

**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**UNAUDITED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year to Date Ended	Preceding 6 Months Corresponding Period Ended
	30-Sep-15 RM'000	30-Sep-14 RM'000	30-Sep-15 RM'000	30-Sep-14 RM'000
Revenue	19,085	20,554	30,815	33,156
Cost of sales	(8,164)	(9,023)	(12,882)	(13,982)
<b>Gross profit</b>	<b>10,921</b>	<b>11,531</b>	<b>17,933</b>	<b>19,174</b>
Other operating income	1,005	1,072	1,505	2,095
Administration expenses	(2,394)	(1,938)	(4,746)	(3,767)
Selling and Distribution expenses	(7,718)	(8,247)	(14,714)	(15,680)
Finance costs	(24)	(33)	(71)	(52)
Share of results in a jointly controlled entity	-	(139)	-	(181)
Share of results in an associate	(88)	75	(121)	53
<b>Profit/(loss) before tax</b>	<b>1,702</b>	<b>2,321</b>	<b>(214)</b>	<b>1,642</b>
Income tax	(108)	(208)	(118)	(326)
<b>Profit/(loss) after tax</b>	<b>1,594</b>	<b>2,113</b>	<b>(332)</b>	<b>1,316</b>
Other comprehensive income/(expenses)				
Fair value changes of available-for-sale financial assets	(94)	(30)	(94)	(34)
Transfer to profit or loss upon disposal of available-for-sale financial assets	-	-	-	-
Foreign currency translation	(18)	-	(18)	-
<b>Total comprehensive income/(expenses)</b>	<b>1,482</b>	<b>2,083</b>	<b>(444)</b>	<b>1,282</b>
Profit/(Loss) attributable to:				
Owners of the Company	1,594	2,125	(332)	1,365
Non-controlling interest	-	(12)	-	(49)
	<b>1,594</b>	<b>2,113</b>	<b>(332)</b>	<b>1,316</b>
Total comprehensive income/(expenses) attributable to:				
Owners of the Company	1,482	2,095	(444)	1,331
Non-controlling interest	-	(12)	-	(49)
	<b>1,482</b>	<b>2,083</b>	<b>(444)</b>	<b>1,282</b>
Weighted average ordinary shares in issue ('000)	240,953	244,998	240,953	244,999
Earnings/(Losses) per share (sen):				
- Basic	0.66	0.87	(0.14)	0.56

**Notes:**

- (i) Basic earnings per share for the quarter and financial period is calculated based on the profit divided by the weighted average number of ordinary shares for the quarter and financial period respectively.
- (ii) The unaudited condensed consolidated statements of comprehensive income should be read in conjunction with the annual audited accounts for the financial year ended 31 March 2015 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 2015**

	UNAUDITED As at 30-Sep-15 RM'000	AUDITED As at 31-Mar-15 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment in associate	720	841
Investment in a joint venture	-	-
Property, plant and equipment	26,014	26,561
Investment properties	1,772	1,772
Other investments	722	214
Intangible assets	105	135
Long-term receivables	139	138
Deferred tax asset	317	318
	<u>29,789</u>	<u>29,979</u>
<b>Current Assets</b>		
Inventories	4,386	4,043
Trade and other receivables	9,328	3,238
Amount due from joint venture	989	945
Amount due from an associate	1,774	1,774
Tax refundable	848	209
Deposits, bank and cash balances	14,023	18,272
	<u>31,348</u>	<u>28,481</u>
<b>TOTAL ASSETS</b>	<u><b>61,137</b></u>	<u><b>58,460</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	49,000	49,000
Reserves	(537)	69
Equity attributable to owners of the Company	<u>48,463</u>	<u>49,069</u>
Non-controlling interest	-	(162) *
Total equity	<u>48,463</u>	<u>48,907</u>
<b>Non-current liabilities</b>		
Hire purchase creditors	-	6
Term loans	1,155	1,171
Deferred taxation	1,076	1,076
	<u>2,231</u>	<u>2,253</u>
<b>Current Liabilities</b>		
Trade and other payables	10,199	6,809
Provision for tax	23	58
Hire purchase creditors	17	22
Term loans	204	411
	<u>10,443</u>	<u>7,300</u>
<b>Total liabilities</b>	<u>12,674</u>	<u>9,553</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>61,137</b></u>	<u><b>58,460</b></u>
Net Assets Per Share Attributable to ordinary equity holders of the Company (RM)	0.20	0.20

**Notes:-**

(i) The unaudited condensed statement of financial position should be read in conjunction with the annual audited accounts for the financial year ended 31 March 2015 and the accompanying explanatory notes attached to this interim financial report.

(ii) \* Negligible

**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD 30 SEPTEMBER 2015**

	Attributable to equity holders of the Company							Total RM'000	Non-Controlling Interest RM'000	Total Equity RM'000
	Non-Distributable				Distributable Retained Profits RM'000	Total RM'000	Non-Controlling Interest RM'000			
	Share Capital RM'000	Share Premium RM'000	Fair Value Reserve RM'000	Treasury Reserve RM'000						
<b>The Group</b>										
Balance as at 1 April 2015	49,000	1,038	(9)	(867)	(24)	(69)	49,069	(162)	48,907	
Loss after taxation	-	-	-	-	-	(332)	(332)	-	(332)	
Other comprehensive expense:										
- loss on fair value changes of available-for-sale financial assets	-	-	(94)	-	-	-	(94)	-	(94)	
- Foreign currency translation	-	-	-	-	(18)	-	(18)	-	(18)	
Total other comprehensive expenses	-	-	(94)	-	(18)	(332)	(444)	-	(444)	
Transactions with owners of the Company:										
Acquisition of shares in subsidiary	-	-	-	-	-	(162)	(162)	162	-	
<b>Balance as at 30 September 2015</b>	<b>49,000</b>	<b>1,038</b>	<b>(103)</b>	<b>(867)</b>	<b>(42)</b>	<b>(563)</b>	<b>48,463</b>	<b>-</b>	<b>48,463</b>	
<b>Balance as at 1 April 2014</b>	<b>49,000</b>	<b>1,038</b>	<b>33</b>	<b>-</b>	<b>(4)</b>	<b>797</b>	<b>50,864</b>	<b>(110)</b>	<b>50,754</b>	
Profit after taxation	-	-	-	-	-	592	592	(52)	540	
Other comprehensive expense:										
- loss on fair value changes of available-for-sale financial assets	-	-	(42)	-	-	-	(42)	-	(42)	
- foreign currency translation	-	-	-	-	(20)	-	(20)	-	(20)	
Total other comprehensive income/(expenses)	-	-	(42)	-	(20)	592	530	(52)	478	
Transactions with owners of the Company:										
- Dividend paid	-	-	-	-	-	(1,458)	(1,458)	-	(1,458)	
- Share buy back	-	-	-	(867)	-	-	(867)	-	(867)	
Total transaction with owners	-	-	-	(867)	-	(1,458)	(2,325)	-	(2,325)	
<b>Balance as at 31 March 2015 (Audited)</b>	<b>49,000</b>	<b>1,038</b>	<b>(9)</b>	<b>(867)</b>	<b>(24)</b>	<b>(69)</b>	<b>49,069</b>	<b>(162)</b>	<b>48,907</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 2015 and the accompanying explanatory notes attached to this interim financial report.

**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASHFLOWS**  
**FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015**

	Current Year Ended 30 September 2015 RM'000	Preceding Year to Date Ended 30 September 2014 RM'000
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>		
(Loss)/profit before taxation	(214)	1,642
Adjustments for:-		
Amortisation of intangible assets	31	23
Provision for doubtful debt	13	-
Depreciation of property, plant & equipment	1,283	1,305
Interest expense	39	42
Loss on disposal of:		
- investments in subsidiaries	-	1
Property, plant and equipment written off	6	-
Share of loss in a jointly controlled entity, net of income tax expense	-	181
Share of loss in an associate, net of income tax expense	121	(53)
Interest income	(297)	(243)
Operating profit before working capital changes	982	2,898
Increase in inventories	(343)	(267)
Increase in trade and other receivables	(5,104)	(5,787)
Increase in trade and other payables	3,392	4,287
<b>CASH (FOR)/FROM OPERATIONS</b>	(2,073)	1,131
Income tax paid	(792)	(751)
Income tax refund	-	9
<b>NET CASH (FOR)/FROM OPERATING ACTIVITIES</b>	(2,865)	389
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Interest received	297	243
Advance to associate	-	(461)
Advance to joint venture	(45)	(512)
Purchase of own shares	-	(21)
Proceeds from disposal of:		
- property, plant and equipment	-	4
Investment in quoted shares	(603)	-
Purchase of property, plant and equipment	(742)	(2,405)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(1,093)	(3,152)
<b>CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES</b>		
Dividend paid	-	(735)
Interest paid	(39)	(42)
Repayment of hire purchase obligations	(11)	(19)
Repayment of term loans	(223)	(201)
Drawdown of term loans	-	1,232
<b>NET CASH (FOR)/FROM FINANCING ACTIVITIES</b>	(273)	235
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(4,231)	(2,528)
<b>EFFECT OF FOREIGN EXCHANGE TRANSLATION</b>	(18)	-
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	18,272	22,170
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	14,023	19,642
<b>CASH AND CASH EQUIVALENTS COMPRISES:-</b>		
Short term and fixed deposits with licensed banks	8,913	14,265
Cash and bank balances	5,110	5,377
	14,023	19,642

**Note:-**

- (i) The unaudited condensed consolidated statements of cash flow should be read in conjunction with the annual audited accounts for the financial year ended 31 March 2015 and the accompanying explanatory notes attached to this interim financial report.

**OVERSEA ENTERPRISE BERHAD (317155-U)  
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015**

**NOTES TO THE QUARTERLY REPORT**

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

**A1. Basis Of Preparation**

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

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

The interim financial statements should be read in conjunction with the audited financial statements for year ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial report.

**A2. Adoption Of New And Revised Accounting Policies**

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

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities – Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 101: Presentation of Financial Statements – Disclosure Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants	1 January 2016
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016

**OVERSEA ENTERPRISE BERHAD (317155-U)  
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015**

**A1. Adoption Of New And Revised Accounting Policies**

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application except as follows:-

- (a) MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces the existing guidance in MFRS 139 and introduces a revised guidance on the classification and measurement of financial instruments, including a single forward-looking 'expected loss' impairment model for calculating impairment on financial assets, and a new approach to hedge accounting. Under this MFRS 9, the classification of financial assets is driven by cash flow characteristics and the business model in which a financial asset is held. The adoption of MFRS 9 will result in a change in accounting policy. The Group is currently assessing the financial impact of adopting MFRS 9.

**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 2015 were not subject to any qualification.

**A4. Seasonal Or Cyclical Factors**

For the financial quarter under review, there were no major seasonal nor cyclical factors affecting the Group's business operation other than the annual moon cake production.

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

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

**A6. Changes In Estimates**

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

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

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

**A8. Dividend Paid**

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

**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015**

**A9. Segmental Information**

The Group is organized into the following operating segments:-

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

Segmental Reporting

	Restaurant		Manufacturing	Others	Eliminations	Consolidated
	Malaysia	Foreign*				
	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000
<b>3 months period ended 30 September 2015</b>						
<b>Revenue from</b>						
External customers	9,741	1,171	8,173	-	-	19,085
Inter-segment revenue	25	-	6,020	7	(6,052)	-
<b>Total revenue</b>	<b>9,766</b>	<b>1,171</b>	<b>14,193</b>	<b>7</b>	<b>(6,052)</b>	<b>19,085</b>
<b>Profit/(loss) before taxation</b>	<b>(714)</b>	<b>(138)</b>	<b>2,839</b>	<b>(285)</b>	<b>-</b>	<b>1,702</b>
Income tax						(108)
<b>Profit after taxation</b>						<b>1,594</b>
Other comprehensive expenses						(88)
<b>Total comprehensive income</b>						<b>1,506</b>
<b>6 months ended 30 September 2015</b>						
<b>Revenue from</b>						
External customers	19,548	2,242	9,025	-	-	30,815
Inter-segment revenue	54	-	6,025	7	(6,086)	-
<b>Total revenue</b>	<b>19,602</b>	<b>2,242</b>	<b>15,050</b>	<b>7</b>	<b>(6,086)</b>	<b>30,815</b>
<b>Profit/(loss) before taxation</b>	<b>(1,941)</b>	<b>(204)</b>	<b>2,315</b>	<b>(384)</b>	<b>-</b>	<b>(214)</b>
Income tax						(118)
<b>Loss after taxation</b>						<b>(332)</b>
Other comprehensive expenses						(112)
<b>Total comprehensive expenses</b>						<b>(444)</b>
<b>Segmented assets</b>	<b>38,392</b>	<b>3,522</b>	<b>17,917</b>	<b>1,306</b>	<b>-</b>	<b>61,137</b>
<b>Unallocated assets</b>						<b>(848)</b>
						<b>60,289</b>

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

**OVERSEA ENTERPRISE BERHAD (317155-U)  
 QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015**

**A10. Valuation Of Property, Plant and Equipment**

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

**A11. Operating Lease Commitments**

Non-cancellable lease commitments of the Group as at 30 September 2015 is as follows:-

	<b>RM'000</b>
Current:	
- within one year	3,366
Non-current:	
- between one and two years	2,327
- between two and five years	224
Total	<u>5,917</u>

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

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

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

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

**A14. Contingent Liabilities Or Contingent Assets**

Contingent liabilities of the Group comprise the following:

	<b>As at 30.09.2015 RM'000</b>	<b>Audited 31.03.2015 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	1,781	1,999

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**OVERSEA ENTERPRISE BERHAD (317155-U)  
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015**

**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 quarter ended 30.09.2015 RM'000</b>	<b>Current financial year to-date 30.09.2015 RM'000</b>
Rental paid to a Director	43	86
Rental paid to related parties <sup>(1)</sup>	278	557

Note:

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

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

**A16. Capital Commitments**

There is no outstanding commitments in respect of capital expenditure at the end of the reporting period not provided for in the interim financial statements.

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**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015**

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

**B1. Review Of Performance**

	Individual Quarter 3 Months ended		Cumulative Period ended	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
RM'000	Unaudited	Unaudited	Unaudited	Unaudited
<b>Revenue</b>				
Restaurant	10,912	11,357	21,790	22,857
Manufacturing	8,173	9,189	9,025	10,290
Others	-	8	-	9
<b>Total</b>	<b>19,085</b>	<b>20,554</b>	<b>30,815</b>	<b>33,156</b>
<b>Profit/(Loss) before tax</b>				
Restaurant	(852)	(353)	(2,145)	(806)
Manufacturing	2,839	2,752	2,315	2,639
Others	(285)	(78)	(384)	(191)
<b>Total</b>	<b>1,702</b>	<b>2,321</b>	<b>(214)</b>	<b>1,642</b>

**3-month period (30.09.2015 vs. 30.09.2014)**

The Group recorded revenue of RM19.1 million for the quarter ended 30 September 2015, representing a decrease of 7.1% as compared to RM20.6 million in the quarter ended 30 September 2014.

The Profit before tax (PBT) for the quarter ended 30 September 2015 was RM1.7 million, representing 26.7% decrease from PBT of RM2.3 million in the quarter ended 30 September 2014.

The main reason for the decrease in profit of RM0.6 million were mainly due to drop in revenue by RM1.4 million.

**Restaurant segment**

The Group's restaurant segment recorded LBT of RM0.8 million for the quarter ended 30 September 2015, representing an additional losses of RM0.5 million compared to RM0.3 million in the quarter ended 30 September 2014. The loss was mainly due to drop in sales as a result of market reaction over the implementation of the Goods and Service Tax effective 1 April 2015.

**Manufacturing segment**

Manufacturing division recorded PBT of RM2.8 million for the quarter ended 30 September 2015, represents an increase of profit of RM87 thousand as compared to PBT RM2.7 million in the quarter ended 30 September 2014. The improved PBT was mainly due to reduction in marketing expenses and other expenses by RM0.3 million and increase in cost of sales.

**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015**

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

<i>RM'000</i>	3 months ended	
	30.09.2015	30.06.2015
	Unaudited	Unaudited
<i>Revenue</i>		
<i>Restaurant</i>	10,912	10,878
<i>Manufacturing</i>	8,173	852
<i>Others</i>	-	-
<i>Total</i>	19,085	11,730
<i>(Loss)/Profit before tax</i>		
<i>Restaurant</i>	(852)	(1,293)
<i>Manufacturing</i>	2,839	(524)
<i>Others</i>	(285)	(99)
<i>Total</i>	1,702	(1,916)

**3-month period (30.09.2015 vs. 30.06.2015)**

The Group recorded revenue of RM19.1 million for the quarter ended 30 September 2015, representing an increase of 62.7% as compared to RM11.7 million in the previous quarter ended 30 June 2015. The mooncake manufacturing operations contributed to the increase in revenue.

The Group recorded PBT of RM1.7 million for the quarter ended 30 September 2015, from loss before tax (LBT) of RM1.9 million in the previous quarter ended 30 June 2015 due to its cyclical nature of the industry.

**Restaurant segment**

The Group's restaurant segment recorded LBT of RM0.8 million for the 3-month ended 30 September 2015 as compared to LBT of RM1.3 million in the preceding quarter ended 30 June 2015. This decrease in bottom line is mainly due to lower sales after the Chinese New Year festive season in last quarter and the negative market reaction over the implementation of Goods and Service Tax effective 1 April 2015.

**Manufacturing segment**

The Group's manufacturing segment recorded PBT of RM2.8 million for the 3-month ended 30 September 2015 as compared to LBT of RM0.5 million in the preceding quarter ended 30 June 2015. This increase in bottom line is mainly due to mooncake festival which created higher sales for this segment.

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**OVERSEA ENTERPRISE BERHAD (317155-U)  
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015**

**B3. Prospects**

**Restaurant Operations**

The Group is optimistic of the prospects of the chain grand themed Chinese restaurants in light of the upcoming sales initiatives to take advantage of the high traffic of customers going into months of October till December and subsequent festivities of Chinese New Year.

**Manufacturing**

We are currently actively pursuing additional opportunities of the manufacturing of non-seasonal product to increase our plant utilisation.

**Prospects**

With regards to day to day operations, we will continue to be mindful of the operating costs and seek new opportunities to enhance operating efficiency.

**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 financial quarter ended 30.09.2015 RM'000</b>	<b>Current financial year to-date 30.09.2015 RM'000</b>
Income tax:-		
Current period	(108)	(118)

During the current quarter, the Group had changed the basis of its tax computation from accounting profit to chargeable income. As such, the Group had taken into the account the unabsorbed losses, capital allowances and unutilized reinvestment allowances, which will largely affect its provisional amount.

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

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

	Current financial quarter ended 30.09.2015 RM'000	Current financial year to-date 30.09.2015 RM'000
Interest income	(186)	(297)
Other income including investment income	(819)	(1,209)
Interest expenses	19	39
Depreciation and amortization	651	1,314
Provision for doubtful debt	-	13

Other than the items mentioned above which have been included in the statement of comprehensive income, there were no provision for and/or write off of inventories, gain or loss on derivatives, unquoted investments and/or properties, impairment of assets and any other exceptional items for the current quarter and financial period ended 30 September 2015.

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

Other than as disclosed below, there were no corporate proposals announced but not yet completed by the Group as at the latest practicable date of 19 November 2015.

On 17 April 2015, RHB Investment Bank Berhad had on behalf of the Board of Directors of Oversea announced that the Equity Compliance Unit of Securities Commission Malaysia had, vide its letter dated 16 April 2015, approved our application on the following:-

(i) the Proposed Special Bumiputera Issue; and

(ii) extension of time of twelve (12) months of up to 31 March 2016 for the Company to comply with the equity condition imposed pursuant to the Company's listing on the ACE Market of Bursa Malaysia Securities Berhad.

Ministry of International Trade and Industry ('MITI') had, vide its letter dated 13 August 2015 agreed to take note and without objection, of the Proposed Special Bumiputera Issue, upon the following:-

(i) 35,000,000 Special Issue Shares are subject to MITI approving its allocation to the Bumiputera investors; and

(ii) there are currently 12,180,000 Oversea Shares held by MITI recognized Bumiputera Investors. Upon the allocation of the 35,000,000 Special Issue Shares, Oversea will be in compliance with the Bumiputera Equity Condition.

The Group had obtained approval for the proposal from its shareholders via an Extraordinary General Meeting on 24 August 2015.

Representative from RHB Investment Bank have meet up representative from MITI on 29 September 2015 and MITI confirmed that the allocation process to Bumiputera investors shall proceed in the first quarter of 2016.

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**B8. Group Borrowings And Debts Securities**

The Group's borrowings and debts securities as at 30 September 2015 are as follows:

	Short Term (Secured) RM'000	Long Term (Secured) RM'000
Hire Purchase Creditors	17	-
Term loan	204	1,156
Total	221	1,156

**B9. Material Litigation**

There was no material litigation (including status of any pending material litigation) as at the latest practicable date of 20 November 2015.

**B10. Dividends**

On 19 November 2015, the Group declared a single tier interim dividend of 0.3 sen per ordinary share of RM0.20 each for the financial quarter under review. The proposed book entitlement date will be on 9 December 2015 and the proposed date of payment of the said dividend will be on 23 December 2015.

**B11. Earnings/(losses) Per Share**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30.09.2015 RM'000	Preceding Year Corresponding Quarter Ended 30.09.2014 RM'000	Current Year to Date Ended 30.09.2015 RM'000	Audited Preceding Year Corresponding Period Ended 30.09.2014 RM'000
<b>BASIC EARNINGS/(LOSSES) PER SHARE</b>				
Profit/(loss) for the period attributable to owners of the company	1,594	2,125	(332)	1,365
Weighted average number of ordinary shares in issue ('000)	240,953	244,998	240,953	244,999
Basic earnings/(losses) per share (sen)	0.66	0.87	(0.14)	0.56

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**B12. Realised and unrealised retained earnings**

The retained profit may be analysed as follows:

	<b>As at the end of current quarter 30.09.2015 RM'000</b>	<b>Audited 31.03.2015 RM'000</b>
Realised	30,595	30,379
Unrealised	(29)	757
	<hr/>	<hr/>
	30,566	31,136
Total share of losses of a jointly controlled entity:		
- Realised	-	(676)
Total share of losses of an associate:		
- Realised	(121)	(58)
	<hr/>	<hr/>
	30,445	30,402
Less: Consolidation adjustments	(31,008)	(30,471)
	<hr/>	<hr/>
	(563)	(69)
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By Order of the Board

Ng Bee Lian  
 Company Secretary  
 Date: 20 November 2015