

**OVERSEA ENTERPRISE BERHAD (317155-U)**

(formerly known as Restoran Oversea Corporation Sdn Bhd)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010**

|                                                           | <b>Individual Quarter</b>          |                                                   | <b>Cumulative Quarter</b>          |                                                  |
|-----------------------------------------------------------|------------------------------------|---------------------------------------------------|------------------------------------|--------------------------------------------------|
|                                                           | <b>Current Quarter Ended</b>       | <b>Preceding Year Corresponding Quarter Ended</b> | <b>Current Year to Date Ended</b>  | <b>Preceding Year Corresponding Period Ended</b> |
|                                                           | <b>31 December 2010<br/>RM'000</b> | <b>31 December 2009<br/>RM'000</b>                | <b>31 December 2010<br/>RM'000</b> | <b>31 December 2009<br/>RM'000</b>               |
| <b>Revenue</b>                                            | 10,514                             | N/A                                               | 62,738                             | N/A                                              |
| Cost of sales                                             | (3,904)                            | N/A                                               | (29,067)                           | N/A                                              |
| <b>Gross profit</b>                                       | 6,610                              | N/A                                               | 33,671                             | N/A                                              |
| Other operating income                                    | 1,172                              | N/A                                               | 4,910                              | N/A                                              |
| Administration and other operating expenses               | (2,190)                            | N/A                                               | (8,423)                            | N/A                                              |
| Selling and Distribution expenses                         | (7,181)                            | N/A                                               | (29,115)                           | N/A                                              |
| Finance costs                                             | (182)                              | N/A                                               | (560)                              | N/A                                              |
| <b>(Loss)/Profit before tax</b>                           | (1,771)                            | N/A                                               | 483                                | N/A                                              |
| Income tax expense                                        | (179)                              | N/A                                               | (807)                              | N/A                                              |
| <b>Loss after tax</b>                                     | (1,950)                            | N/A                                               | (324)                              | N/A                                              |
| <b>Other comprehensive income</b>                         | 186                                | N/A                                               | 409                                | N/A                                              |
| <b>Total comprehensive (loss)/income</b>                  | (1,764)                            | N/A                                               | 85                                 | N/A                                              |
| <b>Loss attributable to:</b>                              |                                    |                                                   |                                    |                                                  |
| Equity holders of the Company                             | (1,950)                            | N/A                                               | (324)                              | N/A                                              |
| <b>Total comprehensive (loss)/income attributable to:</b> |                                    |                                                   |                                    |                                                  |
| Equity holders of the Company                             | (1,764)                            | N/A                                               | 85                                 | N/A                                              |
| Weighted average no. of ordinary shares in issue ('000)   | 245,000                            | N/A                                               | 232,061                            | N/A                                              |
| Loss per share (sen):                                     |                                    |                                                   |                                    |                                                  |
| - Basic                                                   | (0.80)                             | N/A                                               | (0.14)                             | N/A                                              |

**Notes:**

N/A Not Applicable

- (i) Basic loss per share for the quarter and financial period is calculated based on the net loss 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 Report for the financial year ended 31 December 2009 and the accompanying explanatory notes attached to this interim financial report.
- (iii) No comparative figures are available for the preceding year's individual and cumulative corresponding quarter as this is the fourth interim financial report being announced by the Company in compliance with Bursa Malaysia Securities Berhad ("Bursa Securities") ACE Market Listing Requirements ("Listing Requirements")

**OVERSEA ENTERPRISE BERHAD (317155-U)**

(formerly known as Restoran Oversea Corporation Sdn Bhd)

**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2010**

|                                                                                  | UNAUDITED<br>As at<br>31 December 2010<br><br>RM'000 | AUDITED<br>As at<br>31 December 2009<br>(Restated)<br>RM'000 |
|----------------------------------------------------------------------------------|------------------------------------------------------|--------------------------------------------------------------|
| <b>ASSETS</b>                                                                    |                                                      |                                                              |
| <b>Non-current assets</b>                                                        |                                                      |                                                              |
| Property, plant and equipment                                                    | 29,263                                               | 29,615                                                       |
| Investment properties                                                            | 7,723                                                | 7,723                                                        |
| Other Investment                                                                 | 1,021                                                | 612                                                          |
| Intangible assets                                                                | 71                                                   | 83                                                           |
| Goodwill on consolidation                                                        | 92                                                   | -                                                            |
| Long-term receivables                                                            | 250                                                  | 32                                                           |
|                                                                                  | <b>38,420</b>                                        | <b>38,065</b>                                                |
| <b>Current Assets</b>                                                            |                                                      |                                                              |
| Inventories                                                                      | 5,347                                                | 5,165                                                        |
| Trade and other receivables                                                      | 5,904                                                | 5,752                                                        |
| Tax refundables                                                                  | 2,322                                                | 1,290                                                        |
| Deposits, bank and cash balances                                                 | 14,460                                               | 9,248                                                        |
|                                                                                  | <b>28,033</b>                                        | <b>21,455</b>                                                |
| <b>Total Assets</b>                                                              | <b>66,453</b>                                        | <b>59,520</b>                                                |
| <b>EQUITY AND LIABILITIES</b>                                                    |                                                      |                                                              |
| <b>Equity Attributable to Equity Holders of The Company</b>                      |                                                      |                                                              |
| Share capital                                                                    | 49,000                                               | 37,620                                                       |
| Reserves                                                                         | 2,993                                                | 1,869                                                        |
| Shareholders' Funds                                                              | 51,993                                               | 39,489                                                       |
| Minority Interests                                                               | -                                                    | -                                                            |
| <b>Total equity</b>                                                              | <b>51,993</b>                                        | <b>39,489</b>                                                |
| <b>Non-current liabilities</b>                                                   |                                                      |                                                              |
| Hire purchase creditors                                                          | 64                                                   | 195                                                          |
| Term Loans                                                                       | 1,859                                                | 7,114                                                        |
| Deferred taxation                                                                | 648                                                  | 687                                                          |
|                                                                                  | <b>2,571</b>                                         | <b>7,996</b>                                                 |
| <b>Current Liabilities</b>                                                       |                                                      |                                                              |
| Trade and other payables                                                         | 8,431                                                | 10,457                                                       |
| Hire purchase creditors                                                          | 132                                                  | 115                                                          |
| Bank overdrafts                                                                  | 16                                                   | 854                                                          |
| Term loans                                                                       | 3,310                                                | 601                                                          |
| Tax payables                                                                     | -                                                    | 8                                                            |
|                                                                                  | <b>11,889</b>                                        | <b>12,035</b>                                                |
| <b>Total liabilities</b>                                                         | <b>14,460</b>                                        | <b>20,031</b>                                                |
| <b>Total equity and liabilities</b>                                              | <b>66,453</b>                                        | <b>59,520</b>                                                |
| Net Assets Per Share Attributable to ordinary equity holders of the Company (RM) | 0.21                                                 | 0.21                                                         |

**Note:-**

- (i) The unaudited condensed statement of financial position should be read in conjunction with the Annual Report for the financial year ended 31 December 2009 and the accompanying explanatory notes attached to this interim financial report.

**OVERSEA ENTERPRISE BERHAD (317155-U)**

(formerly known as Restoran Oversea Corporation Sdn Bhd)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2010**

| Group                                 | Attributable to equity holders of the Company |                                    |                       |                                         |                                   |               |
|---------------------------------------|-----------------------------------------------|------------------------------------|-----------------------|-----------------------------------------|-----------------------------------|---------------|
|                                       | Share Capital                                 | Non-Distributable<br>Share Premium | Fair Value<br>Reserve | Foreign Currency<br>Translation Reserve | Distributable<br>Retained Profits | Total Equity  |
|                                       | RM'000                                        | RM'000                             | RM'000                | RM'000                                  | RM'000                            | RM'000        |
| <b>Balance as at 1 January 2010</b>   |                                               |                                    |                       |                                         |                                   |               |
| - As previously stated                | 37,620                                        | -                                  | -                     | -                                       | 1,910                             | 39,530        |
| - Effects of adopting FRS 139         | -                                             | -                                  | (41)                  | -                                       | -                                 | (41)          |
| <b>- As restated</b>                  | 37,620                                        | -                                  | (41)                  | -                                       | 1,910                             | 39,489        |
| Public Issue                          | 11,380                                        | 1,707                              | -                     | -                                       | -                                 | 13,087        |
| Less: Listing expenses                | -                                             | (668)                              | -                     | -                                       | -                                 | (668)         |
| Net loss for the period               | -                                             | -                                  | -                     | -                                       | (324)                             | (324)         |
| Total other comprehensive income      | -                                             | -                                  | 410                   | (1)                                     | -                                 | 409           |
| <b>Balance as at 31 December 2010</b> | <b>49,000</b>                                 | <b>1,039</b>                       | <b>369</b>            | <b>(1)</b>                              | <b>1,586</b>                      | <b>51,993</b> |

**Notes:-**

- (i) The unaudited condensed consolidated statements of changes in equity should be read in conjunction with the Annual Report for the financial year ended 31 December 2009 and the accompanying explanatory notes attached to this interim financial report.
- (ii) No comparative figures are available for the preceding year's cumulative corresponding quarter as this is the fourth interim financial report being announced by the Company in compliance with Bursa Malaysia Securities Berhad ("Bursa Securities") ACE Market Listing Requirements ("Listing Requirements")

**OVERSEA ENTERPRISE BERHAD (317155-U)**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASHFLOWS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2010**

|                                                               | UNAUDITED                                      | AUDITED                                          |
|---------------------------------------------------------------|------------------------------------------------|--------------------------------------------------|
|                                                               | Current Year to Date Ended<br>31 December 2010 | Preceding Year to Date<br>Ended 31 December 2009 |
|                                                               | RM'000                                         | RM'000                                           |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                   |                                                |                                                  |
| Profit before taxation                                        | 483                                            | 2,241                                            |
| <b>Adjustments for Non Cash items</b>                         | <u>3,131</u>                                   | <u>(1,679)</u>                                   |
| <b>Operating profit before working capital changes</b>        | <b>3,614</b>                                   | <b>562</b>                                       |
| Increase in inventories                                       | (181)                                          | 187                                              |
| Increase in trade and other receivables                       | (532)                                          | 35,455                                           |
| Increase in trade and other payables                          | <u>(2,174)</u>                                 | <u>(29,172)</u>                                  |
| <b>Net cash from operations</b>                               | <b>727</b>                                     | <b>7,032</b>                                     |
| Tax paid                                                      | (1,886)                                        | (346)                                            |
| <b>Net cash (used in)/generated from operating activities</b> | <u><b>(1,159)</b></u>                          | <u><b>6,686</b></u>                              |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                   |                                                |                                                  |
| Interest received                                             | 189                                            | 10                                               |
| Net cash inflows from the acquisition of subsidiaries         | -                                              | 4,735                                            |
| Payment for intangibles assets                                | (3)                                            | (2)                                              |
| Proceeds from disposal of property, plant and equipment       | 4                                              | 19                                               |
| Purchase of property, plant and equipment                     | <u>(2,401)</u>                                 | <u>(2,877)</u>                                   |
| <b>Net cash (used in)/generated from investing activities</b> | <u><b>(2,211)</b></u>                          | <u><b>1,885</b></u>                              |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                   |                                                |                                                  |
| Repayment to directors                                        | 148                                            | 8                                                |
| Interest paid                                                 | (487)                                          | (77)                                             |
| Repayment of hire purchase obligations                        | (114)                                          | (18)                                             |
| Repayment of term loan                                        | (2,545)                                        | (90)                                             |
| Proceed from issuance of share                                | 12,418                                         | -                                                |
| <b>Net cash generated from/(used in) financing activities</b> | <u><b>9,420</b></u>                            | <u><b>(177)</b></u>                              |
| <b>Net increase in cash and cash equivalents</b>              | 6,050                                          | 8,394                                            |
| <b>Effect of changes in foreign currency translation</b>      | (1)                                            | -                                                |
| <b>Cash and cash equivalents at beginning of the period</b>   | <u>8,395</u>                                   | <u>*</u>                                         |
| <b>Cash and cash equivalents at end of the period</b>         | <u><b>14,444</b></u>                           | <u><b>8,394</b></u>                              |
| <b>Cash and cash equivalents comprises :-</b>                 |                                                |                                                  |
| Short term and fixed deposits with licensed banks             | 9,598                                          | 3,302                                            |
| Cash and bank balances                                        | 4,862                                          | 5,946                                            |
| Bank overdraft                                                | <u>(16)</u>                                    | <u>(854)</u>                                     |
|                                                               | <u><b>14,444</b></u>                           | <u><b>8,394</b></u>                              |

**Notes:-**

\* RM4.00

(i) The unaudited condensed consolidated statements of cash flow should be read in conjunction with the Annual Report for the financial year ended 31 December 2009 and the accompanying explanatory notes attached to this interim financial report.

(ii) No comparative figures are available for the preceding year's cumulative corresponding quarter as this is the fourth interim financial report being announced by the Company in compliance with Bursa Malaysia Securities Berhad ("Bursa Securities") ACE Market Listing Requirements ("Listing Requirements")

**OVERSEA ENTERPRISE BERHAD (317155-U)**

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**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010****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 proforma consolidated financial information and the Accountants’ Report for the financial year ended 31 December 2009 as disclosed in the Prospectus of the Company dated 15 March 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 consolidated financial statements for the year ended 31 December 2009, except for adoption of the following new/revised FRSs effective for financial period beginning 1 January 2010:

**(a) FRSs**

|                |                                                    |
|----------------|----------------------------------------------------|
| FRS 4          | Insurance Contracts                                |
| FRS 7          | Financial Instruments: Disclosures                 |
| FRS 101 (2009) | Presentation of Financial Statements               |
| FRS 123 (2009) | Borrowing Costs                                    |
| FRS 139 (2010) | Financial Instruments: Recognition and Measurement |

**(b) Amendments to FRSs**

|                                |                                                                                                                                                                                        |
|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Amendment to FRS 1 and FRS 127 | First-time Adoption of Financial Reporting Standards and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate |
| Amendments to FRS 2            | Share-based Payment: Vesting Conditions and Cancellations                                                                                                                              |
| Amendments to FRS 117          | Leases                                                                                                                                                                                 |
| Amendments to FRS 132          | Financial Instruments: Presentation                                                                                                                                                    |
| Amendments to FRS 139          | Financial Instruments: Recognition and Measurement, FRS 7 Financial instruments: Disclosures and IC interpretation 9 Reassessment of Embedded Derivatives                              |

**OVERSEA ENTERPRISE BERHAD (317155-U)**

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**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010****A2. Adoption Of New And Revised Accounting Policies (Cont'd)****(c) IC Interpretations**

|                      |                                                                                                    |
|----------------------|----------------------------------------------------------------------------------------------------|
| IC Interpretation 9  | Reassessment of Embedded Derivatives                                                               |
| IC Interpretation 10 | Interim Financial Reporting and Impairment                                                         |
| IC Interpretation 11 | FRS 2 - Group and Treasury Transactions                                                            |
| IC Interpretation 13 | Customer Loyalty Programmes                                                                        |
| IC Interpretation 14 | FRS 119 - The Limit on a Defined Benefit Assets, Minimum Funding Requirement and their Interaction |

**(d) Amendments to FRSs contained in the documents entitled "Improvement to FRS (2009)"**

The above FRSs, IC Interpretation and amendments are not relevant to the Group's operation except for FRS 7, FRS 101, Amendments to FRS 1 and FRS 127, IC Interpretation 9, IC Interpretation 10 and Amendment to FRSs contained in the documents entitled "Improvement to FRS (2009)".

Other than for the application of amendments to FRS 117 and FRS 139, 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.

**Amendment to FRS 117**

The amendment clarifies the classification of lease of land and requires entities with existing leases of land and buildings to reassess the classification of land as finance or operating lease. Leasehold land which in substance is a finance lease will be reclassified to property, plant and equipment. The adoption of this amendment will result in a change in accounting policy which will be applied retrospectively in accordance with transitional provisions. The reclassification of leasehold land from prepaid land lease payments to property, plant and equipment has been accounted for retrospectively and certain comparatives as at 31 December 2009 have been restated as follows:

|                               | <b>Previously stated<br/>RM'000</b> | <b>Adjustment<br/>RM'000</b> | <b>Restated<br/>RM'000</b> |
|-------------------------------|-------------------------------------|------------------------------|----------------------------|
| <b>Non-current assets</b>     |                                     |                              |                            |
| Property, plant and equipment | 26,869                              | 2,746                        | 29,615                     |
| Prepaid land lease payments   | 2,746                               | (2,746)                      | -                          |

**FRS 139 – Financial Instruments: Recognition and Measurement**

The adoption of FRS 139 has resulted in changes to the accounting policies relating to recognition and measurement of financial instruments.

A financial instrument is recognized in the financial statements when, and only when, the Group becomes a party to the contractual provision of the instruments.

A financial instrument is recognized initially, at its fair value plus, in the case of a financial instrument not at fair value through profit and loss, transactions costs that are directly attributable to the acquisition or issue of the financial instrument.

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**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010****A2. Adoption Of New And Revised Accounting Policies (Cont'd)**

Financial assets – marketable securities

Prior to the adoption of FRS 139, investment in equity securities, other than investments in subsidiaries and associates were stated at cost less allowance for diminution in value which is other than temporary. With the adoption of FRS 139, quoted investments in non-current equities securities, other than investment in subsidiaries are now categorized and measured as fair value through profit and loss.

In accordance with the transitional provisions of FRS 139, the financial assets of the Group as at 1 January 2010 have been identified and remeasured in accordance with the provision of FRS 139. The difference between the remeasured amount and the previous carrying amount has been recognized as an adjustment to the opening retained earnings as at 1 January 2010 as follows:

| <b>Group</b>                                               | <b>Retained Earnings<br/>in RM(000)</b> |
|------------------------------------------------------------|-----------------------------------------|
| As at 1 January 2010                                       |                                         |
| - as previously stated                                     | 1,910                                   |
| - Remeasurement of quoted securities to available for sale | <u>(41)</u>                             |
| - as restated                                              | <u>1,869</u>                            |

**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 2009 were not subject to any qualification.

**A4. Seasonal Or Cyclical Factors**

For the financial quarter under review, the group are not being affected by any seasonal or cyclical factor except for the manufacturing division where the moon cake season normally fall in the month of September to October.

**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.

**OVERSEA ENTERPRISE BERHAD (317155-U)**

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**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010****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. selling of high value stocks such as shellfish, shark's fin, dried seafood, meat and other consumables.

**Segmental Reporting**

| <b>Year ended 31 December 2010</b>   | <b>Restaurant</b> | <b>Manufacturing</b> | <b>Others</b>              | <b>Eliminations</b> | <b>Consolidated</b> |
|--------------------------------------|-------------------|----------------------|----------------------------|---------------------|---------------------|
|                                      | <b>RM' 000</b>    | <b>RM' 000</b>       | <b>RM' 000</b>             | <b>RM' 000</b>      | <b>RM' 000</b>      |
| <b>Revenue from</b>                  |                   |                      |                            |                     |                     |
| External customers                   | 53,611            | 9,113                | 14                         | -                   | <b>62,738</b>       |
| Inter-segment revenue                | 130               | 6,186                | 2,404                      | (8,720)             | -                   |
| <b>Total revenue</b>                 | <b>53,741</b>     | <b>15,299</b>        | <b>2,418</b>               | <b>(8,720)</b>      | <b>62,738</b>       |
| <b>Profit/(Loss) before taxation</b> | <b>1,308</b>      | <b>57</b>            | <b>(882) <sup>*1</sup></b> |                     | <b>483</b>          |
| Income tax expenses                  |                   |                      |                            |                     | (807)               |
| <b>Loss after taxation</b>           |                   |                      |                            |                     | <b>(324)</b>        |
| Other Comprehensive Income           |                   |                      |                            |                     | 409                 |
| <b>Total Comprehensive Income</b>    |                   |                      |                            |                     | <b>85</b>           |
| <b>Segmented assets</b>              | <b>45,218</b>     | <b>12,567</b>        | <b>6,346</b>               | <b>-</b>            | <b>64,131</b>       |
| <b>Unallocated assets</b>            |                   |                      |                            |                     | <b>2,322</b>        |
|                                      |                   |                      |                            |                     | <b>66,453</b>       |

**Notes:-**

<sup>\*1</sup> The loss was mainly due to the Group's listing expenses, as disclosed in Note B1.

**OVERSEA ENTERPRISE BERHAD (317155-U)**

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**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010****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 December 2010 is as follows:-

|                              | <b>RM'000</b> |
|------------------------------|---------------|
| Current:                     |               |
| - within one year            | 2,522         |
| Non –current:                |               |
| - between one and two years  | 1,220         |
| - between two and five years | 35            |

Capital commitment for property, plant and equipment not provided for as at 31 December 2010 are as follows:-

|                             | <b>RM'000</b> |
|-----------------------------|---------------|
| Approved and contracted for | 437           |

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

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.

**A13. Changes In Composition Of The Group**

The Company's wholly owned subsidiary, namely Restoran Oversea JV (Singapore) Sdn Bhd ("OJV") had on 15 October 2010 increased its issued and paid-up share capital from RM2.00 to RM100,000.00 through the allotment and issuance of 99,998 new ordinary shares of RM1.00 each at par for total consideration of RM99,998.00 which was fully subscribed by the Company.

On 21 October 2010, OJV acquired the entire share capital of Grand Ocean Restaurant Pte Ltd ("GOR") comprising of two (2) ordinary shares of S\$1.00 each. On the even date, GOR had increased its issued and paid-up share capital from S\$2.00 to S\$100,000.00 through the allotment of 99,998 ordinary shares of S\$1.00 each at par to OJV for cash consideration of S\$99,998.00.

In line with the Company's overseas expansion plan, GOR have commenced operation of Oversea Restaurant in Singapore on 30 January 2011.

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**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010****A14. Contingent Liabilities Or Contingent Assets**

Contingent liabilities of the Group comprise the following:

|                                                                                                            | <b>31.12.10</b> | <b>31.12.09</b> |
|------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
|                                                                                                            | <b>RM'000</b>   | <b>RM'000</b>   |
| Corporate guarantees given by the Company to financial institutions for facilities granted to subsidiaries |                 |                 |
| - Total facilities granted                                                                                 | 8,243           | N/A             |
| - Current Exposure                                                                                         | 2,257           | N/A             |

**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 :-

| <b>Transactions</b>                                 | <b>Current financial quarter</b> | <b>Financial year to date</b> |
|-----------------------------------------------------|----------------------------------|-------------------------------|
|                                                     | <b>RM'000</b>                    | <b>RM'000</b>                 |
| Rental paid to Director                             | 25                               | 100                           |
| Rental received from related parties <sup>(1)</sup> | *                                | 3                             |
| Rental paid to related parties <sup>(1)</sup>       | 242                              | 961                           |
| Purchase from related parties <sup>(1)</sup>        | -                                | 280                           |
| Sale to related parties <sup>(1)</sup>              | -                                | 33                            |

Note:

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

\* Amount is less than RM1,000

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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**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010****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 RM10.51 million and loss before tax of RM1.77 million for the three months ended 31 December 2010.

For the financial year to date, the Group's revenue decreased from RM65.05 million to RM62.74 million, representing a decrease of 3.6% when compared to the proforma combined income statement of the preceding financial year as disclosed in the prospectus. The Group experienced a decline in revenue for both the restaurant and manufacturing segment in 2010 mainly due to competition. The restaurant segment experienced a slowdown in its banquet operations due to loss of customer through last minute cancellation of banquet bookings as well as a general decline in business. Year 2010, being the year of the tiger, was widely believed by many Chinese to be an inauspicious year for weddings. Less walk-in customers to its restaurants were due to increase in competition from operators of Chinese restaurants within the vicinity of its outlets. Revenue from the Group's manufacturing segment had also declined in view of lower demand for moon cakes in the market due to higher moon cake prices in the market as manufacturers passed on the higher cost of raw materials to the customers. Moon cake manufacturers have also engaged in price wars as a result of the lower demand in moon cakes. The slashing of prices in the market had adversely affected the demand for the Group's moon cakes.

Gross profit for the financial year to date has decreased from RM35.88 million to RM33.67 million, representing a decrease of 6.2%. The decrease in gross profit was mainly attributable to higher cost of raw materials for the manufacturing of moon cakes, namely lotus seed, sugar and flour. For example, the cost of lotus seed had increased from approximately RM14 per kilogram to approximately RM26 per kilogram.

For the financial year to date, the PBT of the Group declined from RM6.8 million to RM0.48 million, representing a decrease of 92.9% when compared to the preceding financial year. The decrease in revenue of approximately RM2.31 million coupled with higher expenses amounting to approximately RM1.9 million for the Group's outlet in Ipoh was the main reason for the decrease in results of the Group. The restaurant in Ipoh had recorded one (1) full financial year of operations since commencing operations in the fourth quarter of 2009. The company had increased labour expenses in 2010 to meet anticipated banquet sales in this outlet which did not materialise. In addition, this outlet had also recorded high depreciation costs from its renovation. In addition to the above, the expenses of the Group had increased due to higher overall labour expenses of other outlets by approximately RM505,000, listing expenses of approximately RM614,000, directors' remunerations and fees of approximately RM461,000 and pre-opening expenses of the Group's new restaurant in Singapore amounting to approximately RM213,000.

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**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010****B2. Comparison To The Results Of The Preceding Quarter**

The Group registered a revenue of RM10.51 million for the current quarter under review representing a decrease of RM10.87 million or 50.8% from the RM21.38 million in the preceding quarter. The Group's loss before tax was RM1.77 million for the current quarter under review as compared to profit before tax of RM1.31 million in the preceding quarter.

The decrease in revenue in the current quarter as compared to the preceding quarter is mainly due to the seasonal fluctuation in revenue as mooncake sale was recognised in the preceding quarter.

**B3. Current Year Prospects**

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.

In addition, 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 and is expected to contribute positively to the Group in the future.

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.

**B5. Taxation**

|                             | <b>Current quarter ended<br/>31 December 2010<br/>RM' 000</b> | <b>Current year to-date<br/>31 December 2010<br/>RM' 000</b> |
|-----------------------------|---------------------------------------------------------------|--------------------------------------------------------------|
| Income tax:-                |                                                               |                                                              |
| Current period/year         | 252                                                           | 880                                                          |
| Overprovision in prior year | (34)                                                          | (34)                                                         |
| Deferred tax                | (39)                                                          | (39)                                                         |
|                             | <u>179</u>                                                    | <u>807</u>                                                   |

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.

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

There were no sales of unquoted investments and/or properties during the current financial quarter and financial year-to-date.

**B7. Purchase Or Disposal Of Quoted Securities**

There were no purchases or disposals of quoted securities for the current financial quarter.

Total investments in quoted securities as at 31 December 2010 were as follows:-

|                 | <b>RM'000</b> |
|-----------------|---------------|
| At Cost         | 545           |
| At book value   | 914           |
| At market value | 914           |

**B8. (a) Status Of Corporate Proposals**

There was no corporate proposal announced or not completed by the Group as at the latest practicable date of 22 February 2011.

**(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<br>RM'000 | Amount Utilised<br>RM'000 | Time frame                   | Balance unutilised<br>RM'000 |
|-----------------------------------------------------|--------------------------------|---------------------------|------------------------------|------------------------------|
| (i) Capital Expenditure and business expansion plan | 6,050                          | 1,249                     | Within 2 years after listing | 4,801                        |
| (ii) Working Capital                                | 3,310                          | *2,467                    | Within 2 years after listing | 843                          |
| (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                         | 7,443                     |                              | 5,644                        |

\* 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 December 2010 are as follows:

|               | <b>Short Term<br/>(Secured)<br/>RM'000</b> | <b>Long Term<br/>(Secured)<br/>RM'000</b> |
|---------------|--------------------------------------------|-------------------------------------------|
| Hire Purchase | 132                                        | 64                                        |
| Term loan     | *3,310                                     | 1,859                                     |
| Total         | 3,442                                      | 1,923                                     |

\*Term loan of RM2,594,000 is being classified as short term due to sale of properties that it attached to as disclosed in note A12

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**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010****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 22 February 2011.

**B12. Dividends**

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

**B13. Loss 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-Dec-10<br>RM'000   | 31-Dec-09<br>RM'000                        | 31-Dec-10<br>RM'000        | 31-Dec-09<br>RM'000                       |
| <b>BASIC LOSS PER SHARE</b>                                                |                       |                                            |                            |                                           |
| Loss for the period attributable to ordinary equity holders of the company | (1,950)               | N/A                                        | (324)                      | N/A                                       |
| Weighted average number of ordinary shares in issue ('000)                 | 245,000               | N/A                                        | 232,061                    | N/A                                       |
| Basic Loss per share (sen)                                                 | (0.80)                | N/A                                        | (0.14)                     | N/A                                       |

**B14. Realised and unrealised retained earnings**

The retained profit may be analysed as follows:

|              | As at the end of current quarter<br>31.12.2010<br>RM'000 | As at the end of preceding quarter<br>30.09.2010<br>RM'000 |
|--------------|----------------------------------------------------------|------------------------------------------------------------|
| - Realised   | 1,559                                                    | 3,536                                                      |
| - Unrealised | 27                                                       | -                                                          |
|              | <u>1,586</u>                                             | <u>3,536</u>                                               |

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**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010**

By Order of the Board

Ng Bee Lian

Company Secretary

Date: 28 February 2011