
Inter-segment revenue	21	-	6,213	15	(6,249)	-
Total revenue	17,606	2,657	16,956	15	(6,249)	30,985
(Loss)/Profit before taxation	(1,986)	(635)	2,912	(17)	(127)	147
Income tax						(426)
Loss after taxation						(279)
Other comprehensive income						35
Total comprehensive expense						(244)

*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 30 September 2018						
Segmented assets	41,543	166	33,324	2,158	-	77,191
Unallocated assets						(181)
						77,010
As at 30 September 2017						
Segmented assets	41,071	2,454	36,295	1,415	-	81,235
Unallocated assets						(844)
						80,391

*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 SECOND QUARTER ENDED 30 SEPTEMBER 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 30 September 2018 is as follows:-

	RM'000
Current:	
- within one year	2,265
Non-current:	
- between one and two years	1,838
- between two and five years	237
Total	<u>4,340</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 30.09.2018 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	1,762	1,784

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OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 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 30.09.2018 RM'000	Current financial year to-date 30.09.2018 RM'000
Rental paid to a Director	46	92
Rental paid to related parties ⁽¹⁾	311	647

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>1,243</u>

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OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2018

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 (%)
	30.09.2018	30.09.2017		30.09.2018	30.09.2017	
RM'000	Unaudited	Unaudited		Unaudited	Unaudited	
Revenue	19,836	19,093	3.9%	30,727	30,985	-0.8%
Operating Profit	1,816	1,701	6.8%	289	(7)	>100%
Profit Before Interest and Tax	1,918	1,656	15.8%	643	184	>100%
Profit Before Tax	1,902	1,634	16.4%	611	147	>100%
Profit After tax	1,367	1,273	7.4%	94	(279)	>100%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	1,367	1,287	6.2%	94	(250)	>100%

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

The Group recorded revenue of RM19.8 million for the quarter ended 30 September 2018, posted a revenue strengthen of 3.9% as compared to RM19.1 million in the quarter ended 30 September 2017. The revenue growth was contributed from growth in moon cake's sales.

The Group recorded profit before tax (PBT) of RM1.9 million for the quarter ended 30 September 2018 that recorded an increase of 16.4% as compared to PBT of RM1.6 million in the quarter ended 30 September 2017. This was mainly contributed from others segment, as a result of better performance of associates.

Gross margin is slightly drop from 59% to 58% for both current quarter and cumulative result compared to last year quarter and last year cumulative result.

The Group recorded revenue of RM30.7 million for the 6 months ended 30 September 2018, recorded a slight decrease of 0.8% as compared to RM31.0 million in the 6 months ended 30 September 2017. Manufacturing segment has shown an increase of RM1.4 million in revenue, this was however offset by lower result by RM1.6 million from restaurant segment.

The Group recorded PBT of RM611,000 for the 6 months ended 30 September 2018 compared to RM147,000 for the 6 months ended 30 September 2017. The increase in PBT was mainly contributed by manufacturing and other segment.

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OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 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 30 September 2018, total equity attributable to owners of the Company stood at RM59.0 million, which is 0.3% lower than RM59.2 million as at 31 March 2018.

Trade and other receivables together with trade and other payables increased from RM3.1 million to RM13.3 million and RM5.4 million to RM10.3 million respectively mainly due to Mid-Autumn Festival fall on the month of September and the Group manufacturing segment was at its peak operation. Thus it led to significant increase in receivables and payables at current quarter. On the other hand, the increase in other receivables was 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 for operations of the Group was RM1.4 million for the 6 months ended 30 September 2018 against RM3.9 million for the corresponding period in 2017.

Net cash used in investing activities of the Group was RM3.1 million for the 6 months ended 30 September 2018, which is RM2.1 million higher as compared to RM1.0 million for the 6 months ended 30 September 2017. The increase in cash outflow for investing activity is mainly due to deposit paid for renovation work of new outlet.

Net cash from financing activities was RM8,000 in 6 months ended 30 September 2018. In prior year to date 6 months ended 30 September 2017, total net cash from financing activities was RM7,000.

Cash and cash equivalent decreases by RM4.4 million as compared with the opening cash and cash equivalent as at 1 April 2018. The total cash and cash equivalent stood at RM6.6 million as at 30 September 2018.

(B) Segmental Analysis

	Individual Quarter 3 Months ended		Change (%)	Cumulative Period ended		Change (%)
	30.09.2018	30.09.2017		30.09.2018	30.09.2017	
RM'000	Unaudited	Unaudited		Unaudited	Unaudited	
Revenue						
Restaurant	9,725	9,823	-1.0%	18,615	20,242	-8.0%
Manufacturing	10,111	9,270	9.1%	12,111	10,743	12.7%
Others	-	-	0.0%	1	-	0.0%
Total	19,836	19,093	3.9%	30,727	30,985	-0.8%
Profit before tax						
Restaurant	(1,294)	(1,289)	-0.4%	(2,848)	(2,621)	-8.7%
Manufacturing	3,182	3,238	-1.7%	3,219	2,912	10.5%
Others	14	(315)	>100%	240	(144)	>100%
Total	1,902	1,634	16.4%	611	147	>100%

OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2018

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

(B) Segmental Analysis (Cont'd)

3-month period (30.09.2018 vs. 30.09.2017)

Restaurant segment

The Group restaurant segment recorded revenue of RM9.7 million for the quarter ended 30 September 2018, which represents a decrease of 1.0% as compared to RM9.8 million in the quarter ended 30 September 2017. The decrease in revenue was attributable to the closure of PJ outlet and disposal of Taiwan Haewaytian Limited. These decreases too had set off with higher sales recorded in our local outlets.

The Group's restaurant segment recorded loss before tax ("LBT") of RM1.29 million for the quarter ended 30 September 2018, which represents a slight increase in LBT by RM5,000 in the quarter ended 30 September 2017.

Manufacturing segment

Manufacturing segment recorded revenue of RM10.1 million for the quarter ended 30 September 2018, which represents an increase of 9.1% as compared to RM9.3 million in the quarter ended 30 September 2017. This increase was mainly due to higher domestic sales. However, the PBT has dropped slightly by RM56,000 due to higher staff cost incurred.

6-month period (30.09.2018 vs. 30.09.2017)

Restaurant segment

The Group restaurant segment recorded a half yearly revenue of RM18.6 million for the months ended 30 September 2018, versus RM20.2 million in last year. The 8% decrease in revenue was as a result of closure of PJ outlet and disposal of our Taiwan outlet.

The Group's restaurant segment recorded LBT of RM2.8 million for the 6 months ended 30 September 2018, indicating 9% increase of LBT as compared to 6 months ended 30 September 2017.

Manufacturing segment

The manufacturing segment recorded a half yearly revenue of RM12.1 million for the 6 months ended 30 September 2018, represents a 13% increase compared to RM10.7 million in the 6 months ended 30 September 2017. The revenue growth was mainly due to increase in moon cake sales from both export and domestic sales.

Manufacturing segment recorded PBT of RM3.2 million for the 6 months ended 30 September 2018 versus RM2.9 million for the 6 months ended 30 September 2017. The 11% increase in PBT was contributed from higher sales.

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OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2018

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

	3 Months ended		Change (%)
	30.09.2018	30.06.2018	
RM'000	Unaudited	Unaudited	
Revenue	19,836	10,891	82.1%
Operating Profit/(Loss)	1,816	(1,527)	>100%
Profit/(Loss) Before Interest and Tax	1,918	(1,275)	>100%
Profit/(Loss) Before Tax	1,902	(1,291)	>100%
Profit/(Loss) After tax	1,367	(1,273)	>100%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	1,367	(1,273)	>100%

The Group recorded revenue of RM19.8 million for the quarter ended 30 September 2018, representing an increase of 82% as compared to RM10.9 million in the previous corresponding quarter. The increase was mainly due to mid-autumn season cycle that contributed to significant increase in revenue

The Group recorded PBT of RM1.9 million for the quarter ended 30 September 2018, from LBT of RM1.3 million in the previous corresponding quarter. The performance growth was mainly contributed from restaurant and manufacturing segment. The main reason of the improved performance in the current quarter was due to seasonal cycle of manufacturing segment.

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OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2018

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

	3 months ended		Change (%)
	30.09.2018	30.06.2018	
<i>RM '000</i>	Unaudited	Unaudited	
Revenue			
<i>Restaurant</i>	9,725	8,890	9.4%
<i>Manufacturing</i>	10,111	2,000	>100%
<i>Others</i>	-	1	-100.0%
Total	19,836	10,891	82.1%
Profit/(Loss) before tax			
<i>Restaurant</i>	(1,294)	(1,554)	16.7%
<i>Manufacturing</i>	3,182	37	>100%
<i>Others</i>	14	226	>100%
Total	1,902	(1,291)	>100%

3-month period (30.09.2018 vs. 30.06.2018)

Restaurant segment

The restaurant segment posted a growth of RM835,000 or 9.4% in revenue from RM8.9 million in the previous quarter ended 30 June 2018 to RM9.7 million in the current quarter ended 30 September 2018. LBT was improved by RM260,000 as compared to previous corresponding quarter as a result of improvement in top line.

Manufacturing segment

The Group's manufacturing segment recorded revenue of RM10.1 million in the current quarter and PBT of RM3.2 million, representing a growth of RM8.1 million in revenue and RM3.1 million in PBT as compared to previous corresponding quarter. The contribution was due to moon cake is a festival-type consumer goods and it fall under current quarter.

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B3. Prospects

Restaurant Operations and Manufacturing

Financial liquidity and domestic demand are the main challenges 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 within the Group as well as emerging with potential for business growth. The Group latest soft launching of new 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 30.09.2018 RM'000	Current financial year to-date 30.09.2018 RM'000
Income tax:-		
Current period	535	517

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 2018

B6. Notes To The Statement of Comprehensive Income

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

	Current financial quarter ended 30.09.2018 RM'000	Current financial year to-date 30.09.2018 RM'000
Interest income	(41)	(109)
Other income including investment income	(1,024)	(1,868)
Depreciation and amortization	651	1,289
Interest expenses	16	32
Impairment loss for investment in associate	-	147
Trade mark written off	23	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 30 September 2018			
Term loan	58	1,256	1,314
Hire Purchase	80	286	366
Total Borrowing	138	1,542	1,680
as at 30 September 2017			
Term loan	55	1,312	1,367
Hire Purchase	37	131	168
	92	1,443	1,535

The increase in hire purchase as at 30 September 2018 compared to 30 September 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 SECOND QUARTER ENDED 30 SEPTEMBER 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. Earnings Per Share

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year to Date Ended	Preceding Year Corresponding Period Ended
	30.09.2018 RM'000	30.09.2017 RM'000	30.09.2018 RM'000	30.09.2017 RM'000
BASIC EARNINGS/(LOSSES) PER SHARE				
Profit/(Losses) for the period attributable to owners of the company	1,367	1,287	94	(250)
Weighted average number of ordinary shares in issue ('000)	242,515	242,221	242,515	242,225
Basic earnings/(losses) per share (sen)	0.56	0.53	0.04	(0.10)