

**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE THIRD QUARTER ENDED 31 DECEMBER 2012**

|   | Individual Quarter         |  | Cumulative Quarter         |   |
|---|----------------------------|--|----------------------------|---|
|   | Current Quarter Ended      | Preceding Year Corresponding Quarter Ended | Current Year to Date Ended | Preceding 9 Months Corresponding Period Ended |
|   | 31 December 2012<br>RM'000 | 31 December 2011<br>RM'000                 | 31 December 2012<br>RM'000 | 31 December 2011<br>RM'000                    |
| <b>Revenue</b>  | 14,283                     | 14,270                                     | 48,720                     | 49,472  |
| Cost of sales   | (5,577)                    | (6,616)                                    | (20,149)                   | (22,337)                                      |
| <b>Gross profit</b>                                     | 8,706                      | 7,654                                      | 28,571                     | 27,135  |
| Other operating income                                  | 1,249                      | 1,337                                      | 3,475                      | 3,835   |
| Administration and other operating expenses             | (2,040)                    | (1,828)                                    | (6,105)                    | (5,258)                                       |
| Selling and Distribution expenses                       | (8,929)                    | (8,685)                                    | (27,388)                   | (25,628)                                      |
| Finance costs   | (30)                       | (95)                                       | (104)                      | (291)   |
| <b>Loss before tax</b>                                  | (1,044)                    | (1,617)                                    | (1,551)                    | (207)   |
| Income tax  | (41)                       | 466  | (151)                      | (226)   |
| <b>Loss after tax</b>                                   | (1,085)                    | (1,151)                                    | (1,702)                    | (433)   |
| <b>Other comprehensive income</b>                       |                            |  |                            |   |
| Fair value of quoted shares                             | 83                         | 62   | 81                         | (145)   |
| <b>Total comprehensive losses</b>                       | (1,002)                    | (1,089)                                    | (1,621)                    | (578)   |
| <b>Loss attributable to:</b>                            |                            |  |                            |   |
| Equity holders of the Company                           | (1,045)                    | (1,151)                                    | (1,619)                    | (433)   |
| Non-controlling interest                                | (40)                       | -  | (83)                       | -   |
|   | (1,085)                    | (1,151)                                    | (1,702)                    | (433)   |
| <b>Total comprehensive losses attributable to:</b>      |                            |  |                            |   |
| Equity holders of the Company                           | (962)                      | (1,089)                                    | (1,538)                    | (578)   |
| Non-controlling interest                                | (40)                       | -  | (83)                       | -   |
|   | (1,002)                    | (1,089)                                    | (1,621)                    | (578)   |
| Weighted average no. of ordinary shares in issue ('000) | 245,000                    | 245,000                                    | 245,000                    | 245,000                                       |
| Loss per share (sen):                                   |                            |  |                            |   |
| - Basic   | (0.43)                     | (0.47)                                     | (0.66)                     | (0.18)  |

**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 March 2012 and the accompanying explanatory notes attached to this interim financial report.

**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2012**

|   | UNAUDITED<br>As at<br>31 December 2012 | AUDITED<br>As at<br>31 March 2012 |
|---|--|-----------------------------------|
|   | RM'000                                 | RM'000                            |
| <b>ASSETS</b>   |  |                                   |
| <b>Non-current assets</b>   |  |                                   |
| Property, plant and equipment   | 29,900                                 | 29,266                            |
| Investment properties   | 2,069                                  | 2,069                             |
| Other investments   | 672                                    | 538                               |
| Intangible assets   | 290                                    | 203                               |
| Long-term receivables   | 158                                    | 187                               |
|   | <b>33,089</b>                          | <b>32,263</b>                     |
| <b>Current Assets</b>   |  |                                   |
| Inventories   | 4,834                                  | 5,449                             |
| Trade and other receivables   | 6,675                                  | 3,939                             |
| Tax refundable  | 2,385                                  | 1,611                             |
| Deposits, bank and cash balances  | 15,818                                 | 20,601                            |
|   | <b>29,712</b>                          | <b>31,600</b>                     |
| <b>Total Assets</b>   | <b>62,801</b>                          | <b>63,863</b>                     |
| <b>EQUITY AND LIABILITIES</b>   |  |                                   |
| <b>Equity Attributable to Equity Holders of The Company</b>                             |  |                                   |
| Share capital   | 49,000                                 | 49,000                            |
| Reserves  | 2,074                                  | 4,349                             |
| Shareholders' funds   | 51,074                                 | 53,349                            |
| Non-controlling interest  | 664                                    | -                                 |
| <b>Total equity</b>   | <b>51,738</b>                          | <b>53,349</b>                     |
| <b>Non-current liabilities</b>  |  |                                   |
| Hire purchase creditors   | 70                                     | 110                               |
| Term loans  | 1,138                                  | 1,192                             |
| Deferred taxation   | 980                                    | 979                               |
|   | <b>2,188</b>                           | <b>2,281</b>                      |
| <b>Current Liabilities</b>  |  |                                   |
| Trade and other payables  | 8,364                                  | 7,541                             |
| Hire purchase creditors   | 55                                     | 100                               |
| Term loans  | 456                                    | 578                               |
| Tax payables  | -                                      | 14                                |
|   | <b>8,875</b>                           | <b>8,233</b>                      |
| <b>Total liabilities</b>  | <b>11,063</b>                          | <b>10,514</b>                     |
| <b>Total equity and liabilities</b>   | <b>62,801</b>                          | <b>63,863</b>                     |
| <br>Net Assets Per Share Attributable to ordinary equity holders of<br>the Company (RM) | <br>0.21                               | <br>0.22                          |

**Note:-**

- (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 2012 and the accompanying explanatory notes attached to this interim financial report.

**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2012**

| Group  | Attributable to equity holders of the Company |                                 |                    |                                      |                                |                                | Non Controlling Interest | Total Equity |
|--|---|---------------------------------|--------------------|--------------------------------------|--------------------------------|--------------------------------|--------------------------|--------------|
|  | Share Capital                                 | Non-Distributable Share Premium | Fair Value Reserve | Foreign Currency Translation Reserve | Distributable Retained Profits | Distributable Retained Profits |                          |              |
|  | RM'000  | RM'000                          | RM'000             | RM'000                               | RM'000                         | RM'000                         | RM'000                   |              |
| Balance as at 1 April 2012   | 49,000  | 1,038                           | 92                 | (1)                                  | 3,220                          |                                | 53,349                   |              |
| Non-controlling interest shares issue  | -   | -                               | -                  | -                                    | -                              | 747                            | 747                      |              |
| Net loss for the period  | -   | -                               | -                  | -                                    | (1,620)                        | (83)                           | (1,703)                  |              |
| Other comprehensive income:  |   |                                 |                    |                                      |                                |                                |                          |              |
| - gain on fair value changes of available-for-sale financial assets                | -   | -                               | 140                | -                                    | -                              | -                              | 140                      |              |
| - transfer to profit and loss upon disposal of available-for-sale financial assets | -   | -                               | (59)               | -                                    | -                              | -                              | (59)                     |              |
| Total other comprehensive expenses   | -   | -                               | 81                 | -                                    | (1,620)                        | (83)                           | (1,622)                  |              |
| Dividend paid  |   |                                 |                    |                                      | (735)                          |                                | (735)                    |              |
| <b>Balance as at 31 December 2012</b>  | <b>49,000</b>                                 | <b>1,038</b>                    | <b>173</b>         | <b>(1)</b>                           | <b>865</b>                     | <b>664</b>                     | <b>51,739</b>            |              |
| Balance as at 1 January 2011   | 49,000  | 1,038                           | 369                | (1)                                  | 1,587                          |                                | 51,993                   |              |
| Net profit for the period  | -   | -                               | -                  | -                                    | 1,633                          |                                | 1,633                    |              |
| Other comprehensive income:  |   |                                 |                    |                                      |                                |                                |                          |              |
| - gain on fair value changes of available-for-sale financial assets                | -   | -                               | 77                 | -                                    | -                              | -                              | 77                       |              |
| - transfer to profit and loss upon disposal of available-for-sale financial assets | -   | -                               | (354)              | -                                    | -                              | -                              | (354)                    |              |
| Total other comprehensive income   | -   | -                               | (277)              | -                                    | 1,633                          |                                | 1,356                    |              |
| <b>Balance as at 31 March 2012</b>   | <b>49,000</b>                                 | <b>1,038</b>                    | <b>92</b>          | <b>(1)</b>                           | <b>3,220</b>                   | <b>-</b>                       | <b>53,349</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 2012 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 31 DECEMBER 2012**

|   | Current Year to Date<br>Ended<br>31 December 2012 | Preceding 9 Months<br>to Date Ended<br>31 December 2011 |
|---|---|---|
|   | RM'000  | RM'000  |
| <b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>              |   |   |
| Loss before taxation  | (1,551)   | N/A   |
| <b>Adjustments for non cash items</b>                       | <u>2,209</u>                                      | <u>N/A</u>  |
| <b>Operating profit before working capital changes</b>      | <b>658</b>  | <b>N/A</b>  |
| Decrease in inventories                                     | 615   | N/A   |
| Increase in trade and other receivables                     | (2,707)   | N/A   |
| Increase in trade and other payables                        | <u>674</u>  | <u>N/A</u>  |
| <b>Net cash used in operations</b>                          | <b>(760)</b>                                      | <b>N/A</b>  |
| Tax paid  | (940)   | N/A   |
| <b>Net cash used in operating activities</b>                | <u><b>(1,700)</b></u>                             | <u><b>N/A</b></u>                                       |
| <b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>              |   |   |
| Interest received   | 271   | N/A   |
| Net cash inflow from the acquisition of subsidiaries        | 165   | N/A   |
| Payment for intangibles assets                              | (155)   | N/A   |
| Purchase of property, plant and equipment                   | (2,863)   | N/A   |
| Purchase of other investment                                | (134)   | N/A   |
| Proceeds from disposal of other investment                  | 582   | N/A   |
| <b>Net cash used in investing activities</b>                | <u><b>(2,134)</b></u>                             | <u><b>N/A</b></u>                                       |
| <b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>              |   |   |
| Cash from term loan   | 305   | N/A   |
| Advance from directors                                      | 149   | N/A   |
| Interest paid   | (104)   | N/A   |
| Dividend issued   | (735)   | N/A   |
| Repayment of hire purchase obligations                      | (85)  | N/A   |
| Repayment of term loan                                      | (479)   | N/A   |
| <b>Net cash used in financing activities</b>                | <u><b>(949)</b></u>                               | <u><b>N/A</b></u>                                       |
| <b>Net decrease in cash and cash equivalents</b>            | <b>(4,783)</b>                                    | <b>N/A</b>  |
| <b>Cash and cash equivalents at beginning of the period</b> | <u><b>20,601</b></u>                              | <u><b>N/A</b></u>                                       |
| <b>Cash and cash equivalents at end of the period</b>       | <u><u><b>15,818</b></u></u>                       | <u><u><b>N/A</b></u></u>                                |
| <b>Cash and cash equivalents comprises :-</b>               |   |   |
| Short term and fixed deposits with licensed banks           | 10,084  | N/A   |
| Cash and bank balances                                      | <u>5,734</u>                                      | <u>N/A</u>  |
|   | <u><u><b>15,818</b></u></u>                       | <u><u><b>N/A</b></u></u>                                |

**Note:-**

- (i) Due to the change in the financial year end from 31 December 2011 to 31 March 2012, the results for the corresponding period in the prior year are not available for presentation.
- (ii) 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 2012 and the accompanying explanatory notes attached to this interim financial report.

**OVERSEA ENTERPRISE BERHAD (317155-U)  
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2012**

**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 March 2012 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 March 2012, except for adoption of the following new/revised FRSs effective for financial period beginning 1 July 2010, 1 January 2011 and 1 January 2012:

- (a) During the current financial period, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments):-

**FRSs and IC Interpretations (including the Consequential Amendments)**

FRS 1 (Revised) First-time Adoption of Financial Reporting Standards

FRS 3 (Revised) Business Combinations

FRS 127 (Revised) Consolidated and Separate Financial Statements

Amendments to FRS 1 (Revised): Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters

Amendments to FRS 1 (Revised): 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)

**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2012**

IC Interpretation 4 Determining Whether An Arrangement Contains a Lease

IC Interpretation 12 Service Concession Arrangements

IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation

IC Interpretation 17 Distributions of Non-cash Assets to Owners

IC Interpretation 18 Transfers of Assets from Customers

Amendments to IC Interpretation 9: Scope of IC Interpretation 9 and FRS 3  
(Revised)

Annual Improvement to FRSs (2010)

(b) The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Group's financial statements, other than the following:-

(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.

This revised standard has been applied prospectively and therefore there will be no financial impact on the financial statements of the Group for the current financial year but may impact the accounting for future transactions or arrangements.

(ii) FRS 127 (Revised) requires accounting for changes in ownership interests by the group in a subsidiary, whilst 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 loss recognised in profit or loss. The revised standard also requires all losses attributable to the non-controlling interests to be absorbed by the non-controlling interests instead of by the parent.

The Group has applied the major changes of FRS 127 (Revised) prospectively and therefore there will be no financial impact on the financial statements of the Group for the current financial year but may impact the accounting for future transactions or arrangements.

(iii) Amendments to FRS 7 expand the disclosure requirements in respect of fair value measurements and liquidity risk. In particular, the amendments require additional disclosure of fair value measurements by level of a fair value measurement hierarchy.

(iv) Annual Improvement to FRSs (2010) contain amendments to 11 accounting standards that result in accounting changes for presentation, recognition or measurement purposes. These amendments have no material impact on the financial statements of the Group upon their initial application.

The amendments to FRS 101 (Revised) clarify that an entity may choose to present the analysis of items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. The Group has chosen to present the items of other comprehensive income in the statements of changes in equity.

**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2012**

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

| <b>FRSs and IC Interpretations (including the Consequential Amendments)</b>              | <b>Effective Date</b> |
|--|-----------------------|
| FRS 9 Financial Instruments  | 1 January 2015        |
| FRS 10 Consolidated Financial Statements   | 1 January 2013        |
| FRS 11 Joint Arrangements  | 1 January 2013        |
| FRS 12 Disclosure of Interests in Other Entities   | 1 January 2013        |
| FRS 13 Fair Value Measurement  | 1 January 2013        |
| FRS 119 (Revised) Employee Benefits  | 1 January 2013        |
| FRS 127 (2011) Separate Financial Statements   | 1 January 2013        |
| FRS 128 (2011) Investments in Associates and Joint Ventures                              | 1 January 2013        |
| Amendments to FRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities | 1 January 2013        |
| Amendments to FRS 9: Mandatory Effective Date of FRS 9 and Transition Disclosures        | 1 January 2015        |
| Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities             | 1 January 2014        |
| IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine           | 1 January 2013        |

The Group's next set of financial statements for the annual period beginning on 1 April 2012 will be prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs") issued by the MASB that will also comply with International Financial Reporting Standards ("IFRSs"). As a result, the Group will not be adopting the above accounting standards and interpretations (including the consequential amendments) that are effective for annual periods beginning on or after 1 January 2012.

- (d) Following the issuance of MFRSs (equivalent to IFRSs) by the MASB on 19 November 2011, the Group will be adopting these new accounting standards in the current financial year. The possible change of the accounting policies 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 THIRD QUARTER ENDED 31 DECEMBER 2012**

**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 2012 were not subject to any qualification.

**A4. Seasonal Or Cyclical Factors**

For the financial quarter under review, banquet sales improved as there was an increase in the number of wedding dinners and company annual dinners during the year end. However, there was a substantial fall in the manufacturing division as moon cake production declined significantly subsequent to the Mid-Autumn festival in September 2012.

**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**

The Group had paid a tax exempt interim dividend of 0.3 sen per ordinary share of RM0.20 on 20 December 2012 amounting to RM735,000 in respect of the current financial period to date.



**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2012**

**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**

|  | Restaurant    |                | Manufacturing  | Others       | Eliminations   | Consolidated   |
|--|---------------|----------------|----------------|--------------|----------------|----------------|
|  | Malaysia      | Foreign*       |                |              |                |                |
|  | RM' 000       | RM' 000        | RM' 000        | RM' 000      | RM' 000        | RM' 000        |
| <b>3 months ended 31 December 2012</b> |               |                |                |              |                |                |
| <b>Revenue from</b>                    |               |                |                |              |                |                |
| External customers                     | 13,865        | 1,075          | (657)          | -            | -              | 14,283         |
| Inter-segment revenue                  | 37            | -              | 352            | 343          | (732)          | -              |
| <b>Total revenue</b>                   | <b>13,902</b> | <b>1,075</b>   | <b>(305)</b>   | <b>343</b>   | <b>(732)</b>   | <b>14,283</b>  |
| <b>Profit/(loss) before taxation</b>   | <b>741</b>    | <b>(484)</b>   | <b>(1,138)</b> | <b>(163)</b> | <b>-</b>       | <b>(1,044)</b> |
| Income tax                             |               |                |                |              |                | (41)           |
| <b>Loss after taxation</b>             |               |                |                |              |                | <b>(1,085)</b> |
| Other comprehensive expenses           |               |                |                |              |                | 83             |
| <b>Total comprehensive losses</b>      |               |                |                |              |                | <b>(1,002)</b> |
| <b>Period ended 31 December 2012</b>   |               |                |                |              |                |                |
| <b>Revenue from</b>                    |               |                |                |              |                |                |
| External customers                     | 35,676        | 3,574          | 9,490          | (20)         | -              | 48,720         |
| Inter-segment revenue                  | 86            | -              | 7,605          | 732          | (8,423)        | -              |
| <b>Total revenue</b>                   | <b>35,762</b> | <b>3,574</b>   | <b>17,095</b>  | <b>712</b>   | <b>(8,423)</b> | <b>48,720</b>  |
| <b>Profit/(loss) before taxation</b>   | <b>(739)</b>  | <b>(1,500)</b> | <b>1,069</b>   | <b>(381)</b> | <b>-</b>       | <b>(1,551)</b> |
| Income tax                             |               |                |                |              |                | (151)          |
| <b>Loss after taxation</b>             |               |                |                |              |                | <b>(1,702)</b> |
| Other comprehensive expenses           |               |                |                |              |                | 81             |
| <b>Total comprehensive losses</b>      |               |                |                |              |                | <b>(1,621)</b> |
| <b>Segmented assets</b>                | <b>40,649</b> | <b>3,720</b>   | <b>13,453</b>  | <b>2,594</b> |                | <b>60,416</b>  |
| <b>Unallocated assets</b>              |               |                |                |              |                | <b>2,385</b>   |
|  |               |                |                |              |                | <b>62,801</b>  |

\*Note: Comprises of Grand Ocean Restaurant Private Limited (Singapore) and Ipoh Group Limited (Hong Kong).

**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2012**

**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. Capital Commitments**

Non-cancellable lease commitments of the Group as at 31 December 2012 is as follows:-

|                              | <b>RM'000</b> |
|------------------------------|---------------|
| Current:                     |               |
| - within one year            | 4,091         |
| Non-current:                 |               |
| - between one and two years  | 2,892         |
| - between two and five years | 1,218         |

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

Save for the following, there were no other material events subsequent to the end of the current financial quarter:-

On 23 November 2012, Restoran Oversea (Jaya 1) Sdn Bhd ("ROJSB") had submitted a letter of tenancy cessation ("Cessation Letter") to the landlord of the premises occupied by ROJSB (the "Premise"). Thereafter, ROJSB will continue to be a tenant on the Premise while serving a notice period of six months from the date of the Cessation Letter. The final tenancy date is expected to fall on 22 May 2013, which will coincide with the close of business for ROJSB on even date.

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

There was no change in the composition of the Group during the financial quarter under review.

**A14. Contingent Liabilities Or Contingent Assets**

Contingent liabilities of the Group comprise the following:

|   | <b>31.12.12</b> | <b>31.03.12</b> |
|---|-----------------|-----------------|
|   | <b>RM'000</b>   | <b>RM'000</b>   |
| <u>Corporate guarantees given by the Company to financial institutions for facilities granted to subsidiaries</u> |                 |                 |
| - Total facilities granted  | 6,743           | 6,743           |
| - Current Exposure  | 216             | 1,641           |

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**A15. Significant Related Party Transactions**

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

| <b>Transactions</b>                                 | <b>Current financial<br/>quarter<br/>RM'000</b> | <b>Current financial<br/>year to-date<br/>RM'000</b> |
|---|---|--|
| Rental paid to Director                             | 25  | 75   |
| Rental received from related parties <sup>(1)</sup> | *   | 1  |
| Rental paid to related parties <sup>(1)</sup>       | 242   | 727  |

Notes:

<sup>(1)</sup> *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 non-related parties and in the ordinary course of business of the Company.

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

**B1. Review Of Performance**

For the current quarter ended 31 December 2012, the Group's revenue of RM14.283 million increased marginally by approximately 0.1% as compared to the previous year's corresponding quarter revenue of RM14.270 million.

The Group's loss before tax ("LBT") for the current quarter ended 31 December 2012 of RM1.044 million decreased by approximately 35.4% as compared to the previous year's corresponding quarter LBT of RM1.617 million. The decrease in LBT was mainly attributable to the improved gross profit margin ("GP Margin") due to better margins earned from the set menus consumed in wedding dinners and annual dinners during the year end, as set menus have consistent purchasing cycles and better wastage control.

However, the improved GP Margin was eroded by the higher administration and other operating expenses together with the selling and distribution expenses during the current quarter which saw an increase in expense by RM0.21 million and RM0.24 million respectively as compared to the corresponding quarter of the previous year. The increase in administration and other operating expenses was mainly due to higher man power costs required to cater for the higher number of wedding dinners and annual dinners during the quarter. Correspondingly, the increase in selling and distribution expenses was due to the increase in man power costs together with some increase in utility and depreciation, rental of premises, replacement of kitchen utensils and crockery as well as upkeep of furniture and fittings.

The detailed analysis of the performance of the respective operating segments for the current quarter ended 31 December 2012 compared to the previous year's corresponding quarter ended 31 December 2011 is as follows:

1) Restaurant

The restaurant segment saw an overall increase of RM0.038 million in revenue mainly due to the increase of RM0.135 million from foreign operations which was mitigated by the decrease of RM0.097 million from Malaysian operations. Revenue contribution from two new operations, namely Restoran Oversea Hong Kong Café Sdn Bhd and Rich Tastes (CentrePoint) Sdn Bhd, amounted to RM0.1 million. Income contribution from foreign operations amounted to RM1.075 million, representing approximately 7.53% to the Group's revenue for the 3 months period ended 31 December 2012. Other income in this segment includes fixed deposit interest earned, which had decreased marginally by RM0.07 million as compared to previous year's corresponding quarter ended 31 December 2011.

Total food & beverage expense increased by RM0.133 million to RM10.013 million for the current quarter as compared to RM9.880 million in the previous year's corresponding quarter ended 31 December 2011. Other expenses such as selling & marketing, manpower, utilities and depreciation had increased by RM0.269 million whilst finance cost and administrative cost had decreased by RM0.063 million and RM0.073 million respectively.

2) Manufacturing

Revenue had decreased due to the unsold moon cakes being returned to Oversea.

The increase in total expenses was mainly contributed by the increase in salaries and sundry wages of RM0.13 million and RM0.04 million respectively. Selling & marketing expenses decreased by RM0.09 million, mainly due to the RM0.12 million decrease in rental for counter to display moon cakes. The decrease was mitigated by the RM0.02 million increase in rental for refrigerators to store the moon cakes.

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3) Others

Gross income from the others segment mainly comprises central purchasing of high value stocks for the Group and all transactions are eliminated for consolidation purpose. However, the LBT mainly arose from general and administrative expenses at holdings level.

**B2. Comparison To The Results Of The Previous Quarter**

The revenue for the current quarter ended 31 December 2012 amounting to RM14.283 million, decreased by approximately 33.4% from RM21.453 million in the previous quarter ended 30 September 2012. The decrease is mainly due to the substantial fall in revenue for the manufacturing segment subsequent to the Mid-Autumn festival in September 2012. However, the restaurant segment's revenue increased by approximately RM2.692 million when compared to the previous quarter due to the increase in wedding dinners and company annual dinners during the year end.

The Group recorded a loss before tax of RM1.044 million for the third quarter ended 31 December 2012 as compared to profit before tax of RM1.292 million in the previous quarter ended 30 September 2012. This was mainly in consequence with the fact that certain elements of fixed costs in Selling and Distribution expenses did not fall in tandem with the fall in revenue.

**B3. Current Year Prospects**

In line with our current business expansion efforts, two new café stores have been established in the Klang Valley during the current quarter under the name "Oversea Café on 11 December 2012, and 25 December 2012 respectively.

Moving forward, the Group plans to set up two restaurants by financial year 2014. One is envisioned to adopt a café style while the other would be the establishment of a second "Otak Otak Place" Café store via a joint venture business with Regal Effect Sdn Bhd.

The Group is continuously committed to promoting the current and existing branding of the Company through various advertisement and promotion efforts for its restaurant business model.

Barring any unforeseen circumstances on current restaurant and café business trend as well as Malaysia's economic growth, the Group will remain committed to its business strategy and continue to be vigilant towards any business opportunities and threats on its business operations.

**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 2012<br/>RM' 000</b> | <b>Current year to-date<br/>31 December 2012<br/>RM' 000</b> |
|----------------|---|--|
| Income tax:-   |   |  |
| Current period | <u>41</u>   | <u>151</u>   |

The effective tax rate for the current year to date is higher than the statutory rate of 25%. This is because the Company is not qualified for group tax relief for the losses incurred in the restaurant segment to offset against profit earned in the same segment, resulting in higher effective tax rate at consolidation level.

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Due to the change in financial year end from 31 December 2011 to 31 March 2012, the assessment period had changed for years of assessment ("YA") 2011, 2012 and 2013. The current tax computation in the current quarter includes the over tax provision adjustment related to YA 2012.

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

|  | Current quarter ended<br>31 December 2012<br>RM' 000 | Current year to-date<br>31 December 2012<br>RM' 000 |
|--|--|---|
| Interest income  | (83)   | (271)   |
| Other income including investment income               | (1,249)  | (3,475)   |
| Interest expenses                                      | 30   | 104   |
| Depreciation and amortization                          | 820  | 2,447   |
| Loss/(gain) on disposal of quoted investment           | 1  | (68)  |
| Foreign exchange loss/(gain) arises from consolidation | (46)   | 37  |

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 receivables and/or inventories, gain or loss on derivatives, unquoted investments and/or properties, impairment of assets and any other exceptional items for the current quarter and financial period ended 31 December 2012.

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

There are no corporate proposals announced but not yet completed by the Group as at the latest practicable date of 19 February 2012.

**(b) Status Of Utilization Of Proceeds Of Public Issue**

As at 31 December 2012, the status of utilisation of the proceeds as compared to the actual utilisation is as follows:-

| Purposes  | Proposed utilisation | Amount Utilised | Time frame                                | Balance unutilised |
|---|----------------------|-----------------|---|--------------------|
|   | RM'000               | RM'000          |   | RM'000             |
| (i) Capital expenditure and business expansion plan | 6,050                | 6,048           | Within 2 years after listing <sup>^</sup> | 2.38               |
| (ii) Working Capital                                | 3,310                | *3,310          | Within 2 years after listing              | -                  |
| (iii) Repayment of borrowings                       | 2,000                | 2,000           | Within 1 year after listing               | -                  |
| (iv) Estimated listing expenses                     | 1,727                | 1,727           | Upon listing                              | -                  |
| <b>Total</b>  | <b>13,087</b>        | <b>13,084</b>   |   | <b>2.38</b>        |

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

<sup>^</sup> On 29 February 2012, the Board announced that it had resolved to approve the extension of time for the utilisation of the remaining proceeds for capital expenditure and business expansion plans as well as working capital until 31 March 2013.

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**B8. Group Borrowings And Debts Securities**

The Group's borrowings and debts securities as at 31 December 2012 are as follows:

|                         | <b>Short Term<br/>(Secured)<br/>RM'000</b> | <b>Long Term<br/>(Secured)<br/>RM'000</b> |
|-------------------------|--|---|
| Hire Purchase Creditors | 55   | 70  |
| Term loan               | 456  | 1,138                                     |
| <b>Total</b>            | <b>511</b>                                 | <b>1,208</b>                              |

**B9. Material Litigation**

There was no material litigation (including status of any pending material litigation) as at the latest practicable date of 19 February 2013.

**B10. Dividends**

An tax exempt interim dividend of 0.3 sen per ordinary share of RM0.20 amounting to RM735,000 had been declared on 22 October 2012 in respect of the current financial quarter under review. The payment of the said dividend was made on 20 December 2012.

**B11. Earnings Per Share**

|  | <b>Individual Quarter</b>                                     |  | <b>Cumulative Quarter</b>  |   |
|--|---|--|--|---|
|  | <b>Current<br/>Quarter<br/>Ended<br/>31-Dec-12<br/>RM'000</b> | <b>Preceding<br/>Year<br/>Corresponding<br/>Quarter Ended<br/>31-Dec-11<br/>RM'000</b> | <b>Current<br/>Year to<br/>Date Ended<br/>31-Dec-12<br/>RM'000</b> | <b>Preceding 9<br/>Months<br/>Corresponding<br/>Period Ended<br/>31-Dec-11<br/>RM'000</b> |
| <b>BASIC EARNINGS PER SHARE</b>  |   |  |  |   |
| Loss for the period attributable to ordinary equity holders of the company | (1,045)   | (1,151)  | (1,619)  | (433)   |
| Weighted average number of ordinary shares in issue ('000)                 | 245,000   | 245,000  | 245,000  | 245,000   |
| Basic loss per share (sen)   | (0.43)  | (0.47)   | (0.66)   | (0.18)  |

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**B12. Realised and unrealised retained earnings**

The retained profit may be analysed as follows:

|            | <b>As at the<br/>end of<br/>current<br/>quarter 31<br/>December<br/>2012<br/>RM'000</b> | <b>As at the<br/>end of<br/>preceding<br/>quarter 30<br/>Sept 2012<br/>RM'000</b> |
|------------|---|---|
| Realised   | 748   | 2,527   |
| Unrealised | 117   | 117   |
|            | <u>865</u>  | <u>2,644</u>  |

By Order of the Board

Ng Bee Lian  
Company Secretary  
Date: 27 February 2013