

OVERSEA ENTERPRISE BERHAD (317155-U)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year to Date Ended	Preceding Year Corresponding Period Ended
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
Revenue	21,217	21,382	53,989	52,224
Cost of sales	(9,822)	(11,574)	(23,583)	(25,163)
Gross profit	11,395	9,808	30,406	27,061
Other operating income	1,061	1,111	4,282	3,738
Administration and other operating expenses	(1,792)	(1,825)	(5,394)	(6,234)
Selling and Distribution expenses	(8,779)	(7,672)	(25,485)	(21,933)
Finance costs	(99)	(116)	(299)	(378)
Profit before tax	1,786	1,306	3,510	2,254
Income tax expense	(534)	(360)	(1,241)	(628)
Profit after tax	1,252	946	2,269	1,626
Other comprehensive (expenses)/income	(32)	141	(351)	223
Total comprehensive income	1,220	1,087	1,918	1,849
Profit attributable to:				
Equity holders of the Company	1,252	946	2,269	1,626
Total comprehensive income attributable to:				
Equity holders of the Company	1,220	1,087	1,918	1,849
Weighted average no. of ordinary shares in issue ('000)	245,000	245,000	245,000	227,428
Earnings per share (sen):				
- Basic	0.51	0.39	0.93	0.71

Notes:

- (i) Basic earnings per share for the quarter and financial period is calculated based on the net profit divided by the weighted average number of ordinary shares for the quarter and financial period respectively.
- (ii) The unaudited condensed consolidated statements of comprehensive income should be read in conjunction with the annual audited account for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to this interim financial report.

OVERSEA ENTERPRISE BERHAD (317155-U)
UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2011

	UNAUDITED As at 30 September 2011 RM'000	AUDITED As at 31 December 2010 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	29,752	29,263
Investment properties	7,722	7,723
Other investments	149	1,021
Intangible assets	260	71
Goodwill on consolidation	92	92
Long-term receivables	197	250
	38,172	38,420
Current Assets		
Inventories	5,712	5,347
Trade and other receivables	8,749	5,904
Tax refundable	1,714	2,322
Deposits, bank and cash balances	16,277	14,460
	32,452	28,033
Total Assets	70,624	66,453
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of The Company		
Share capital	49,000	49,000
Reserves	4,911	2,993
Shareholders' funds	53,911	51,993
Minority interests	-	-
Total equity	53,911	51,993
Non-current liabilities		
Hire purchase creditors	144	74
Term loans	1,433	1,859
Deferred taxation	648	648
	2,225	2,581
Current Liabilities		
Trade and other payables	10,992	8,431
Hire purchase creditors	145	122
Bank overdrafts	-	16
Term loans	3,246	3,310
Tax payables	105	-
	14,488	11,879
Total liabilities	16,713	14,460
Total equity and liabilities	70,624	66,453
 Net Assets Per Share Attributable to ordinary equity holders of the Company (RM)	 0.22	 0.21

Note:-

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

OVERSEA ENTERPRISE BERHAD (317155-U)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASHFLOWS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011

	Current Year to Date Ended 30 September 2011	Previous Year to Date Ended 30 September 2010
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,510	2,254
Adjustments for Non Cash Items	<u>1,830</u>	<u>2,383</u>
Operating profit before working capital changes	5,340	4,637
Increase in inventories	(365)	(333)
Increase in trade and other receivables	(2,791)	(3,292)
Increase in trade and other payables	<u>2,677</u>	<u>1,016</u>
Net cash from operations	4,861	2,028
Tax paid	(529)	(1,544)
Net cash from operating activities	<u>4,332</u>	<u>484</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	213	130
Hire purchase loan received	194	-
Payment for intangibles assets	(223)	(75)
Proceeds from disposal of property, plant and equipment	24	4
Purchase of property, plant and equipment	(2,698)	(656)
Proceeds from disposal of other investment	990	-
Net cash used in Investing activities	<u>(1,500)</u>	<u>(597)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment to directors	(116)	(8)
Interest paid	(299)	(378)
Repayment of hire purchase obligations	(94)	(85)
Repayment of term loan	(490)	(2,393)
Proceed from issuance of share	-	12,418
Net cash (used in)/from financing activities	<u>(999)</u>	<u>9,554</u>
Net increase in cash and cash equivalents	1,833	9,441
Cash and cash equivalents at beginning of the period	<u>14,444</u>	<u>8,395</u>
Cash and cash equivalents at end of the period	<u>16,277</u>	<u>17,836</u>
Cash and cash equivalents comprises :-		
Short term and fixed deposits with licensed banks	10,991	12,810
Cash and bank balances	5,286	5,453
Bank overdraft	-	(427)
	<u>16,277</u>	<u>17,836</u>

Note:-

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

PERSEA ENTERPRISE BERHAD (317155-U)
AUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011

	Attributable to equity holders of the Company							Total Equity RM'000
	Share Capital RM'000	Non-Distributable Share Premium RM'000	Fair Value Reserve RM'000	Foreign Currency Translation Reserve RM'000	Distributable Retained Profits RM'000			
Balance as at 1 January 2011	49,000	1,039	369	(1)	1,586		51,993	
Profit for the period	-	-	-	-	2,269		2,269	
Other comprehensive expenses	-	-	(351)	-	-		(351)	
Balance as at 30 September 2011	49,000	1,039	18	(1)	3,855		53,911	
Balance as at 1 January 2010	37,620	-	-	-	1,910		39,530	
Effect of adopting FRS 139	-	-	(41)	-	-		(41)	
Balance as restated	37,620	-	(41)	-	1,910		39,489	
Share Issue	11,380	1,707	-	-	-		13,087	
Listing expenses	-	(668)	-	-	-		(668)	
Profit for the period	-	-	-	-	1,626		1,626	
Other comprehensive income	-	-	223	-	-		223	
Balance as at 30 September 2010	49,000	1,039	182	-	3,536		53,757	

2:-

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

**OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011**

NOTES TO THE QUARTERLY REPORT

PART A – EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARDS (“FRS”) 134: INTERIM FINANCIAL REPORTING

A1. Basis Of Preparation

The interim financial statements are unaudited and have been prepared in accordance with FRS 134: Interim Financial Reporting and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

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

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

A2. Adoption Of New And Revised Accounting Policies

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

(a) FRS

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

(b) Amendments to FRSs

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

(c) IC Interpretations

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

OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011

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

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

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

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

A3. Auditors' Report On Preceding Annual Financial Statements

The auditors' report on the preceding audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2010 were not subject to any qualification.

A4. Seasonal Or Cyclical Factors

For the financial quarter under review, banquet operations slowed down in the months of July to August due to it being an inauspicious Lunar month, hence wedding banquets were not popular during this time. However, the Company's moon cake production was at its peak due to the Mid-Autumn Festival in September 2011.

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 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.

OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011

A9. Segmental Information

The Group is organized into the following operating segments:-

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

Segmental Reporting

Period ended 30 September 2011	Restaurant		Manufacturing	Others	Eliminations	Consolidated
	Malaysia	Singapore				
	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000
Revenue from						
External customers	39,585	4,804	9,600	-	-	53,989
Inter-segment revenue	83	-	5,964	2,137	(8,184)	-
Total revenue	39,668	4,804	15,564	2,137	(8,184)	53,989
Profit/(Loss) before taxation	1,726	(437)	2,450	(229)		3,510
Income tax expenses						(1,241)
Profit after taxation						2,269
Other Comprehensive Expenses						(351)
Total Comprehensive Income						1,918
Segmented assets	42,535	3,766	17,555	5,054		68,910
Unallocated assets						1,714
						70,624

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 30 September 2011 is as follows:-

	RM'000
Current:	
- within one year	3,528
Non-current:	
- between one and two years	1,891
- between two and five years	457

OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011

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

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

A13. Changes In Composition Of The Group

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

A14. Contingent Liabilities Or Contingent Assets

Contingent liabilities of the Group comprise the following:

	30.09.11	30.09.10
	RM'000	RM'000
Corporate guarantees given by the Company to financial institutions for facilities granted to subsidiaries		
Total facilities granted	8,243	6,743
Current Exposure	1,900	2,794

A15. Significant Related Party Transactions

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

Transactions	Current financial quarter	Financial year to date
	RM'000	RM'000
Rental paid to Director	25	75
Rental received from related parties ⁽¹⁾	*	1
Rental paid to related parties ⁽¹⁾	242	727

Notes:

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

**OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011**

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

B1. Review Of Performance

For the nine months ended 30 September 2011 ("9-months 2011"), the Group recorded revenue of RM53.99 million and profit before tax of RM3.51 million as compared to RM52.22 million and RM2.25 million in the preceding year corresponding period ended 30 September 2010 ("9-months 2010") respectively. The Group's revenue for the current quarter under review ("Q3 2011") of RM21.22 million was 0.7% lower compared to the preceding year corresponding quarter as at 30 September 2010 ("Q3 2010") of RM21.38 million. The slight decline in revenue for the Q3 2011 as compared to Q3 2010 was mainly due to the Company exercising tighter control measures on the recognition of moon cake sales during the Mid-Autumn Festival in Q3 2011 as they had experienced a large number of returns after the Mid-Autumn Festival of Q3 2010.

The decrease in administration and other operating expenses from RM6.23 million in the 9-months 2010 to RM5.39 million for the 9-months 2011 was mainly due to part of the listing expenses of approximately RM0.75 million being charged in the previous year.

In addition, the increase in selling and distribution expenses for the 9-months 2010 of RM21.93 million to RM25.49 million in the 9-months 2011 was mainly attributed to the operational cost incurred for the newly incorporated restaurant in Singapore. The increase in selling and distribution expenses from RM7.67 million in the Q3 2010 to RM8.78 million in the current Q3 2011 was mainly due to higher expenses incurred for advertisement & promotional activities and repair & maintenance in the current Q3 2011, coupled together with expenses contributed from the newly incorporated restaurant in Singapore which had not yet been incurred in Q3 2010.

The Group recorded a higher profit before tax of RM1.79 million for the current Q3 2011 as compared to the Q3 2010 of RM1.31 million mainly due to the Group's efforts in implementing stricter cost control measure thus resulting in improvements to the Group's overall gross profit margin of 53.71% as compared to 45.87% in the Q3 2010.

B2. Comparison To The Results Of The Preceding Quarter

The revenue for the current Q3 2011 improved by 52% from RM13.99 million in to RM21.22 million mainly due to the sales of moon cake/manufacturing segment during the Mid-Autumn Festival. The Group's profit before tax also improved to RM1.79 million from a loss of RM0.38 million previously.

The profit before tax recorded for the current Q3 2011 under review was mainly due to the moon cake festive season resulting in an increase in performance in the manufacturing segment. Revenue from the manufacturing segment increased from RM0.66 million in the preceding quarter to RM9.03 million. The restaurant segment revenue recorded a decrease of RM1.14 million mainly due to decrease in Singapore restaurant sales. This was further eroded by higher expenses incurred in Q3 2011 for legal fees in relation to the disposal of four (4) units of two-storey shop offices as discussed in Note B6, advertisement & promotional activities in relation to lump-sum billing received from advertising agency and repair & maintenance for a restaurant outlet.

**OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011**

B3. Current Year Prospects

The Group's new restaurant located at Shaw Tower, Singapore commenced operations on 30 January 2011. In the current Q3 2011, the operation has recorded a pre-tax loss of approximately RM0.44 million from a break even position in the preceding quarter. This is due to lower revenue contribution from the restaurant together with high fixed maintenance cost.

The Singapore economy saw a sequential decline in the second quarter of 2011. The contraction was led by slowdown in trade related activities due to supply chain disruption arising from the Japan earthquake as well as softening global demand from advanced economies.

The Group plans to re-strategise its marketing plan in order to garner more customer awareness in the region of Singapore and shall continue to offer its services at competitive price amidst intense competition in the market.

Moving forward, the Board remains positive on its business in Singapore and the overall results of the Group 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

	Current quarter ended 30 September 2011 RM' 000	Current year to-date 30 September 2011 RM' 000
Income tax:-		
Current period	<u>534</u>	<u>1,241</u>

The effective tax rate for current quarter and the current year to date is higher than the statutory rate of 25%. This arose as the Company did not qualify for group tax relief for losses incurred in the restaurant segment to offset against profit earned in the manufacturing segment, resulting in higher effective rate at consolidation level.

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

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

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

OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011

B7. Purchase Or Disposal Of Quoted Securities

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

	Current quarter ended 30 September 2011	Current year to-date 30 September 2011
	RM'000	RM'000
Proceeds of quoted securities disposed	27	990
Gain on disposal of quoted securities	13	469

Total investments in quoted securities as at 30 September 2011 were as follows:-

	RM'000
At Cost	24
At book value	42
At market value	42

B8. (a) Status Of Corporate Proposals

Save for the disposal of the properties to Yayasan Dazhi as disclosed in note B6 above, there is no corporate proposal announced or not completed by the Group as at the latest practicable date of 29 November 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 RM'000	Amount Utilised RM'000	Time frame	Balance unutilised RM'000
(i) Capital Expenditure and business expansion plan	6,050	3,984	Within 2 years after listing	2,066
(ii) Working Capital	3,310	*2,208	Within 2 years after listing	1,102
(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	9,919		3,168

* 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 30 September 2011 are as follows:

	Short Term (Secured) RM'000	Long Term (Secured) RM'000
Hire Purchase Creditors	145	144
Term loan	*3,246	1,433
Total	3,391	1,577

*Term loan of RM2.56 million is being classified as short term due to sale of properties attached to it as disclosed in B6.

OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011

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 29 November 2011.

B12. Dividends

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

B13. Earnings Per Share

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year to Date Ended	Preceding Year Corresponding Period Ended
	30-Sep-11 RM'000	30-Sep-10 RM'000	30-Sep-11 RM'000	30-Sep-10 RM'000
BASIC EARNINGS PER SHARE				
Profit for the period attributable to ordinary equity holders of the company	1,252	946	2,269	1,626
Weighted average number of ordinary shares in issue ('000)	245,000	245,000	245,000	227,428
Basic earnings per share (sen)	0.51	0.39	0.93	0.71

B14. Realised and unrealised retained earnings

The retained profit may be analysed as follows:

	As at the end of current quarter 30.09.2011 RM'000	As at the end of preceding quarter 31.06.2011 RM'000
Realised	3,827	2,605
Unrealised	28	28
	<u>3,855</u>	<u>2,633</u>

By Order of the Board

Ng Bee Lian
 Company Secretary
 Date: 29 November 2011