

OVERSEA ENTERPRISE BERHAD (317155-U)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2011

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year to Date Ended	Preceding Year Corresponding Period Ended
	31 March 2011 RM'000	31 March 2010 RM'000	31 March 2011 RM'000	31 March 2010 RM'000
Revenue	18,787	18,648	18,787	18,648
Cost of sales	(7,862)	(8,046)	(7,862)	(8,046)
Gross profit	10,925	10,602	10,925	10,602
Other operating income	1,785	1,639	1,785	1,639
Administration and other operating expenses	(1,966)	(2,310)	(1,966)	(2,310)
Selling and Distribution expenses	(8,511)	(7,656)	(8,511)	(7,656)
Finance costs	(102)	(142)	(102)	(142)
Profit before tax	2,131	2,133	2,131	2,133
Income tax expense	(549)	(588)	(549)	(588)
Profit after tax	1,582	1,545	1,582	1,545
Other comprehensive (expenses)/ income	(144)	129	(144)	129
Total comprehensive income	1,438	1,674	1,438	1,674
Profit attributable to:				
Equity holders of the Company	1,582	1,545	1,582	1,545
Total comprehensive income attributable to:				
Equity holders of the Company	1,438	1,674	1,438	1,674
Weighted average no. of ordinary shares in issue ('000)	245,000	191,893	245,000	191,893
Earnings per share (sen):				
- Basic	0.65	0.81	0.65	0.81

Notes:

- (i) Basic earnings per share for the quarter and financial period is calculated based on the net 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 account for the financial year ended 31 December 2010 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 2011

	UNAUDITED As at 31 March 2011 RM'000	AUDITED As at 31 December 2010 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	29,474	29,263
Investment properties	7,723	7,723
Other Investments	619	1,021
Intangible assets	283	71
Goodwill on consolidation	92	92
Long-term receivables	186	250
	38,377	38,420
Current Assets		
Inventories	5,314	5,347
Trade and other receivables	4,799	5,904
Tax refundable	2,501	2,322
Deposits, bank and cash balances	18,244	14,460
	30,858	28,033
Total Assets	69,235	66,453
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of The Company		
Share capital	49,000	49,000
Reserves	4,431	2,993
Shareholders' Funds	53,431	51,993
Minority Interests	-	-
Total equity	53,431	51,993
Non-current liabilities		
Hire purchase creditors	48	74
Term Loans	1,720	1,859
Deferred taxation	648	648
	2,416	2,581
Current Liabilities		
Trade and other payables	9,854	8,431
Hire purchase creditors	118	122
Bank overdrafts	0	16
Term loans	3,290	3,310
Tax payables	126	-
	13,388	11,879
Total liabilities	15,804	14,460
Total equity and liabilities	69,235	66,453
 Net Assets Per Share Attributable to ordinary equity holders of the Company (RM)	 0.22	 0.21

Note:-

- (i) The unaudited condensed statement of financial position should be read in conjunction with the annual audited account for the financial year ended 31 December 2010 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 2011

Group	Attributable to equity holders of the Company					
	Share Capital	Non-Distributable Share Premium	Fair Value Reserve	Foreign Currency Translation Reserve	Distributable Retained Profits	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2011	49,000	1,039	369	(1)	1,586	51,993
Net profit for the period	-	-	-	-	1,582	1,582
Total other comprehensive expenses	-	-	(144)	-	-	(144)
Balance as at 31 March 2011	49,000	1,039	225	(1)	3,168	53,431
Balance as at 1 January 2010						
- As previously stated	37,620	-	-	-	1,910	39,530
- Effects of adopting FRS 139	-	-	(41)	-	-	(41)
- As restated	37,620	-	(41)	-	1,910	39,489
Public Issue	11,380	1,707	-	-	-	13,087
Less: Listing expenses	-	(291)	-	-	-	(291)
Net profit for the period	-	-	-	-	1,545	1,545
Total other comprehensive income	-	-	129	-	-	129
Balance as at 31 March 2010	49,000	1,416	88	-	3,455	53,959

Notes:-

- (i) The unaudited condensed consolidated statements of changes in equity should be read in conjunction with the annual audited account for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to this interim financial report.

OVERSEA ENTERPRISE BERHAD (317155-U)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASHFLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011

	UNAUDITED	UNAUDITED
	Current Year to Date Ended 31 March 2011	Preceding Year to Date Ended 31 March 2010
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,131	2,133
Adjustments for Non Cash items	606	761
Operating profit before working capital changes	2,737	2,894
Decrease in inventories	33	81
Decrease in trade and other receivables	1,169	1,422
Increase/(Decrease) in trade and other payables	1,401	(1,220)
Net cash from operations	5,340	3,177
Tax paid	(603)	(487)
Net cash generated from operating activities	4,737	2,690
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	50	31
Payment for intangibles assets	(223)	(74)
Proceeds from disposal of property, plant and equipment	-	1
Purchase of property, plant and equipment	(926)	(158)
Proceeds from disposal of other investment	432	-
Net cash used in investing activities	(667)	(200)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advance from directors	21	3
Interest paid	(102)	(142)
Repayment of hire purchase obligations	(30)	(28)
Repayment of term loan	(159)	(112)
Net cash used in financing activities	(270)	(279)
Net increase in cash and cash equivalents	3,800	2,211
Cash and cash equivalents at beginning of the period	14,444	8,395
Cash and cash equivalents at end of the period	18,244	10,606
Cash and cash equivalents comprise :-		
Short term and fixed deposits with licensed banks	11,751	6,656
Cash and bank balances	6,493	4,137
Bank overdraft	-	(187)
	18,244	10,606

Note:-

- (i) The unaudited condensed consolidated statements of cash flow should be read in conjunction with the annual audited account for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to this interim financial report.

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QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2011

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 FRS 134: Interim Financial Reporting and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The accounting policies and methods of computation adopted by Oversea Enterprise Berhad (“Oversea” or the “Company”) and its subsidiaries (“Group”) for these interim financial statements are in compliance with the new and revised FRSs issued by the Malaysian Accounting Standards Board.

The interim financial statements should be read in conjunction with the audited financial statement for year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial report.

A2. Adoption Of New And Revised Accounting Policies

The accounting policies and methods of computation adopted by the Group in these condensed consolidated interim financial statements are consistent with those adopted in the condensed consolidated financial statements for the year ended 31 December 2010, except for adoption of the following new/revised FRSs effective for financial period beginning 1 July 2010 and 1 January 2011:

(a) FRS

FRS 1 (Revised)	First-time Adoption of Financial Reporting Standards
FRS 3 (Revised)	Business Combinations
FRS 127 (Revised)	Consolidated and Separate Financial Statements

(b) Amendments to FRSs

Amendment to FRS 1 (Revised)	Limited Exemption from Comparative Disclosures for First-time Adopters	FRS 7
Amendments to FRS 1	Additional Exemptions for First-time Adopters	
Amendments to FRS 2	Scope of FRS 2 and FRS 3 (Revised)	
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions	
Amendments to FRS 5	Plan to Sell the Controlling Interest in a Subsidiary	
Amendments to FRS 7	Improving Disclosures about Financial Instruments	
Amendments to FRS 138	Consequential Amendments Arising from FRS 3 (Revised)	3

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

(c) IC Interpretations

IC Interpretation 4	Determining Whether an Arrangement Contain a Lease
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distribution of Non-cash Assets to Owners
IC Interpretation 18	Transfer of Assets from Customers

(d) Amendments to FRSs contained in the documents entitled "Annual Improvement to FRSs (2010)"

The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operation except as follows:-

- (i) FRS 3 (Revised) introduces significant changes to the accounting for business combinations, both at the acquisition date and post-acquisition, and requires greater use of fair values. In addition, all transaction costs, other than share and debt issue costs, will be expensed as incurred.
- (ii) FRS 127 (Revised) requires accounting for changes in ownership interests by the group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or losses attributable to the minority interest to be absorbed by the minority interest instead of by the parent.

The application of the above FRSs, Amendments to FRSs and Interpretation did not result in any significant changes in the accounting policies and presentation of the financial result of the Group.

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 December 2010 were not subject to any qualification.

A4. Seasonal Or Cyclical Factors

Save for the slight increase in banquet operation which normally peak from October to March, the operations of the Group were not materially affected by any seasonal or cyclical factors in the current financial quarter under review.

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.

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A7. Changes In Debt and Equity Securities

There were no issuance 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

There were no dividends paid in the current financial year to date.

A9. Segmental Information

The Group is organized into the following operating segments:-

- a) Restaurant
- b) Manufacturing 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

Period ended 31 March 2011	Restaurant		Manufacturing	Others	Eliminations	Consolidated
	Malaysia	Singapore				
	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000
Revenue from						
External customers	17,412	1,465	(90) ^{*3}	-	-	18,787
Inter-segment revenue	33	-	(6)	882	(909)	-
Total revenue	17,445	1,465	(96)	882	(909)	18,787
Profit/(Loss) before taxation	3,054	(168) ^{*1}	(672) ^{*2}	(83)		2,131
Income tax expenses						(549)
Profit after taxation						1,582
Other Comprehensive Expenses						(144)
Total Comprehensive Income						1,438
Segmented assets	44,849	4,493	11,958	5,434	-	66,734
Unallocated assets						2,501
						69,235

Notes:-

^{*1} The loss was mainly due to the pre-opening expenses of our new restaurant in Singapore.

^{*2} The loss was mainly due to the fixed costs i.e. depreciation costs and staff costs of three (3) of its subsidiaries

^{*3} Being goods returned.

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A10. Valuation Of Property, Plant and Equipment

There was no valuation of the property, plant and equipment in the current financial quarter under review.

A11. Capital Commitments

Non-cancellable lease commitments of the Group as at 31 March 2011 is as follows:-

	RM'000
Current:	
- within one year	3,299
Non –current:	
- between one and two years	2,320
- between two and five years	1,342

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

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

A13. Changes In Composition Of The Group

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

A14. Contingent Liabilities Or Contingent Assets

Contingent liabilities of the Group comprise the following:

	31.03.11 RM'000	31.03.10 RM'000
Corporate guarantees given by the Company to financial institutions for facilities granted to subsidiaries		
- Total facilities granted	8,243	-
- Current Exposure	2,142	-

A15. Significant Related Party Transactions

The Group had 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 RM'000	Financial year to date RM'000
Rental paid to Director	25	25
Rental received from related parties ⁽¹⁾	*	*
Rental paid to related parties ⁽¹⁾	242	242

Notes:

⁽¹⁾ These companies are owned by some directors who are also substantial shareholders of Oversea.

* Amount is less than RM1,000

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A15. Significant Related Party Transactions (Cont'd)

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

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

B1. Review Of Performance

The Group recorded revenue of RM18.79 million and profit before tax of RM2.13 million for the three months ended 31 March 2011 as compared to revenue of RM18.65 million and profit before tax of RM2.13 million for the preceding year corresponding period ended 31 March 2010. The slight increase in revenue was mainly due to the revenue contribution from the Group's new restaurant in Singapore, namely Grand Ocean Restaurant Pte Ltd ("GOR") which commenced operations on 30 January 2011. Cost of sales reduced this quarter due to the Group's efforts in implementing stricter cost control measures. As a result, profit before tax has remained relatively constant when compared to the previous year corresponding period.

B2. Comparison To The Results Of The Preceding Quarter

The Group registered a revenue of RM18.79 million for the current quarter under review representing an increase of RM8.28 million or 78.8% from the RM10.51 million in the preceding quarter. The Group's profit before tax was RM2.13 million for the current quarter under review as compared to loss before tax of RM1.77 million in the preceding quarter. The improvement in revenue was mainly due to the pick-up in its restaurant segment contributed by the increase in walk-in customers. Additional revenue was also contributed from GOR, which commenced operations on 30 January 2011. The increase in revenue coupled with the stricter cost control measures enabled the Group to be in a profit making position this quarter.

B3. Current Year Prospects

The Group's new restaurant located at Shaw Tower, Singapore, which commenced operations on 30 January 2011, has received positive response. The Singapore outlet has 25 tables and a seating capacity for about 200 diners. This restaurant has been performing well to date, as evident from the improvement in the Group's revenue this quarter.

In view of the Group's performance in year 2010, the Board plans to re-strategise to focus on improving the results of its existing outlets in the immediate term. The Group intends to implement stricter cost control measures such as improving on existing banquet booking system and formulate strategies to improve the sales of the Group. The Group endeavours to remain competitive in the market by renovating some of its restaurants and introduce more variety of food products at competitive prices. The Group also plans to further strengthen the brand name by creating awareness and to promote brand loyalty for customers by way of advertising and promotion activities. For the manufacturing segment, the Group plans to monitor raw material prices closely and may formulate different recipes to produce new types of mooncake for 2011.

Moving forward, with the successful implementation of the various strategies stated above, the Board remains positive of its results for 2011.

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.

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B5. Taxation

	Current quarter ended 31 March 2011 RM' 000	Current year to-date 31 March 2011 RM' 000
Income tax:-		
Current period/year	549	549

The effective tax rate for current quarter and the current year to date were higher than the statutory rate of 25%. These were mainly due to certain expenses disallowed for tax purpose.

B6. Profit/(Loss) On Sale Of Unquoted Investments And/Or Properties

Save as disclosed below, there were no sales of unquoted investments and/or properties during the current financial quarter and financial year-to-date:-

On 24 January 2011, the Company's wholly owned subsidiary, namely Restoran Oversea (Imbi) Sdn Bhd have disposed off four (4) units of two-storey shop offices, all situated in Kuchai Business Park, Off Jalan Klang Lama, 58200 Kuala Lumpur free from encumbrances, to Yayasan Dazhi (640772-A) of 250, Jalan Terasek, Bangsar Baru, 59100 Kuala Lumpur for a total cash consideration of RM5,650,000. As at the date of this announcement, the sales is pending completion.

B7. Purchase Or Disposal Of Quoted Securities

There is no purchase of quoted securities by the Group during the quarter under review and the disposals of quoted securities were as follows:-

	Current quarter ended 31 March 2011 RM'000	Current year to- date 31 March 2011 RM'000
Proceeds of quoted securities disposed	432	432
Gain on disposal of quoted securities	173	173

Total investments in quoted securities as at 31 March 2011 were as follows:-

	RM'000
At Cost	286
At book value	511
At market value	511

B8. (a) Status Of Corporate Proposals

Save for the disposal of the properties to Yayasan Dazhi as disclosed in note B6 above, there is no corporate proposal announced or not completed by the Group as at the latest practicable date of 12 May 2011.

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(b) Status Of Utilization Of Proceeds Of Public Issue

As at the end of the current quarter and financial year-to-date, the status of utilisation of the proceeds as compared to the actual utilisation is as follows:-

	Purposes	Proposed utilisation RM'000	Amount Utilised RM'000	Time frame	Balance unutilised RM'000
(i)	Capital Expenditure and business expansion plan	6,050	2,525	Within 2 years after listing	3,525
(ii)	Working Capital	3,310	*2,562	Within 2 years after listing	748
(iii)	Repayment of borrowings	2,000	2,000	Within 1 year after listing	-
(iv)	Estimated listing expenses	1,727	1,727	Upon listing	-
	Total	13,087	8,814		4,273

* Inclusive of excess in listing expenses amounting to RM298,000.

B9. Group Borrowings And Debts Securities

The Group's borrowings and debts securities as at 31 March 2011 are as follows:

	Short Term (Secured) RM'000	Long Term (Secured) RM'000
Hire Purchase Creditors	118	48
Term loan	*3,290	1,720
Total	3,408	1,768

*Term loan of RM2,556,000 is being classified as short term due to sale of properties attached to it as disclosed in B6.

B10. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at the date of this announcement.

B11. Material Litigation

There was no material litigation (including status of any pending material litigation) as at the latest practicable date of 12 May 2011.

B12. Dividends

No interim dividend has been declared in respect of the current financial quarter under review.

OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2011

B13. 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
	31-Mar-11 RM'000	31-Mar-10 RM'000	31-Mar-11 RM'000	31-Mar-10 RM'000
BASIC EARNINGS PER SHARE				
Profit for the period attributable to ordinary equity holders of the company	1,582	1,545	1,582	1,545
Weighted average number of ordinary shares in issue ('000)	245,000	191,893	245,000	191,893
Basic earnings per share (sen)	0.65	0.81	0.65	0.81

B14. Realised and unrealised retained earnings

The retained profit may be analysed as follows:

	As at the end of current quarter 31.03.2011 RM'000	As at the end of preceding quarter 31.12.2010 RM'000
- Realised	3,140	1,559
- Unrealised	28	27
	<u>3,168</u>	<u>1,586</u>

By Order of the Board

Ng Bee Lian
Company Secretary
Date: 16 May 2011