

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

	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-18 RM'000	31-Mar-17 RM'000	31-Mar-18 RM'000	31-Mar-17 RM'000
Revenue	15,158	16,037	58,512	60,044
Cost of sales	(5,497)	(5,792)	(23,189)	(23,825)
Gross profit	9,661	10,245	35,323	36,219
Other operating income	1,448	1,620	4,224	4,821
Administration expenses	(6,191)	(4,046)	(13,516)	(10,419)
Selling and Distribution expenses	(8,020)	(6,801)	(30,580)	(29,217)
Operating (loss)/profit	(3,102)	1,018	(4,549)	1,404
Share of results in associates	259	(16)	622	(274)
(Loss)/Profit before interest and tax	(2,843)	1,002	(3,927)	1,130
Finance costs	(15)	(5)	(67)	(78)
(Loss)/Profit before taxation	(2,858)	997	(3,994)	1,052
Income tax	(211)	(290)	(871)	(593)
(Loss)/Profit after taxation	(3,069)	707	(4,865)	459
Other comprehensive (expense)/incomes				
Fair value changes of available-for-sale financial assets	-	29	(1)	(85)
Transfer to profit or loss upon disposal of available-for-sale financial assets	(42)	62	(42)	62
Foreign currency translation	302	(29)	415	(340)
Total comprehensive (expense)/income	(2,809)	769	(4,493)	96
(Loss)/Profit attributable to:				
Owners of the Company	(3,048)	707	(4,795)	459
Non-controlling interest	(21)	-	(70)	-
	(3,069)	707	(4,865)	459
Total comprehensive (expense)/income attributable to:				
Owners of the Company	(2,788)	769	(4,423)	96
Non-controlling interest	(21)	-	(70)	-
	(2,809)	769	(4,493)	96
Weighted average ordinary shares in issue ('000)	242,221	242,368	242,223	241,686
(Losses)/Earnings per share (sen):				
- Basic	(1.26)	0.29	(1.98)	0.19

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 2017 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 2018

	UNAUDITED	AUDITED
	As at	As at
	31-Mar-18	31-Mar-17
	RM'000	RM'000
ASSETS		
Non-current assets		
Investment in associate	1,599	619
Property, plant and equipment	47,465	46,627
Investment properties	2,450	2,450
Other investments	141	258
Intangible assets	91	107
Long-term receivables	86	96
Deferred tax asset	49	425
	<u>51,881</u>	<u>50,582</u>
Current Assets		
Inventories	5,516	5,561
Trade and other receivables	3,163	3,512
Amount due from an associate	140	300
Tax refundable	227	427
Short-term investment with financial institutions	43	240
Deposits, bank and cash balances	10,996	15,477
	<u>20,085</u>	<u>25,517</u>
TOTAL ASSETS	<u>71,966</u>	<u>76,099</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	49,283	49,283
Reserves	9,902	14,044
Total equity attributable to owners of the Company	<u>59,185</u>	<u>63,327</u>
Non-controlling interest	-	-
Total equity	<u>59,185</u>	<u>63,327</u>
Non-current liabilities		
Hire purchase creditors	236	150
Term loans	1,280	1,336
Deferred taxation	5,791	5,875
	<u>7,307</u>	<u>7,361</u>
Current Liabilities		
Trade and other payables	5,211	5,298
Provision for tax	139	23
Hire purchase creditors	67	36
Term loans	57	54
	<u>5,474</u>	<u>5,411</u>
Total liabilities	<u>12,781</u>	<u>12,772</u>
TOTAL EQUITY AND LIABILITIES	<u>71,966</u>	<u>76,099</u>
Net Assets Per Share Attributable to ordinary equity holders of the Company (RM)	0.24	0.26

Notes:-

- (i) The unaudited condensed statement of financial position should be read in conjunction with the annual audited accounts for the financial year ended 31 March 2017 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 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	RM'000	
The Group										
Balance as at 1 April 2017	49,283	1,038	(20)	(867)	18,110	(520)	(3,697)	63,327	-	63,327
Loss after taxation	-	-	-	-	-	-	(4,795)	(4,795)	(70)	(4,865)
Other comprehensive expense:										
- loss on fair value changes of available-for-sale financial assets	-	-	(1)	-	-	-	-	(1)	-	(1)
- transfer to profit and loss upon disposal of available-for-sale financial assets	-	-	(42)	-	-	-	-	(42)	-	(42)
- revaluation surplus from valuation of properties	-	-	-	-	-	-	-	-	-	-
- Foreign currency translation	-	-	-	-	-	415	-	415	-	415
Total other comprehensive expenses	-	-	(43)	-	-	415	(4,795)	(4,423)	(70)	(4,493)
Amortisation of revaluation reserve	-	-	-	-	(238)	-	238	-	-	-
Transactions with owners of the Company:										
- Disposal of interest in subsidiary	-	-	-	-	-	25	-	25	284	309
- Share of pre-acquisition profit to new shareholder	-	-	-	-	-	28	186	214	(214)	-
- Resale of treasury shares	-	-	-	32	-	-	10	42	-	42
Total transaction with owners	-	-	-	32	-	53	196	281	70	351
Balance as at 31 March 2018	49,283	1,038	(63)	(835)	17,872	(52)	(8,058)	59,185	-	59,185
Balance as at 1 April 2016	49,000	1,038	2	(867)	18,348	(180)	(4,394)	62,947	-	62,947
Profit after taxation	-	-	-	-	-	-	459	459	-	459
Other comprehensive expense:										
- Recycle of revaluation reserve to retained earning	-	-	-	-	(238)	-	238	-	-	-
- transfer to profit or loss upon disposal of available-for-sale financial assets	-	-	63	-	-	-	-	63	-	63
- loss on fair value changes of available-for-sale financial assets	-	-	(85)	-	-	-	-	(85)	-	(85)
- Foreign currency translation	-	-	-	-	-	(340)	-	(340)	-	(340)
Total other comprehensive (expenses)/income	-	-	(22)	-	(238)	(340)	697	97	-	97
Transactions with owners of the Company:										
- Additional shares issue	283	-	-	-	-	-	-	283	-	283
Total transaction with owners	283	-	-	-	-	-	-	283	-	283
Balance as at 31 March 2017	49,283	1,038	(20)	(867)	18,110	(520)	(3,697)	63,327	-	63,327

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 2017 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 2018

	Current Year Ended 31 March 2018 RM'000	Preceding Year Ended 31 March 2017 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(3,994)	1,052
Adjustments for:-		
Amortisation of intangible assets	37	35
Bad debts written off:		
- trade and other receivables	16	-
Depreciation of property, plant & equipment	2,778	2,735
Provision for amount owing from associate	697	-
Interest expense	74	65
(Gain)/Loss on disposal of plant and equipment	(25)	(1)
(Gain)/Loss on disposal of other investment	(45)	58
Loss on disposal of subsidiary	65	-
Property, plant and equipment written off	891	233
Share of profits in associates, net of income tax expense	(622)	274
Interest income	(316)	(392)
Operating profit before working capital changes	(444)	4,059
Increase in inventories	8	(1,389)
Decrease/(Increase) in trade and other receivables	(171)	(59)
Increase/(Decrease) in trade and other payables	876	(207)
CASH FROM OPERATIONS	269	2,404
Income tax paid	(586)	(1,107)
Income tax refund	322	-
NET CASH FROM OPERATING ACTIVITIES	5	1,297
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES		
Interest received	316	392
Investment in associate company	(550)	(874)
Advance to associates	(537)	(300)
Proceeds from disposal of:		
- property, plant and equipment	53	3
- other investments	119	35
- subsidiary	(146)	-
Purchase of property, plant and equipment	(4,026)	(1,282)
Disposal of subsidiary	199	-
Deposits paid for renovation work	(742)	-
Proceeds from disposal of own shares	41	-
Dividend income	191	-
Payment for intangible assets	(20)	(55)
NET CASH FOR INVESTING ACTIVITIES	(5,102)	(2,081)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Interest paid	(74)	(65)
Repayment of hire purchase obligations	(41)	(20)
Repayment of term loans	(54)	(40)
Drawdown of term loan	-	255
Proceeds from issuance of shares	-	283
Proceeds from issuance of shares to non controlling interest	85	-
NET CASH (FOR)/FROM FINANCING ACTIVITIES	(84)	413
NET DECREASE IN CASH AND CASH EQUIVALENTS	(5,181)	(371)
EFFECT OF FOREIGN EXCHANGE TRANSLATION	503	(415)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	15,717	16,503
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	11,039	15,717
CASH AND CASH EQUIVALENTS COMPRISES:-		
Short-term investment with financial institution	43	240
Short term and fixed deposits with licensed banks	6,807	12,159
Cash and bank balances	4,189	3,318
	11,039	15,717

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 2017 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 1965 in Malaysia.

The interim financial statements should be read in conjunction with the audited financial statements for year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial report.

A2. Adoption Of New And Revised Accounting Policies

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

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 16 Leases	1 January 2019
MFRS 17 Insurance Contract	1 January 2021
Classification and Measurement of Share-based Payment Transactions (Amendments to MFRS 2)	1 January 2018
Annual Improvements to MFRS Standards 2014 – 2016 Cycle	1 January 2018

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 2018**

A3. Auditors' Report On Preceding Annual Financial Statements

The auditors' report on the preceding audited financial statements of the Company and its subsidiaries for the financial year ended 31 March 2017 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 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.

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

A9. Segmental Information

The Group is organized into the following operating segments:-

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

Segmental Reporting

	Restaurant		Manufacturing	Others	Eliminations	Consolidated
	Malaysia	Foreign*				
	RM' 000	RM' 000				
3 months period ended 31 March 2018						
Revenue from						
External customers	13,932	1,276	(49)	(1)	-	15,158
Inter-segment revenue	235	-	180	12	(427)	-
Total revenue	14,167	1,276	131	11	(427)	15,158
Profit/(Loss) before taxation	1,622	(363)	(825)	359	(3,651)	(2,858)
Income tax						(211)
Loss after taxation						(3,069)
Other comprehensive incomes						260
Total comprehensive expense						(2,809)
3 months period ended 31 March 2017						
Revenue from						
External customers	14,563	1,310	157	7	-	16,037
Inter-segment revenue	19	-	224	4	(247)	-
Total revenue	14,582	1,310	381	11	(247)	16,037
Profit/(Loss) before taxation	1,832	(60)	(552)	(221)	(2)	997
Income tax						(290)
Profit after taxation						707
Other comprehensive incomes						62
Total comprehensive incomes						769

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

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

A9. Segmental Information (Cont'd)

Segmental Reporting

	Restaurant		Manufacturing	Others	Eliminations	Consolidated
	Malaysia	Foreign*				
	RM' 000	RM' 000				
12 months ended 31 March 2018						
Revenue from						
External customers	42,126	5,252	11,134	-	-	58,512
Inter-segment revenue	312	-	6,719	30	(7,061)	-
Total revenue	42,438	5,252	17,853	30	(7,061)	58,512
(Loss)/Profit before taxation	(242)	(1,436)	1,155	440	(3,911)	(3,994)
Income tax						(871)
Loss after taxation						(4,865)
Other comprehensive incomes						372
Total comprehensive expense						(4,493)
12 months ended 31 March 2017						
Revenue from						
External customers	44,620	4,472	10,939	13	-	60,044
Inter-segment revenue	73	-	7,592	40	(7,705)	-
Total revenue	44,693	4,472	18,531	53	(7,705)	60,044
Profit/(Loss) before taxation	379	(596)	1,574	(693)	388	1,052
Income tax						(593)
Profit after taxation						459
Other comprehensive expenses						(363)
Total comprehensive income						96

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

	Restaurant		Manufacturing	Others	Eliminations	Consolidated
	Malaysia	Foreign*				
	RM' 000	RM' 000				
As at 31 March 2018						
Segmented assets	44,030	(17)	26,518	1,435	-	71,966
Unallocated assets						(276)
						71,690
As at 31 March 2017						
Segmented assets	58,180	1,302	31,107	58,981	(74,324)	75,247
Unallocated assets						852
						76,099

*Note: Comprises Ipoh Group Limited (Hong Kong)

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

A10. Valuation Of Property, Plant and Equipment

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

A11. Operating Lease Commitments

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

	RM'000
Current:	
- within one year	2,574
Non-current:	
- between one and two years	2,002
- between two and five years	938
Total	<u>5,514</u>

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

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

A13. Changes In Composition Of The Group

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

A14. Contingent Liabilities Or Contingent Assets

Contingent liabilities of the Group comprise the following:

	As at 31.03.2018 RM'000	Audited 31.03.2017 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	1,784	1,827

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

A15. Significant Related Party Transactions

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

Transactions	Current financial quarter ended 31.03.2018 RM'000	Current financial year to-date 31.03.2018 RM'000
Rental paid to a Director	48	183
Rental paid to related parties ⁽¹⁾	281	1,125

Note:

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

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

A16. Capital Commitments

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

	Amount (RM'000)
Authorised but not contracted for:	
Property, plant and equipment	4,203

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OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 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 (%)
	31.03.2018	31.03.2017		31.03.2018	31.03.2017	
RM'000	Unaudited	Unaudited		Unaudited	Audited	
Revenue	15,158	16,037	-5.5%	58,512	60,044	-2.6%
Operating Profit/(Loss)	(3,102)	1,018	- >100%	(4,549)	1,404	>100%
Profit/(Loss) Before Interest and Tax	(2,843)	1,002	- >100%	(3,927)	1,130	>100%
Profit/(Loss) Before Tax	(2,858)	997	- >100%	(3,994)	1,052	>100%
Profit/(Loss) After tax	(3,069)	707	- >100%	(4,865)	459	>100%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	(3,048)	707	- >100%	(4,795)	459	>100%

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

The Group recorded revenue of RM15.2 million for the quarter ended 31 March 2018, which represents a slight decrease of 5.5% as compared to RM16.0 million in the quarter ended 31 March 2017.

The Group recorded loss before tax (LBT) of RM2.9 million for the quarter ended 31 March 2018. In the quarter ended 31 March 2017, the Group recorded profit before tax (PBT) of RM1 million.

The Group recorded revenue of RM58.5 million for the 12 months ended 31 March 2018, representing a decrease of 2.6% as compared to RM60.0 million in the 12 months ended 31 March 2017. Overall, decrease in revenue was mainly attributable to local restaurant segment. The closure of PJ outlet in the current year has contributed to the decrease in revenue in restaurant segment.

Gross margin has maintained above 63.5% in both current quarter and last year quarter. Year to date gross margin maintained at 60.3% for both current year and last year.

The Group recorded LBT of RM4.0 million for the 12 months ended 31 March 2018. In the 12 months ended 31 March 2017, the Group recorded PBT of RM1 million. The decrease in bottom line was mainly attributable to restaurant segment.

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

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

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

(ii) Statement of financial position

As at 31 March 2018, total equity attributable to owners of the Company stood at RM59.2 million, which is 6.5% lower than RM63.3 million as at 31 March 2017.

Deferred tax asset decreased from RM0.4 million in 31 March 2017 to RM49 thousand in 31 March 2018 mainly due to impairment of assets in our Hong Kong subsidiary, thus reversing its deferred tax asset previously recognised.

(iii) Statement of cash flow

The net operating cash flows from operations of the Group was RM0.2 million for the 12 months ended 31 March 2018 against RM2.4 million for the corresponding period in 2017.

Net cash used in investing activities increased to RM5.1 million in 12 months ended 31 March 2018 represents an increase of RM3.0 million as compared to RM2.1 million 12 months ended 31 March 2017.

Net cash for financing activities was RM84,000 in 12 months ended 31 March 2018 as compared to net cash from financing activities RM0.4 million in 12 months ended 31 March 2017.

Cash and cash equivalent decreases by RM5.2 million as compared with the opening cash and cash equivalent as at 1 April 2017. The total cash and cash equivalent stood at RM11.0 million as at 31 March 2018.

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

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

(B) Segmental Analysis

	Individual Quarter 3 Months ended		Change (%)	Cumulative Period ended		Change (%)
	31.03.2018	31.03.2017		31.03.2018	31.03.2017	
RM'000	Unaudited	Unaudited		Unaudited	Unaudited	
Revenue						
Restaurant	15,208	15,873	-4.2%	47,378	49,092	-3.5%
Manufacturing	(49)	157	->100%	11,134	10,939	1.8%
Others	(1)	7	->100%	-	13	-100.0%
Total	15,158	16,037	-5.5%	58,512	60,044	-2.6%
(Loss)/Profit before tax						
Restaurant	(1,102)	1,770	- >100%	(4,039)	171	->100%
Manufacturing	(825)	(552)	-49.5%	1,155	1,574	-26.6%
Others	(931)	(221)	- > 100%	(1,110)	(693)	-60.2%
Total	(2,858)	997	- > 100%	(3,994)	1,052	->100%

3-month period (31.03.2018 vs. 31.03.2017)

Restaurant segment

The Group restaurant segment recorded revenue of RM15.2 million for the quarter ended 31 March 2018, which represents a decrease of 4.2% as compared to RM15.8 million in the quarter ended 31 March 2017.

The Group's restaurant segment recorded LBT of RM1.1 million for the quarter ended 31 March 2018. In the quarter ended 31 March 2017, the Group recorded PBT of RM1.8 million. The decreases in restaurant segment were attributable to both foreign outlets and Malaysia outlets operationally, lower be RM0.4 million and RM0.1 million respectively and one-off non-recurrent impairment and loss on disposal of Taiwan outlet which, which combined total as RM2.4 million. The impairment for our Hong Kong outlet amounted RM1.0 million and impairment for local outlets amounted to RM0.7 million. The loss on disposal of Taiwan subsidiary was amounted to RM 0.7 million.

Manufacturing segment

Manufacturing segment recorded LBT of RM0.8 million in the current quarter ended 31 March 2018, which is 49.5% higher than RM0.6 million in the quarter ended 31 March 2017. The drops in performance was partly due to less egg roll sales recorded in the current quarter as compared to last year and the additional discount for mooncake sales recognized in the current quarter.

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

(B) Segmental Analysis (Cont'd)

12-month period (31.03.2018 vs. 31.03.2017)

Restaurant segment

The Group restaurant segment recorded revenue of RM47.4 million for the 12 months ended 31 March 2018, which represents a decrease of 3.5% as compared to RM49.1 million for the 12 months ended 31 March 2017.

The Group's restaurant segment recorded LBT of RM4.0 million for the 12 months ended 31 March 2018. In the 12 months ended 31 March 2017, the Group recorded RM0.2 million PBT. The drops in performance were due to operational losses of RM1.8 million and one-off impairment and disposal of subsidiary amounting to RM2.4 million.

The operational losses arise from both local and foreign outlets. Taiwan outlet had contributed RM0.7 mil additional losses from additional operating cost. Hong Kong outlet incurred additional losses of RM0.2 million.

Local restaurant outlets contributed RM0.9 mil higher losses due to decline in sales and increase in operating cost.

The Group had made an impairment of assets amounting to RM1.7 million, which consist of RM1.0 million is for Hong Kong outlet and RM0.7 million for local outlets. As at 31 March 2018, the Group had disposed the Taiwan subsidiary and made a loss of RM0.7 million.

Manufacturing segment

The manufacturing segment recorded revenue of RM11.1 million for the 12 months ended 31 March 2018, represents a 1.8% increase compared to RM10.9 million in the 12 months ended 31 March 2017. The increase was mainly due to increase in moon cake sales predominantly from export sales.

Manufacturing segment recorded PBT of RM1.2 million for the 12 months ended 31 March 2018, represents a 26.6% decrease compared to RM1.6 million in the 12 months ended 31 March 2017. The drop was mainly due to higher operation cost, selling and marketing cost.

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

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

	3 Months ended		Change (%)
	31.03.2018	31.12.2017	
RM'000	Unaudited	Unaudited	
Revenue	15,158	12,369	22.5%
Operating Profit/Loss/Profit	(3,102)	(1,439)	115.6%
Profit/(Loss) Before Interest and Tax	(2,843)	(1,267)	124.4%
Profit/(Loss) Before Tax	(2,858)	(1,281)	123.1%
Profit/(Loss) After tax	(3,069)	(1,515)	102.6%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	(3,048)	(1,495)	103.9%

The Group recorded revenue of RM15.2 million for the quarter ended 31 March 2018, representing an increase of 22.5% as compared to RM12.4 million in the previous quarter ended 31 December 2017. The increase was mainly due to seasonal cycle. The current quarter was where the restaurant operations recorded higher sales during Chinese New Year Festival.

The Group recorded LBT of RM2.9 million for the quarter ended 31 March 2018, from LBT of RM1.3 million in the previous quarter ended 31 December 2017.

The main reason for the decrease in performance by RM1.6 million in the current quarter were mainly due to one-off impairment for both foreign and local outlets which amounted to RM1.7 million and loss on disposal of Taiwan subsidiary which amounted to RM0.7 million.

	3 months ended		Change (%)
	31.03.2018	31.12.2017	
RM'000	Unaudited	Unaudited	
Revenue			
Restaurant	15,208	11,928	27.5%
Manufacturing	(49)	440	->100%
Others	(1)	1	0.0%
Total	15,158	12,369	22.5%
Profit/(Loss) before tax			
Restaurant	(1,102)	(316)	>100%
Manufacturing	(825)	(932)	-11.5%
Others	(931)	(33)	>100%
Total	(2,858)	(1,281)	->100%

3-month period (31.03.2018 vs. 31.12.2017)

Restaurant segment

The restaurant segment recorded RM15.2 million revenue in the current quarter 31 March 2018, which represents 27.5% increases as compared to previous quarter ended 31 December 2017.

Manufacturing segment

The Group's manufacturing segment recorded LBT of RM0.9 million for the 3-month ended 31 March 2018 as compared to LBT of RM0.9 million in the preceding quarter ended 31 December 2017.

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

B3. Prospects

Restaurant Operations and Manufacturing

The Group is currently undergoing reevaluation of its business format including revamping corporate strategies as well as consolidating its various investments in the F&B models and channeling our focus to capture value for our branding.

We projected a challenging year ahead due to soft and volatile market, compounded by rising commodity prices and depreciating Ringgit. In additions the effects of the new GST regime may not be immediate.

We will continue to tighten our belts amidst the soft market to keep cost down further and strive for efficiency increment across our value chain to realise the brand value into sustainable growth for the Company.

B4. Profit Forecast And Profit Estimate

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

B5. Taxation

	Current financial quarter ended 31.03.2018 RM'000	Current financial year to-date 31.03.2018 RM'000
Income tax:-		
Current period	(211)	(871)

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 FOURTH QUARTER ENDED 31 MARCH 2018

B6. Notes To The Statement of Comprehensive Income

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

	Current financial quarter ended 31.03.2018 RM'000	Current financial year to-date 31.03.2018 RM'000
Interest income	(70)	(316)
Other income including investment income	(1,459)	(3,990)
Interest expenses	19	74
Depreciation and amortization	756	2,815
Gain on disposal of quoted shares	(45)	(45)
Gain on disposal of plant and equipment	(21)	(21)
Plant and equipment written off	891	891

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

B7. Status Of Corporate Proposals Announced But Not Yet Completed

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

B8. Group Borrowings And Debts Securities

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

	Short Term (Secured) RM'000	Long Term (Secured) RM'000	Total (Secured) RM'000
as at 31 March 2018			
Term loan	57	1,280	1,337
Hire Purchase	67	236	303
Total Borrowing	124	1,516	1,640
as at 31 March 2017			
Term loan	54	1,336	1,390
Hire Purchase	36	150	186
	90	1,486	1,576

The decrease in term loan and hire purchase as at 31 March 2018 compared to 31 March 2017 was due to repayment of facilities. The Group's borrowing and debts securities are denominated in RM.

OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 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 31.03.2018 RM'000	Preceding Year Corresponding Quarter Ended 31.03.2017 RM'000	Current Year to Date Ended 31.03.2018 RM'000	Preceding Year Corresponding Period Ended 31.03.2017 RM'000
BASIC LOSSES PER SHARE				
(Losses)/Profits for the period attributable to owners of the company	(3,048)	707	(4,795)	459
Weighted average number of ordinary shares in issue ('000)	242,221	242,368	242,223	241,686
Basic losses per share (sen)	(1.26)	0.29	(1.98)	0.19

B12. Realised and unrealised retained earnings

The retained profit may be analysed as follows:

	As at the end of current quarter 31.03.2018 RM'000	Audited 31.03.2017 RM'000
Realised	1,061	1,085
Unrealised	5,352	4,935
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	6,413	6,020
Total share of losses of an associate: - Realised	622	(511)
	<hr/>	<hr/>
	7,035	5,508
Less: Consolidation adjustments	(15,093)	(9,205)
	<hr/>	<hr/>
	(8,058)	(3,696)
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