

**OVERSEA ENTERPRISE BERHAD (317155-U)****UNAUDITED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2020**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year to Date Ended	Preceding 6 Months Corresponding Period Ended
	30-Sep-20 RM'000	30-Sep-19 RM'000	30-Sep-20 RM'000	30-Sep-19 RM'000
<b>Revenue</b>	<b>14,036</b>	<b>19,827</b>	<b>16,106</b>	<b>30,884</b>
Cost of sales	(5,818)	(8,026)	(6,879)	(12,478)
<b>Gross profit</b>	<b>8,218</b>	<b>11,801</b>	<b>9,227</b>	<b>18,406</b>
Other operating income	1,506	1,035	2,150	1,864
Administration expenses	(1,339)	(2,262)	(2,110)	(4,291)
Selling and Distribution expenses	(4,983)	(7,812)	(7,886)	(14,371)
<b>Operating profit</b>	<b>3,402</b>	<b>2,762</b>	<b>1,381</b>	<b>1,608</b>
Share of results in associates	16	113	(98)	295
<b>Profit before interest and tax</b>	<b>3,418</b>	<b>2,875</b>	<b>1,283</b>	<b>1,903</b>
Finance costs	(84)	(151)	(169)	(305)
<b>Profit before taxation</b>	<b>3,334</b>	<b>2,724</b>	<b>1,114</b>	<b>1,598</b>
Income tax	(166)	(515)	(151)	(518)
<b>Profit after taxation</b>	<b>3,168</b>	<b>2,209</b>	<b>963</b>	<b>1,080</b>
Other comprehensive (expenses)/income				
Fair value changes of equity investments	(3)	(10)	4	(9)
Foreign currency translation differences	133	(36)	175	(101)
<b>Total comprehensive income</b>	<b>3,298</b>	<b>2,163</b>	<b>1,142</b>	<b>970</b>
Profit attributable to:				
Owners of the Company	3,168	2,209	963	1,080
Total comprehensive profit attributable to:				
Owners of the Company	3,298	2,163	1,142	970
Weighted average ordinary shares in issue ('000)	242,515	242,515	242,515	242,515
Earning per share (sen):				
- Basic	1.31	0.91	0.40	0.45

**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 2020 and the accompanying explanatory notes attached to this interim financial report.

**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2020**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>As at</b>	<b>As at</b>
	<b>30-Sep-20</b>	<b>31-Mar-20</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment in associate	181	280
Property, plant and equipment	24,571	25,093
Investment properties	5,365	5,365
Right-of-use assets	16,423	18,192
Other investments	372	368
Intangible assets	77	73
Long-term receivables	87	88
Deferred tax asset	49	49
	<u>47,125</u>	<u>49,508</u>
<b>Current Assets</b>		
Inventories	3,739	4,327
Trade and other receivables	8,958	1,978
Amount due from related parties	17	33
Amount due from associates	98	136
Tax refundable	212	142
Short-term investment with financial institutions	21	29
Deposits, bank and cash balances	7,006	7,121
	<u>20,051</u>	<u>13,766</u>
<b>TOTAL ASSETS</b>	<b><u>67,176</u></b>	<b><u>63,274</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	50,321	50,321
Reserves	(497)	(1,639)
Total equity	<u>49,824</u>	<u>48,682</u>
<b>Non-current liabilities</b>		
Term loans	1,198	1,169
Lease liabilities on right-of-use assets	337	498
Deferred taxation	5,382	5,420
	<u>6,917</u>	<u>7,087</u>
<b>Current Liabilities</b>		
Trade and other payables	8,970	4,557
Provision for tax	71	54
Term loans	57	59
Lease liabilities on right-of-use assets	1,337	2,835
	<u>10,435</u>	<u>7,505</u>
<b>Total liabilities</b>	<u>17,352</u>	<u>14,592</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>67,176</u></b>	<b><u>63,274</u></b>
Net Assets Per Share Attributable to ordinary equity holders of the Company (RM)	0.21	0.20

**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 2020 and the accompanying explanatory notes attached to this interim financial report.

**OVERSEA ENTERPRISE BERHAD** (317155-U)  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

	Attributable to equity holders of the Company						Total Equity RM'000
	Non-Distributable					Distributable Accumulated Losses RM'000	
	Share Capital RM'000	Fair Value Reserve RM'000	Treasury Reserve RM'000	Revaluation Reserve RM'000	Foreign Exchange Translation Reserve RM'000		
<b>The Group</b>							
<b>Balance as at 1 April 2020</b>	<b>50,321</b>	<b>(83)</b>	<b>(835)</b>	<b>17,397</b>	<b>(496)</b>	<b>(17,622)</b>	<b>48,682</b>
Profit after taxation	-	-	-	-	-	963	963
Other comprehensive income:							
- fair value changes of equity instruments	-	4	-	-	-	-	4
- Foreign currency translation differences	-	-	-	-	175	-	175
Total other comprehensive income	-	4	-	-	175	963	1,142
Amortisation of revaluation reserve	-	-	-	(119)	-	119	-
<b>Balance as at 30 September 2020</b>	<b>50,321</b>	<b>(79)</b>	<b>(835)</b>	<b>17,278</b>	<b>(321)</b>	<b>(16,540)</b>	<b>49,824</b>
<b>Balance as at 1 April 2019</b>	<b>50,321</b>	<b>(63)</b>	<b>(835)</b>	<b>17,634</b>	<b>(229)</b>	<b>(12,361)</b>	<b>54,467</b>
Loss after taxation	-	-	-	-	-	(5,498)	(5,498)
Other comprehensive expense:							
- fair value changes of equity instruments	-	(20)	-	-	-	-	(20)
- Foreign currency translation differences	-	-	-	-	(267)	-	(267)
Total other comprehensive expenses	-	(20)	-	-	(267)	(5,498)	(5,785)
Amortisation of revaluation reserve	-	-	-	(237)	-	237	-
<b>Balance as at 31 March 2020</b>	<b>50,321</b>	<b>(83)</b>	<b>(835)</b>	<b>17,397</b>	<b>(496)</b>	<b>(17,622)</b>	<b>48,682</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 2020 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 30 SEPTEMBER 2020**

	<b>Current Year to Date Ended 30 September 2020 RM'000</b>	<b>Preceding Year to Date Ended 30 September 2019 RM'000</b>
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>		
Profit before taxation	1,114	1,598
Adjustments for:-		
Amortisation of intangible assets	9	6
Bad debts written off on amount owing by associates	62	-
Depreciation of:		
- property, plant & equipment	894	1,575
- right-of-use assets	1,756	1,759
Interest expense	169	305
Reversal of impairment loss of property, plant and equipment	(221)	-
Reversal of impairment loss on amount owing by associates	(62)	(33)
Share of loss in associates, net of income tax expense	99	92
Loss on disposal of property, plant and equipment	106	-
Interest income	(54)	(63)
Operating profit before working capital changes	3,872	5,239
Decrease in inventories	588	265
Increase in trade and other receivables	(6,942)	(7,226)
Increase in trade and other payables	4,413	5,872
<b>CASH FROM OPERATIONS</b>	<b>1,931</b>	<b>4,150</b>
Income tax paid	(241)	(627)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>1,690</b>	<b>3,523</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Interest received	54	63
Repayment from related parties	16	-
Repayment from associates	-	124
Additional of intangible assets	(13)	-
Placement of deposits pledged with licensed banks	(2)	-
Purchase of property, plant and equipment	(77)	(323)
Proceeds from disposal of property, plant and equipment	5	-
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<b>(17)</b>	<b>(136)</b>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Interest paid	(142)	(305)
Repayment of hire purchase obligations	-	(41)
Repayment of term loans	-	(25)
Repayment of lease liabilities on right-of-use assets	(1,834)	(1,666)
<b>NET CASH FOR FINANCING ACTIVITIES</b>	<b>(1,976)</b>	<b>(2,037)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(303)</b>	<b>1,350</b>
<b>EFFECT OF FOREIGN EXCHANGE TRANSLATION</b>	<b>177</b>	<b>(101)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	<b>6,731</b>	<b>5,550</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<b>6,605</b>	<b>6,799</b>
<b>CASH AND CASH EQUIVALENTS COMPRISES:-</b>		
Short-term investment with financial institution	21	45
Short term and fixed deposits with licensed banks	1,466	1,501
Cash and bank balances	5,118	5,253
	<b>6,605</b>	<b>6,799</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 2020 and the accompanying explanatory notes attached to this interim financial report.

**OVERSEA ENTERPRISE BERHAD (317155-U)  
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 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 2020 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>
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9	Effective immediately
Amendments to MFRS 16: Covid-19-Related Rent Concessions	1 June 2020
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 116: Proceeds Before Intended Use	1 January 2022
Amendments to MFRS137: Onerous Contracts-Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018-2020	1 January 2022

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 SECOND QUARTER ENDED 30 SEPTEMBER 2020**

**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 2020 were not subject to any qualification.

**A4. Seasonal Or Cyclical Factors**

For the financial quarter under review, manufacturing sales were higher compare to previous quarter ended 30 June 2020 due to moon cake festival in 1<sup>st</sup> October 2020. For the restaurant segment, there were no major seasonal nor cyclical factors affecting the operation.

**A5. Unusual items due to their nature, size and incidence**

There were no unusual items affecting the assets, liabilities, equity, net income or cash flow of the Group in the current financial quarter under review.

**A6. Changes In Estimates**

There were no changes in estimates of amounts reported in prior financial years that have had a material effect in the current financial quarter under review.

**A7. Changes In Debt and Equity Securities**

There were no issuance, repurchases and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial quarter under review.

**A8. Dividend Paid**

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

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**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 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	RM' 000	RM' 000	RM' 000	RM' 000
<b><u>3 months period ended 30 September 2020</u></b>						
<b>Revenue from</b>						
External customers	4,259	80	9,692	5	-	14,036
Inter-segment revenue	61	-	6,442	6	(6,509)	-
<b>Total revenue</b>	<b>4,320</b>	<b>80</b>	<b>16,134</b>	<b>11</b>	<b>(6,509)</b>	<b>14,036</b>
<b>Profit/(Loss) before taxation</b>	<b>97</b>	<b>(349)</b>	<b>3,424</b>	<b>1</b>	<b>161</b>	<b>3,334</b>
Income tax						(166)
<b>Profit after taxation</b>						<b>3,168</b>
Other comprehensive income						130
<b>Total comprehensive income</b>						<b>3,298</b>
<b><u>6 months ended 30 September 2020</u></b>						
<b>Revenue from</b>						
External customers	5,982	376	9,743	5	-	16,106
Inter-segment revenue	104	-	6,443	11	(6,558)	-
<b>Total revenue</b>	<b>6,086</b>	<b>376</b>	<b>16,186</b>	<b>16</b>	<b>(6,558)</b>	<b>16,106</b>
<b>(Loss)/Profit before taxation</b>	<b>(1,302)</b>	<b>(326)</b>	<b>2,745</b>	<b>(242)</b>	<b>239</b>	<b>1,114</b>
Income tax						(151)
<b>Profit after taxation</b>						<b>963</b>
Other comprehensive income						179
<b>Total comprehensive income</b>						<b>1,142</b>

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

**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2020**

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

Segmental Reporting

	Restaurant		Manufacturing	Others	Eliminations	Consolidated
	Malaysia	Foreign*				
	RM' 000	RM' 000				
<b>3 months period ended 30 September 2019</b>						
<b>Revenue from</b>						
External customers	9,099	375	10,319	34	-	19,827
Inter-segment revenue	7	-	7,211	30	(7,248)	-
<b>Total revenue</b>	<b>9,106</b>	<b>375</b>	<b>17,530</b>	<b>64</b>	<b>(7,248)</b>	<b>19,827</b>
<b>(Loss)/Profit before taxation</b>	<b>(674)</b>	<b>(109)</b>	<b>3,535</b>	<b>257</b>	<b>(285)</b>	<b>2,724</b>
Income tax						(515)
<b>Profit after taxation</b>						<b>2,209</b>
Other comprehensive expense						(46)
<b>Total comprehensive income</b>						<b>2,163</b>
<b>6 months ended 30 September 2019</b>						
<b>Revenue from</b>						
External customers	17,719	789	12,342	34	-	30,884
Inter-segment revenue	14	-	7,443	51	(7,508)	-
<b>Total revenue</b>	<b>17,733</b>	<b>789</b>	<b>19,785</b>	<b>85</b>	<b>(7,508)</b>	<b>30,884</b>
<b>(Loss)/Profit before taxation</b>	<b>(1,777)</b>	<b>(219)</b>	<b>3,341</b>	<b>581</b>	<b>(328)</b>	<b>1,598</b>
Income tax						(518)
<b>Profit after taxation</b>						<b>1,080</b>
Other comprehensive expense						(110)
<b>Total comprehensive income</b>						<b>970</b>

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

	Restaurant		Manufacturing	Others	Eliminations	Consolidated
	Malaysia	Foreign*				
	RM' 000	RM' 000				
<b>As at 30 September 2020</b>						
<b>Segmented assets</b>	<b>32,641</b>	<b>194</b>	<b>32,699</b>	<b>1,381</b>	<b>-</b>	<b>66,915</b>
<b>Unallocated assets</b>						<b>261</b>
						<b>67,176</b>
<b>As at 30 September 2019</b>						
<b>Segmented assets</b>	<b>41,904</b>	<b>138</b>	<b>33,577</b>	<b>2,574</b>	<b>-</b>	<b>78,193</b>
<b>Unallocated assets</b>						<b>360</b>
						<b>78,553</b>

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

**OVERSEA ENTERPRISE BERHAD (317155-U)  
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 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. Material Events Subsequent To The End Of The Current Financial Quarter**

On 6 October 2020, the Company has executed the Heads of Agreement with Focus Dynamic Group Berhad to pool their respective resources, expertise and reputation in the F&B industry to revamp, expand and enhance the Oversea brand to global metropolises in a collaborative venture. At the same time, both parties will also collaborate to establish new product offerings in local and expanded markets in line with developing technology, tastes and traction of the F&B industry.

On 13 November 2020, the Company has proposed private placement up to 48,503,000 new Ordinary Shares in Oversea, representing up to approximately 20% of the total number of issued shares of oversea (excluding treasury shares), to independent third party investor(s) to be identified later at an issued price to be determined later. On 20 November 2020, the Company had obtained approval from Bursa Securities for the proposed listing.

**A12. Changes In Composition Of The Group**

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

**A13. Contingent Liabilities Or Contingent Assets**

Contingent liabilities of the Group comprise the following:

	<b>As at 30.09.2020 RM'000</b>	<b>Audited 31.03.2020 RM'000</b>
<u>Corporate guarantees given by the Company to financial institutions for facilities granted to subsidiaries</u>		
- Total facilities granted	3,895	3,895
- Current Exposure	1,676	1,647

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**OVERSEA ENTERPRISE BERHAD (317155-U)  
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2020**

**A14. 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 30.09.2020 RM'000</b>	<b>Current financial year to-date 30.09.2020 RM'000</b>
Rental paid to a Director	21	35
Rental paid to related parties <sup>(1)</sup>	172	326

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.

**A15. 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.

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**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 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 (%)
	30.09.2020	30.09.2019		30.09.2020	30.09.2019	
RM'000	Unaudited	Unaudited		Unaudited	Unaudited	
Revenue	14,036	19,827	-29.2%	16,106	30,884	-47.9%
Operating Profit	3,402	2,762	23.2%	1,381	1,608	-14.1%
Profit Before Interest and Tax	3,418	2,875	18.9%	1,283	1,903	-32.6%
Profit Before Tax	3,334	2,724	22.4%	1,114	1,598	-30.3%
Profit After tax	3,168	2,209	43.4%	963	1,080	-10.8%
Profit Attributable to Ordinary Equity Holders of the Parent	3,168	2,209	43.4%	963	1,080	-10.8%

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

The Group recorded revenue of RM14.04million for the quarter ended 30 September 2020, posted a decrease of RM5.79 million as compared to RM19.83 million in the quarter ended 30 September 2019. Lower revenue for the period under review was due to decrease in revenue for restaurant segment, manufacturing segment and other segment.

For the current quarter, the Group’s profit before tax ("PBT") increased by RM610,000 compared to the preceding year's quarter. This was mainly attributable to the reduction of losses in restaurant segment amounting to RM1.02 million. The improvement in PBT was attributable to non-recurring expenses incurred in last year, such as depreciation charges for fixed assets which was subsequently fully impaired in last financial year. In addition, there are saving from closure of non-profitable outlets in last year. However, this was offset with lower PBT by manufacturing segment and other segment by RM110,000 and RM299,000 respectively.

Gross margin had registered a slight decrease from 59.5% in prior year quarter ended 30 September 2019 to 58.6% in current year quarter 30 September 2020 due to unattainment of economies of scale as a direct result of the drop in foot fall to the restaurants.

Group revenue for the six months ended 30 September 2020 stood at RM16.11 million. The revenue was RM14.77 million lower than the same period last year, which was RM30.88 million. All segments of the Group’s business registered a drop in sales for the restaurant segment, manufacturing segment and other segment of RM12.15 million, RM2.60 million and RM29,000 respectively.

The Group recorded PBT of RM1.11 million for the six months ended 30 September 2020 compared to RM1.60 million for the six months ended 30 September 2019.

**OVERSEA ENTERPRISE BERHAD (317155-U)  
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 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 30 September 2020, total equity attributable to owners of the Company stood at RM49.82 million, which is 2.34% higher than RM48.68 million as at 31 March 2020.

The increases in trade receivables and trade payables was due to Mid-Autumn Festival fall on 1<sup>st</sup> October 2020 and the Group manufacturing segment was at its peak operation.

(iii) Statement of cash flow

The net operating cash inflows from operations of the Group was RM1,690,000 for the six months ended 30 September 2020 against RM3,523,000 for the corresponding period in 2019.

Net cash for investing activities of the Group was RM17,000 for the six months ended 30 September 2020, as compared to RM136,000 for the six months ended 30 September 2019.

Net cash for financing activities was RM1,976,000 for six months ended 30 September 2020. In prior year to date six months ended 30 September 2019, total net cash for financing activities was RM2,037,000.

Cash and cash equivalent decreases by RM303,000 as compared with the opening cash and cash equivalent as at 1 April 2020. The total cash and cash equivalent stood at RM6,605,000 as at 30 September 2020.

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**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 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 (%)
	30.09.2020	30.09.2019		30.09.2020	30.09.2019	
RM'000	Unaudited	Unaudited		Unaudited	Unaudited	
<b>Revenue</b>						
Restaurant	4,339	9,474	-54.2%	6,358	18,508	-65.6%
Manufacturing	9,692	10,319	-6.1%	9,743	12,342	-21.1%
Others	5	34	-85.3%	5	34	-85.3%
<b>Total</b>	<b>14,036</b>	<b>19,827</b>	<b>-29.2%</b>	<b>16,106</b>	<b>30,884</b>	<b>-47.9%</b>
<b>(Loss)/Profit before tax</b>						
Restaurant	122	(897)	>100%	(1,245)	(2,091)	40.5%
Manufacturing	3,424	3,535	-3.1%	2,734	3,341	-18.2%
Others	(212)	86	- >100%	(375)	348	- >100%
<b>Total</b>	<b>3,334</b>	<b>2,724</b>	<b>-22.4%</b>	<b>1,114</b>	<b>1,598</b>	<b>-30.3%</b>

**3-month period (30.09.2020 vs. 30.09.2019)**

Restaurant segment

The Group restaurant segment recorded revenue of RM4.34 million for the quarter ended 30 September 2020, which represents a decrease of 54.2% as compared to RM9.47 million in the quarter ended 30 September 2019. The material decline in revenue of food and beverage sector was mainly due to the ongoing COVIC-19 pandemic crisis.

Notwithstanding the decrease in revenue of restaurant segment, the PBT increased by RM1.02 million to RM122,000 as compared to the same quarter last year. The improvement in PBT was attributable to non-recurring expenses incurred such as waiver rental received for previous quarter but recorded in the current quarter amounted to RM239,000, reversal of provision for deposit held by landlord RM220,000, decrease in depreciation charges due to fully impaired of fixed assets and fully depreciated amounted to RM382,000. On top of that, the Group also manage to cut down losses from the closure of non-profitable outlets and the savings amounted to RM317,000 for the current quarter.

Manufacturing segment

Manufacturing segment recorded revenue of RM9.69 million for the quarter ended 30 September 2020, which represents a decrease of RM627,000 as compared to RM10.32 million in the quarter ended 30 September 2019. The revenue decline was due to decrease in the export sales as the worldwide pandemic situation has affected the export customers in the United States of America and Australia.

In tandem with the decrease in revenue, the PBT of manufacturing segment has lower by RM111,000 compared to last year same quarter.

**OVERSEA ENTERPRISE BERHAD (317155-U)  
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2020**

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

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

**3-month period (30.09.2020 vs. 30.09.2019) (Cont'd)**

Other segment

Other segment recorded higher LBT by RM298,000 due to decrease in share of result of associates and higher unrealized loss on amount owing by foreign subsidiary.

**6-month period (30.09.2020 vs. 30.09.2019)**

Restaurant segment

The restaurant segment revenue reduced by RM12.15 million as compared to the corresponding period ended 30 September 2019 due to unprecedented disruption caused by global covid-19 crisis. The implementation of various movement control order by government from 18 March 2020 and stringent containment measures deployed to contain the spread of virus have had impacted the restaurant segment.

The significant drop in sales and gross margin is cushioned by comprehensive cost cutting measures to reduce operational expenses. The Group's restaurant segment managed to improve the result by RM846,000 from LBT of RM2.09 million in last year to LBT of RM1.25 million for the period ended 30 September 2020. This was mainly attributable to closure of non-profitable outlets amounted to saving of RM563,000 and lower depreciation charges by RM441,000 as it was fully impaired in the prior year.

Manufacturing segment

The manufacturing segment recorded revenue of RM9.74 million for the six months ended 30 September 2020, represents a decrease 21.1% compared to RM12.34 million in the six months ended 30 September 2019. The fall in revenue for the corresponding period was due to lower demand in the international market.

Correspondingly, the manufacturing segment registered a lower PBT by RM607,000 as a result of decrease in revenue.

Other segment

Other segment recorded higher LBT by RM723,000 due to decrease in share of result of associates and higher unrealized loss on amount owing by foreign subsidiary.

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**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2020**

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

	3 Months ended		Change (%)
	30.09.2010	30.06.2020	
RM'000	Unaudited	Unaudited	
Revenue	14,036	2,070	578.1%
Operating Profit/(Loss)	3,402	(2,021)	-268.3%
Profit/(Loss) Before Interest and Tax	3,418	(2,135)	-260.1%
Profit/(Loss) Before Tax	3,334	(2,220)	-250.2%
Profit/(Loss) After tax	3,168	(2,205)	-243.7%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	3,168	(2,205)	-243.7%

The Group recorded revenue of RM14.04 million for the quarter ended 30 September 2020, representing an increase of RM11.97 million as compared to RM2.07 million in the quarter ended 30 June 2020.

The Group PBT increased by RM5.55 million as compared to immediate preceding quarter due to moon cake festival fall in current quarter and improved performance for restaurant segment.

	3 months ended		Change (%)
	30.09.2020	30.06.2020	
RM '000	Unaudited	Unaudited	
<b>Revenue</b>			
Restaurant	4,339	2,019	> 100%
Manufacturing	9,692	51	> 100%
Others	5	-	100%
<b>Total</b>	<b>14,036</b>	<b>2,070</b>	<b>&gt; 100%</b>
<b>Profit/(Loss) before tax</b>			
Restaurant	122	(1,368)	> 100%
Manufacturing	3,424	(690)	> 100%
Others	(212)	(162)	-30.9%
<b>Total</b>	<b>3,334</b>	<b>(2,220)</b>	<b>&gt; 100%</b>

**3-month period (30.09.2020 vs. 30.06.2020)**

**Restaurant segment**

The restaurant segment posted an increase of RM2.32 million or 114.9% in revenue as compared to previous corresponding quarter. In current quarter, the revenue of restaurant segment experienced an uptick growth due to gradual lifting of Covid-19 movement restrictions and resumption of economy activities.

With the increased in revenue of restaurant segment, the PBT of the segment was improved by RM1.49 million. The restaurant segment has recorded a PBT of RM122,000 as compared to the losses of RM1.37 million in previous corresponding quarter.

**OVERSEA ENTERPRISE BERHAD (317155-U)  
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2020**

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

**3-month period (30.09.2020 vs. 30.06.2020) (Cont'd)**

**Manufacturing segment**

In current quarter, the manufacturing segment recorded revenue of RM9.69 million and PBT of RM3.42 million, representing an increase of RM9.64 million in revenue and increase of RM4.11 million in PBT as compared to previous corresponding quarter.

The favourable result was due to selling of moon cake for mid-autumn festival fall in current quarter.

**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 foreign tourist also disrupted the F&B division. The Group has 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. 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.

The F&B segment is expected to experience gradual increase in demand for the services when the movement control order ease and patrons would have adapted to the new norm such as physical distancing and other preventive measures. The Group's initiative to have collaboration with other F&B players is one of the strategy to strengthen the Oversea brand.

The manufacturing division was able to deliver positive results in the current quarter. The challenging environment is expected to persist as the pandemic continues across the globe. The manufacturing 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.

Premised on the above, the Board is cautiously optimistic of the prospects of the Group moving forward.

**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.

**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2020**

**B5. Taxation**

	<b>Current financial quarter ended 30.09.2020 RM'000</b>	<b>Current financial year to-date 30.09.2020 RM'000</b>
Income tax:-		
Current period	166	151

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.

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

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

	<b>Current financial quarter ended 30.09.2020 RM'000</b>	<b>Current financial year to-date 30.09.2020 RM'000</b>
Interest income	(19)	(54)
Other income including investment income	(1,488)	(2,095)
Reversal of impairment loss on amount owing by associates	(62)	(62)
Reversal of impairment loss of property, plant and equipment	-	(221)
Bad debt written off on amount owing by associates	62	62
Depreciation and amortization	1,269	2,659
Interest expenses	84	169
Loss on disposal of property, plant and equipment	-	106

Other than the items mentioned above which have been included in the statement of comprehensive income, there were no provision for and/or write off of inventories, gain or loss on derivatives, unquoted investments and/or properties, impairment of assets and any other exceptional items for the current quarter and financial period ended 30 September 2020 .

**B7. Status Of Corporate Proposals Announced But Not Yet Completed**

On 13 November 2020, the Company has proposed private placement up to 48,503,000 new Ordinary Shares in Oversea, representing up to approximately 20% of the total number of issued shares of oversea (excluding treasury shares), to independent third party investor(s) to be identified later at an issued price to be determined later. On 20 November 2020, the Company had obtained approval from Bursa Securities for the proposed listing.

**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2020**

**B8. Group Borrowings And Debts Securities**

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

	<b>Short Term (Secured) RM'000</b>	<b>Long Term (Secured) RM'000</b>	<b>Total (Secured) RM'000</b>
<b>as at 30 September 2020</b>			
Term loan	57	1,198	1,255
Lease liabilities on right-of-use assets	1,337	337	1,674
	<hr/>	<hr/>	<hr/>
Total Borrowing	1,394	1,535	2,929
	<hr/>	<hr/>	<hr/>
<b>as at 30 September 2019</b>			
Term loan	57	1,205	1,262
Lease liabilities on right-of-use assets	3,414	1,695	5,109
	<hr/>	<hr/>	<hr/>
	3,471	2,900	6,371
	<hr/>	<hr/>	<hr/>

The decrease in term loan as at 30 September 2020 compared to 30 September 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.

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**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2020**

**B11. Earnings Per Share**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year to Date Ended	Preceding Year Corresponding Period Ended
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
	RM'000	RM'000	RM'000	RM'000
<b>EARNINGS PER SHARE</b>				
Profit for the period attributable to owners of the company	3,168	2,209	963	1,080
Weighted average number of ordinary shares in issue ('000)	242,515	242,515	242,515	242,515
Earnings per share (sen)	1.31	0.91	0.40	0.45

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