

**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**UNAUDITED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE FOURTH QUARTER ENDED 31 MARCH 2020**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year to Date Ended	Preceding 12 Months Corresponding Period Ended
	31-Mar-20 RM'000	31-Mar-19 RM'000	31-Mar-20 RM'000	31-Mar-19 RM'000
Revenue	10,440	12,973	51,794	55,211
Cost of sales	(3,771)	(4,620)	(20,507)	(21,760)
<b>Gross profit</b>	<b>6,669</b>	<b>8,353</b>	<b>31,287</b>	<b>33,451</b>
Other operating income	1,040	1,282	4,104	4,053
Administration expenses	(6,947)	(5,439)	(13,232)	(12,761)
Net impairment losses on financial asset	-	(27)	-	(27)
Selling and Distribution expenses	(5,759)	(7,037)	(26,624)	(29,125)
<b>Operating loss</b>	<b>(4,997)</b>	<b>(2,868)</b>	<b>(4,465)</b>	<b>(4,409)</b>
Share of results in associates	(86)	44	404	658
<b>Loss before interest and tax</b>	<b>(5,083)</b>	<b>(2,824)</b>	<b>(4,061)</b>	<b>(3,751)</b>
Finance costs	(172)	(34)	(623)	(87)
<b>Loss before taxation</b>	<b>(5,255)</b>	<b>(2,858)</b>	<b>(4,684)</b>	<b>(3,838)</b>
Income tax	(162)	(51)	(771)	(707)
<b>Loss after taxation</b>	<b>(5,417)</b>	<b>(2,909)</b>	<b>(5,455)</b>	<b>(4,545)</b>
Other comprehensive expenses				
Fair value changes of available-for-sale financial assets	(10)	5	(20)	-
Foreign currency translation	(231)	51	(267)	(173)
<b>Total comprehensive expenses</b>	<b>(5,658)</b>	<b>(2,853)</b>	<b>(5,742)</b>	<b>(4,718)</b>
Loss attributable to:				
Owners of the Company	(5,417)	(2,909)	(5,455)	(4,545)
Non-controlling interest	-	-	-	-
	<b>(5,417)</b>	<b>(2,909)</b>	<b>(5,455)</b>	<b>(4,545)</b>
Total comprehensive expenses attributable to:				
Owners of the Company	(5,658)	(2,853)	(5,742)	(4,718)
Non-controlling interest	-	-	-	-
	<b>(5,658)</b>	<b>(2,853)</b>	<b>(5,742)</b>	<b>(4,718)</b>
Weighted average ordinary shares in issue ('000)	242,515	242,515	242,515	242,515
Losses per share (sen):				
- Basic	(2.23)	(1.20)	(2.25)	(1.87)

**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 2019 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 MARCH 2020**

	UNAUDITED As at 31-Mar-20 RM'000	AUDITED As at 31-Mar-19 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment in associate	532	691
Property, plant and equipment	24,955	48,982
Investment properties	5,365	2,450
Right-of-use assets	18,192	-
Other investments	368	737
Intangible assets	73	61
Long-term receivables	100	84
Deferred tax asset	49	49
	<u>49,634</u>	<u>53,054</u>
<b>Current Assets</b>		
Inventories	4,327	5,040
Trade and other receivables	2,389	2,931
Amount due from related parties	33	-
Amount due from associates	136	176
Tax refundable	142	78
Short-term investment with financial institutions	29	45
Deposits, bank and cash balances	6,849	5,506
	<u>13,905</u>	<u>13,776</u>
<b>TOTAL ASSETS</b>	<u><b>63,539</b></u>	<u><b>66,830</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	50,321	50,321
Reserves	(1,596)	4,146
Total equity attributable to owners of the Company	<u>48,725</u>	<u>54,467</u>
Non-controlling interest	-	-
Total equity	<u>48,725</u>	<u>54,467</u>
<b>Non-current liabilities</b>		
Hire purchase creditors	-	244
Term loans	1,169	1,231
Lease liabilities on right-of-use assets	521	-
Deferred taxation	5,420	5,507
	<u>7,110</u>	<u>6,982</u>
<b>Current Liabilities</b>		
Trade and other payables	4,780	5,166
Provision for tax	54	76
Hire purchase creditors	-	83
Term loans	59	56
Lease liabilities on right-of-use assets	2,811	-
	<u>7,704</u>	<u>5,381</u>
<b>Total liabilities</b>	<u>14,814</u>	<u>12,363</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>63,539</b></u>	<u><b>66,830</b></u>
Net Assets Per Share Attributable to ordinary equity holders of the Company (RM)	0.20	0.22

**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 2019 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 MARCH 2020**

	Attributable to equity holders of the Company							Total RM'000	Non-Controlling Interest RM'000	Total Equity RM'000
	Non-Distributable				Foreign Exchange Translation Reserve RM'000	Distributable Accumulated Losses RM'000	Total RM'000			
	Share Capital RM'000	Share Premium RM'000	Fair Value Reserve RM'000	Treasury Reserve RM'000						
<b>The Group</b>										
<b>Balance as at 1 April 2019</b>	50,321	-	(63)	(835)	17,634	(229)	(12,361)	54,467	54,467	
Loss after taxation	-	-	-	-	-	-	(5,455)	(5,455)	(5,455)	
Other comprehensive expenses:										
- loss on fair value changes of available-for-sale financial assets	-	-	(20)	-	-	-	-	(20)	(20)	
- Foreign currency translation	-	-	-	-	(267)	-	(267)	(267)	(267)	
Total other comprehensive expenses	-	-	(20)	-	(267)	-	(5,455)	(5,742)	(5,742)	
Amortisation of revaluation reserve	-	-	-	-	(119)	-	119	-	-	
<b>Balance as at 31 March 2020</b>	<b>50,321</b>	<b>-</b>	<b>(83)</b>	<b>(835)</b>	<b>17,515</b>	<b>(496)</b>	<b>(17,697)</b>	<b>48,725</b>	<b>48,725</b>	
<b>Balance as at 1 April 2018</b>	<b>49,263</b>	<b>1,038</b>	<b>(63)</b>	<b>(835)</b>	<b>17,871</b>	<b>(56)</b>	<b>(8,052)</b>	<b>59,186</b>	<b>59,186</b>	
Loss after taxation	-	-	-	-	-	-	(4,546)	(4,546)	(4,546)	
Other comprehensive expense:										
- Foreign currency translation	-	-	-	-	-	(173)	-	(173)	(173)	
Total other comprehensive expenses	-	-	-	-	-	(173)	(4,546)	(4,719)	(4,719)	
Transactions with owners of the Company:										
- Transfer to share capital upon implementation of the Companies Act 2016	1,038	(1,038)	-	-	-	-	-	-	-	
Total transaction with owners	1,038	(1,038)	-	-	-	-	-	-	-	
Amortisation of revaluation reserve	-	-	-	-	(237)	-	237	-	-	
<b>Balance as at 31 March 2019</b>	<b>50,321</b>	<b>-</b>	<b>(63)</b>	<b>(835)</b>	<b>17,634</b>	<b>(229)</b>	<b>(12,361)</b>	<b>54,467</b>	<b>54,467</b>	

**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 2019 and the accompanying explanatory notes attached to this interim financial report.

**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020**

	Current Year Ended 31 March 2020 RM'000	Preceding Year to Date Ended 31 March 2019 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(4,684)	(3,838)
Adjustments for:-		
Amortisation of intangible assets	13	17
Bad debts written off on trade and other receivables	-	19
Depreciation of:		
- property, plant & equipment	2,613	2,979
- right-of-use assets	4,446	-
Impairment loss on:		
- investment in associates	-	147
- investment property	100	-
- other receivables	496	67
- property, plant and equipment	3,874	1,729
Interest expense	623	91
Property, plant and equipment written off	1,430	205
Reversal of impairment loss of property, plant and equipment	(1,319)	-
Trade mark written off	-	23
Other investments written off	-	108
Reversal of impairment loss of amount owing by associates	(223)	(40)
Share of loss/(profits) in associates, net of income tax expense	335	(59)
Accretion of long-term receivables	-	(12)
Dividend income from other investments	-	(1)
Gain on disposal of property, plant and equipment	-	(4)
Loss on disposal of preference shares of an associate	76	-
Interest income	(145)	(186)
Operating profit before working capital changes	7,635	1,245
Decrease in inventories	714	475
Decrease in trade and other receivables	29	85
Decrease in trade and other payables	(385)	(212)
<b>CASH FROM OPERATIONS</b>	<b>7,993</b>	<b>1,593</b>
Income tax paid	(1,115)	(1,243)
Income tax refunded	169	339
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>7,047</b>	<b>689</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Interest received	145	186
Redemption of preferred share from associate company	-	118
Redemption of preferred share from other investment	350	-
Advances to related parties	(33)	-
Repayment from associates	10	4
Additional of intangible assets	(25)	(10)
Withdrawal/(Placement) of deposits pledged with licensed banks	37	(9)
Purchase of property, plant and equipment	(1,216)	(6,332)
Proceeds from disposal of property, plant and equipment	-	4
Dividend income received	-	1
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<b>(732)</b>	<b>(6,038)</b>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Interest paid	(623)	(91)
Repayment of hire purchase obligations	-	(75)
Repayment of term loans	(59)	(50)
Repayment of lease liabilities on right-of-use assets	(4,030)	-
<b>NET CASH FOR FINANCING ACTIVITIES</b>	<b>(4,712)</b>	<b>(216)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,603</b>	<b>(5,565)</b>
<b>EFFECT OF FOREIGN EXCHANGE TRANSLATION</b>	<b>(239)</b>	<b>(173)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>5,093</b>	<b>10,831</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<b>6,457</b>	<b>5,093</b>
<b>CASH AND CASH EQUIVALENTS COMPRISES:-</b>		
Short-term investment with financial institution	29	45
Short term and fixed deposits with licensed banks	2,677	2,234
Cash and bank balances	3,751	2,814
	<b>6,457</b>	<b>5,093</b>

**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 2019 and the accompanying explanatory notes attached to this interim financial report.

**OVERSEA ENTERPRISE BERHAD (317155-U)  
QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2020**

**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 2019 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:-

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
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 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2022
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020

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 FOURTH QUARTER ENDED 31 MARCH 2020

**A2. Adoption Of New And Revised Accounting Policies (Cont'd)**

**MFRS 16 : Leases**

The Group adopted MFRS 16 Leases ("MFRS 16") on 1 April 2019 which supersedes MFRS 117 Leases and the related interpretations.

MFRS 16 eliminates the classification of leases by the lessee as either finance leases (on balance sheet) or operating leases (off balance sheet). MFRS 16 requires a lessee to recognize a "right-of-use" of the underlying asset and a lease liability reflecting future lease payments for most leases.

The right-of-use asset is depreciated in accordance with the principles in MFRS 116 Property, Plant and Equipment and the lease liability is accreted over time with interest expense recognized in the income statement.

As allowed by the transitional provision of MFRS 16, the Group elected to apply the simplified transition approach and not to restate the comparatives amounts for the year prior to first adoption. Right-of-use assets and the corresponding lease liabilities on right-of-use assets will be measured on transition as if the new rules had always been applied. The impact of adopting MFRS 16 to opening balance are as follows:

<u>Balance sheet</u>	
<b>Impact of adopting MFRS 16 at 1 April 2019:</b>	
	<b>RM'000</b>
Right-of-use assets	6,489
Lease liabilities	(6,489)

The finance lease liabilities were measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate as at 1 April 2019. Right-of-use assets were measured at an amount equal to the lease liabilities, adjusted by the amount of the prepaid or accrued lease payments. Accordingly, there is no impact to the accumulated losses of the Group as at 1 April 2019.

On the income statement, expenses which previously included operating lease rental within EBITDA were replaced by interest expenses on lease liabilities and depreciation of the right-of-use assets. On the statement of cash flows, operating lease rental outflows previously recorded within "net cash for operating activities" were reclassified as "net cash for financing activities" for repayment of principal and interest of lease liabilities.

**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 2019 were not subject to any qualification.

**OVERSEA ENTERPRISE BERHAD (317155-U)  
QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2020**

**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 annual Chinese New Year Festival.

**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.

**[THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]**

**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2020**

**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				
<b>3 months period ended</b>						
<b>31 March 2020</b>						
<b>Revenue from</b>						
External customers	10,057	301	81	1	-	10,440
Inter-segment revenue	47	-	96	16	(159)	-
<b>Total revenue</b>	<b>10,104</b>	<b>301</b>	<b>177</b>	<b>17</b>	<b>(159)</b>	<b>10,440</b>
<b>(Loss)/Profit before taxation</b>	<b>(50)</b>	<b>(185)</b>	<b>(717)</b>	<b>273</b>	<b>(4,576)</b>	<b>(5,255)</b>
Income tax						(162)
<b>Loss after taxation</b>						<b>(5,417)</b>
Other comprehensive expenses						(241)
<b>Total comprehensive expenses</b>						<b>(5,658)</b>
<b>12 months ended 31 March 2020</b>						
<b>Revenue from</b>						
External customers	37,937	1,435	12,384	38	-	51,794
Inter-segment revenue	67	-	6,952	90	(7,109)	-
<b>Total revenue</b>	<b>38,004</b>	<b>1,435</b>	<b>19,336</b>	<b>128</b>	<b>(7,109)</b>	<b>51,794</b>
<b>(Loss)/Profit before taxation</b>	<b>(1,499)</b>	<b>(488)</b>	<b>1,113</b>	<b>1,081</b>	<b>(4,891)</b>	<b>(4,684)</b>
Income tax						(771)
<b>Loss after taxation</b>						<b>(5,455)</b>
Other comprehensive expenses						(287)
<b>Total comprehensive expenses</b>						<b>(5,742)</b>

\*Note: Comprises Ipoh Group Limited (Hong Kong)



**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2020**

**A9. Segmental Information (Cont'd)**

Segmental Reporting

	Restaurant		Manufacturing	Others	Eliminations	Consolidated
	Malaysia	Foreign*				
	RM' 000	RM' 000				
<b>3 months period ended</b> <b>31 March 2019</b>						
Revenue from						
External customers	12,866	416	(334)	25	-	12,973
Inter-segment revenue	85	-	(49)	101	(137)	-
<b>Total revenue</b>	<b>12,951</b>	<b>416</b>	<b>(383)</b>	<b>126</b>	<b>(137)</b>	<b>12,973</b>
<b>Profit/(Loss) before taxation</b>	<b>149</b>	<b>(138)</b>	<b>(1,365)</b>	<b>332</b>	<b>(1,836)</b>	<b>(2,858)</b>
Income tax						(51)
<b>Loss after taxation</b>						<b>(2,909)</b>
Other comprehensive income						56
<b>Total comprehensive expense</b>						<b>(2,853)</b>
<b>12 months ended 31 March 2019</b>						
Revenue from						
External customers	41,547	1,657	11,981	26	-	55,211
Inter-segment revenue	283	-	7,405	197	(7,885)	-
<b>Total revenue</b>	<b>41,830</b>	<b>1,657</b>	<b>19,386</b>	<b>223</b>	<b>(7,885)</b>	<b>55,211</b>
<b>(Loss)/Profit before taxation</b>	<b>(3,112)</b>	<b>(556)</b>	<b>1,343</b>	<b>957</b>	<b>(2,470)</b>	<b>(3,838)</b>
Income tax						(707)
<b>Loss after taxation</b>						<b>(4,545)</b>
Other comprehensive expense						(173)
<b>Total comprehensive expense</b>						<b>(4,718)</b>

\*Note: Comprises Ipoh Group Limited (Hong Kong)

	Restaurant		Manufacturing	Others	Eliminations	Consolidated
	Malaysia	Foreign*				
	RM' 000	RM' 000				
<b>As at 31 March 2020</b>						
Segmented assets	36,021	306	25,051	1,970	-	63,348
Unallocated assets						191
						<b>63,539</b>
<b>As at 31 March 2019</b>						
Segmented assets	63,747	144	27,917	63,011	(88,116)	66,703
Unallocated assets						127
						<b>66,830</b>

\*Note: Comprises Ipoh Group Limited (Hong Kong)

**OVERSEA ENTERPRISE BERHAD (317155-U)  
QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2020**

**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 March 2020 is as follows:-

	<b>RM'000</b>
Current:	
- within one year	3,216
Non-current:	
- between one and two years	528
- between two and five years	30
Total	<u>3,774</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:

	<b>As at 31.03.2020 RM'000</b>	<b>Audited 31.03.2019 RM'000</b>
<u>Corporate guarantees given by the Company to financial institutions for facilities granted to subsidiaries</u>		
- Total facilities granted	3,895	3,890
- Current Exposure	1,647	1,743

**[THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]**

**OVERSEA ENTERPRISE BERHAD (317155-U)  
QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2020**

**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:-

<b>Transactions</b>	<b>Current financial quarter ended 31.03.2020 RM'000</b>	<b>Current financial year to-date 31.03.2020 RM'000</b>
Rental paid to a Director	28	112
Rental paid to related parties <sup>(1)</sup>	283	1,164

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:

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

**[THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]**

**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2020**

**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 (%)
	31.03.2020	31.03.2019		31.03.2020	31.03.2019	
RM'000	Unaudited	Unaudited		Unaudited	Audited	
Revenue	10,440	12,973	-19.5%	51,794	55,211	-6.2%
Operating Loss	(4,997)	(2,868)	-74.2%	(4,465)	(4,409)	-1.3%
Loss Before Interest and Tax	(5,083)	(2,824)	-80.0%	(4,061)	(3,751)	-8.3%
Loss Before Tax	(5,255)	(2,858)	-83.9%	(4,684)	(3,838)	-22.0%
Loss After tax	(5,417)	(2,909)	-86.2%	(5,455)	(4,545)	-20.0%
Loss Attributable to Ordinary Equity Holders of the Parent	(5,417)	(2,909)	-86.2%	(5,455)	(4,545)	-20.0%

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

The Group recorded revenue of RM10.44 million for the quarter ended 31 March 2020, posted a decrease of RM2.53 million as compared to RM12.97 million in the quarter ended 31 March 2019. Lower revenue for the period under review was due to decrease in revenue for restaurant and other segment; however, it was off set against increase in revenue for manufacturing segment.

Quarter on quarter, the Group's loss before tax ("LBT") was increase by RM2.40 million against the previous year's same quarter. This was mainly attributable to the higher losses incurred by restaurant segment by RM3.34 million. However, it was offset against lower losses incurred by manufacturing segment and other segment by RM0.68 million and RM0.26 million respectively.

Gross margin has decreased from 64.4% in prior year quarter ended 31 March 2019 to 63.9% in current year quarter 31 March 2020.

The Group recorded revenue of RM51.79 million for the 12 months ended 31 March 2020, recorded a 6.2% decrease as compared to RM55.21 million in the 12 months ended 31 March 2019. Restaurant segment have shown a decrease of RM3.83 million in revenue. However, this was offset by higher revenue by RM0.4 million and RM12,000 from manufacturing segment and other segment respectively.

The Group recorded a LBT of RM4.68 million for the 12 months ended 31 March 2020 compared to LBT of RM3.84 million for the 12 months ended 31 March 2019. The increase in LBT was attributable to the additional impairment made on property, plant and equipment made in current financial year. However, the losses were offset against closure of non-profit making outlet which was Subang Parade outlet and Tsim Tung outlet in last financial year.

**OVERSEA ENTERPRISE BERHAD (317155-U)  
QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2020**

**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 March 2020, total equity attributable to owners of the Company stood at RM48.73 million, which is 10.5% lower than RM54.47 million as at 31 March 2019.

(iii) Statement of cash flow

The net operating cash inflows from operations of the Group was RM7,047,000 for the 12 months ended 31 March 2020 against RM689,000 for the corresponding period in 2019.

Net cash used in investing activities of the Group was RM732,000 for the 12 months ended 31 March 2020, as compared to RM6,038,000 for the 12 months ended 31 March 2019. The significant cash outflow in investing activities in prior year was mainly due to purchase of equipment and renovation work for Skyplaza outlet.

Net cash for financing activities was RM4,712,000 for 12 months ended 31 March 2020. In prior year to date 12 months ended 31 March 2019, total net cash for financing activities was RM216,000. The huge increase in net cash for financing activities in current year were due to the recognition of MFRS 16, Leases which impact the interest paid and repayment of lease liabilities on right-of-use assets.

Cash and cash equivalent increases by RM1,603,000 as compared with the opening cash and cash equivalent as at 1 April 2019. The total cash and cash equivalent stood at RM6,457,000 as at 31 March 2020.

**[THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]**

OVERSEA ENTERPRISE BERHAD (317155-U)  
 QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2020

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

(B) Segmental Analysis

	Individual Quarter 3 Months ended		Change (%)	Cumulative Period ended		Change (%)
	31.03.2020	31.03.2019		31.03.2020	31.03.2019	
	Unaudited	Unaudited		Unaudited	Audited	
RM'000						
<b>Revenue</b>						
Restaurant	10,358	13,282	-22.0%	39,372	43,204	-8.9%
Manufacturing	81	(334)	> 100%	12,384	11,981	3.4%
Others	1	25	-96.0%	38	26	46.2%
<b>Total</b>	<b>10,440</b>	<b>12,973</b>	<b>-19.5%</b>	<b>51,794</b>	<b>55,211</b>	<b>-6.2%</b>
<b>(Loss)/Profit before tax</b>						
Restaurant	(4,566)	(1,235)	- >100%	(6,262)	(5,380)	-16.4%
Manufacturing	(717)	(1,392)	48.5%	1,113	1,316	-15.4%
Others	28	(231)	> 100%	465	226	> 100%
<b>Total</b>	<b>(5,255)</b>	<b>(2,858)</b>	<b>-83.9%</b>	<b>(4,684)</b>	<b>(3,838)</b>	<b>-22.0%</b>

**3-month period (31.03.2020 vs. 31.03.2019)**

Restaurant segment

The Group restaurant segment recorded revenue of RM10.36 million for the quarter ended 31 March 2020, which represents a decrease of 22.0% as compared to RM13.28 million in the quarter ended 31 March 2019. The decrease in revenue was mainly due to the COVID-19 pandemic and travel ban implemented by overseas countries since December 2019.

The Group's restaurant segment recorded LBT of RM4.57 million for the quarter ended 31 March 2020. The increase in LBT by RM3.34 million was mainly as a result of impairment made against property, plant and equipment amounting to RM3.75 million for non-profit making outlet in current financial year.

Manufacturing segment

Manufacturing segment recorded revenue of RM81,000 for the quarter ended 31 March 2020, which represents an increase of RM0.42 million as compared to adverse revenue RM0.33 million in the quarter ended 31 March 2019. The increase in revenue was mainly due to timing difference adjustment made on the moon cake return in current quarter against last year corresponding quarter.

Manufacturing segment recorded LBT of RM0.72 million for the quarter ended 31 March 2020, which represents a 48.5% decrease as compared to LBT RM1.39 million in the quarter ended 31 March 2019. The decrease in LBT was mainly due to the timing difference adjustment made towards moon cakes return for current quarter compared to last year corresponding quarter. Besides, the decrease in manpower expenses also contributed to lower LBT.

**OVERSEA ENTERPRISE BERHAD (317155-U)  
 QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2020**

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

**(B) Segmental Analysis (Cont'd)**

12-month period (31.03.2020 vs. 31.03.2019)

Restaurant segment

The Group restaurant segment recorded 12 months ended revenue of RM39.37 million for the 12 months ended 31 March 2020, versus RM43.20 million in last year. The 8.9% decrease in revenue was as a result of closure of Subang Parade and Tsim Tung outlet, this was however set off by the opening of new outlet at Skyplaza, Genting.

The Group's restaurant segment recorded LBT of RM6.26 million for the 12 months ended 31 March 2020, indicating an 16.4% increase in LBT as compared to RM5.38 million for the 12 months ended 31 March 2019. The increase in LBT was mainly due to the additional impairment made towards property, plant and equipment for current financial year. However, it was off-set against saving from administrative and manpower expenses.

Manufacturing segment

The manufacturing segment recorded revenue of RM12.38 million for the 12 months ended 31 March 2020, represents an increase 3.4% compared to RM11.98 million in the 12 months ended 31 March 2019.

Manufacturing segment recorded PBT of RM1.11 million for the 12 months ended 31 March 2020, represents a decrease of 15.4% as compared to PBT of RM1.32 million for the 12 months ended 31 March 2019.

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

	3 Months ended		Change (%)
	31.03.2020	31.12.2019	
RM'000	Unaudited	Unaudited	
Revenue	10,440	10,470	-0.3%
Operating Loss	(4,997)	(1,076)	>100%
Loss Before Interest and Tax	(5,083)	(881)	>100%
Loss Before Tax	(5,255)	(1,027)	>100%
Loss After tax	(5,417)	(1,118)	>100%
Loss Attributable to Ordinary Equity Holders of the Parent	(5,417)	(1,118)	>100%

The Group recorded revenue of RM10.44 million for the quarter ended 31 March 2020, representing a decrease of 0.3% as compared to RM10.47 million in the quarter ended 31 December 2019.

The Group recorded LBT of RM5.26 million for the quarter ended 31 March 2020 compared to LBT of RM1.03 million in the immediate preceding quarter. The significant increase in LBT was mainly due to the impairment made towards property, plant and equipment in restaurant and other segment in current quarter ended 31 March 2020.

**OVERSEA ENTERPRISE BERHAD (317155-U)  
 QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2020**

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

	3 months ended		Change (%)
	31.03.2020	31.12.2019	
<i>RM'000</i>	Unaudited	Unaudited	
<b>Revenue</b>			
<i>Restaurant</i>	10,358	10,506	-1.4%
<i>Manufacturing</i>	81	(39)	>100%
<i>Others</i>	1	3	-66.7%
<b>Total</b>	<b>10,440</b>	<b>10,470</b>	-0.3%
<b>(Loss)/Profit before tax</b>			
<i>Restaurant</i>	(4,566)	395	- >100%
<i>Manufacturing</i>	(717)	(1,511)	52.5%
<i>Others</i>	28	89	-68.5%
<b>Total</b>	<b>(5,255)</b>	<b>(1,027)</b>	411.7%

**3-month period (31.03.2020 vs. 31.12.2019)**

**Restaurant segment**

The restaurant segment posted a decrease of RM148,000 or 1.4% in revenue as compared to previous corresponding quarter. Meanwhile, the LBT was increased tremendously by RM4.96 million as compared to quarter ended 31 December 2019. The tremendous increase was mainly due to impairment made towards property, plant and equipment amounting to RM3.75 million in current quarter ended 31 March 2020.

**Manufacturing segment**

The Group's manufacturing segment recorded revenue of RM81,000 in the current quarter and LBT of RM0.7 million, representing an increase of RM0.12 million in revenue and decrease of RM0.79 million in LBT as compared to previous corresponding quarter. The decrease in LBT was mainly due to the decrease in manpower expenses and selling and distribution expenses.

**[THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]**



OVERSEA ENTERPRISE BERHAD (317155-U)  
QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2020

**B3. Prospects**

**Restaurant Operations and Manufacturing**

The Covid-19 pandemic severely impacted the local economies globally and measures taken by the Government of Malaysia to contain the spread of pandemic such as travel bans and closure of non-essential business amongst other things have affected the business performance and operations of the Group. The decline in tourism have also disrupted the F&B division. During this unprecedented challenging period, the Group will focus on response measures to improve the performance of the Group's operation, mitigating the impact of Covid-19 and cash management. Our Group shall continue to monitor and assess ongoing development and respond accordingly.

**F&B Division**

The division is anticipated to be affected by the current soft sentiment in the tourism industry as well as the uncertainties of the aftermath effect of the Covid-19 pandemic. The Group have taken several initiatives to minimize the impact such as promoting take away packages and the provision of door to door delivery services as well as introducing austerity measures to contain costs.

**Manufacturing Division**

The division was able to deliver positive results in the year. Nevertheless, the challenging environment is expected to persist as the pandemic continues across the globe. The division shall continue to enhance its manufacturing and operational efficiencies and expand its research and development capabilities to explore new avenues to grow the manufacturing business.

**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**

	<b>Current financial quarter ended 31.03.2020 RM'000</b>	<b>Current financial year to-date 31.03.2020 RM'000</b>
Income tax:-		
Current period	162	771

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.

**[THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]**

**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2020**

**B6. Notes To The Statement of Comprehensive Income**

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

	Current financial quarter ended 31.03.2020 RM'000	Current financial year to-date 31.03.2020 RM'000
Interest income	(48)	(145)
Other income including investment income	(993)	(3,960)
Reversal of impairment losses of property, plant and equipment	(1,319)	(1,319)
Reversal of impairment loss of amount owing by associates	(190)	(223)
Depreciation and amortization	2,156	7,072
Impairment loss on property, plant and equipment	3,874	3,874
Impairment loss on investment property	100	100
Impairment loss on other receivables	496	496
Interest expenses	172	623
Loss on disposal of preference shares in an associate	76	76
Property, plant and equipment written off	1,083	1,430

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 2020 .

**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
<b>as at 31 March 2020</b>			
Term loan	59	1,169	1,228
Lease liabilities on right-of-use assets	2,811	521	3,332
Total Borrowing	<u>2,870</u>	<u>1,690</u>	<u>4,560</u>
<b>as at 31 March 2019</b>			
Term loan	56	1,231	1,287
Hire Purchase	83	244	327
	<u>139</u>	<u>1,475</u>	<u>1,614</u>

**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2020**

**B8. Group Borrowings And Debts Securities (cont'd)**

The decrease in term loan as at 31 March 2020 compared to 31 March 2019 was due to repayment of facilities. Following the adoption of MFRS16, the hire purchase balances are classified to lease liabilities on right-of-use. The Group's borrowing and debts securities are denominated in RM.

**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	Preceding Year Corresponding Quarter Ended	Current Year to Date Ended	Preceding Year Corresponding Period Ended
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
<b>LOSSES PER SHARE</b>				
Loss for the period attributable to owners of the company	(5,417)	(2,909)	(5,455)	(4,545)
Weighted average number of ordinary shares in issue ('000)	242,515	242,515	242,515	242,515
Losses per share (sen)	(2.23)	(1.20)	(2.25)	(1.87)

**[THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]**