

OVERSEA ENTERPRISE BERHAD (317155-U)
UNAUDITED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2017

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year to Date Ended	Preceding 9 Months Corresponding Period Ended
	31-Dec-17 RM'000	31-Dec-16 RM'000	31-Dec-17 RM'000	31-Dec-16 RM'000
Revenue	12,369	12,087	43,354	44,007
Cost of sales	(5,096)	(4,683)	(17,692)	(18,035)
Gross profit	7,273	7,404	25,662	25,972
Other operating income	1,007	1,100	2,777	3,201
Administration expenses	(2,429)	(1,936)	(7,325)	(6,371)
Selling and Distribution expenses	(7,290)	(7,447)	(22,560)	(22,416)
Operating (loss)/profit	(1,439)	(879)	(1,446)	386
Share of results in associates	172	(258)	363	(258)
(Loss)/Profit before interest and tax	(1,267)	(1,137)	(1,083)	128
Finance costs	(14)	(29)	(51)	(73)
(Loss)/Profit before taxation	(1,281)	(1,166)	(1,134)	55
Income tax	(234)	(80)	(660)	(303)
Loss after taxation	(1,515)	(1,246)	(1,794)	(248)
Other comprehensive incomes/(expenses)				
Fair value changes of available-for-sale financial assets	18	(63)	(1)	(114)
Foreign currency translation	59	(181)	113	(311)
Total comprehensive expense	(1,438)	(1,490)	(1,682)	(673)
Loss attributable to:				
Owners of the Company	(1,495)	(1,246)	(1,745)	(248)
Non-controlling interest	(20)	-	(49)	-
	(1,515)	(1,246)	(1,794)	(248)
Total comprehensive expense attributable to:				
Owners of the Company	(1,418)	(1,490)	(1,633)	(673)
Non-controlling interest	(20)	-	(49)	-
	(1,438)	(1,490)	(1,682)	(673)
Weighted average ordinary shares in issue ('000)	242,221	242,368	242,223	241,442
Earnings/(Losses) per share (sen):				
- Basic	(0.62)	(0.51)	(0.72)	(0.10)

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 2017 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 2017

	UNAUDITED	AUDITED
	As at	As at
	31-Dec-17	31-Mar-17
	RM'000	RM'000
ASSETS		
Non-current assets		
Investment in associate	982	619
Property, plant and equipment	46,436	46,627
Investment properties	2,450	2,450
Other investments	258	258
Intangible assets	91	107
Long-term receivables	97	96
Deferred tax asset	400	425
	<u>50,714</u>	<u>50,582</u>
Current Assets		
Inventories	5,536	5,561
Trade and other receivables	6,540	3,512
Amount due from an associate	937	300
Tax refundable	391	427
Short-term investment with financial institutions	43	240
Deposits, bank and cash balances	11,967	15,477
	<u>25,414</u>	<u>25,517</u>
TOTAL ASSETS	<u>76,128</u>	<u>76,099</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	49,283	49,283
Reserves	12,667	14,044
Total equity attributable to owners of the Company	<u>61,950</u>	<u>63,327</u>
Non-controlling interest	(186)	-
Total equity	<u>61,764</u>	<u>63,327</u>
Non-current liabilities		
Hire purchase creditors	121	150
Term loans	1,294	1,336
Deferred taxation	5,819	5,875
	<u>7,234</u>	<u>7,361</u>
Current Liabilities		
Trade and other payables	6,844	5,298
Provision for tax	192	23
Hire purchase creditors	38	36
Term loans	56	54
	<u>7,130</u>	<u>5,411</u>
Total liabilities	<u>14,364</u>	<u>12,772</u>
TOTAL EQUITY AND LIABILITIES	<u>76,128</u>	<u>76,099</u>
Net Assets Per Share Attributable to ordinary equity holders of the Company (RM)	0.26	0.26

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 2017 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 2017

	Attributable to equity holders of the Company						Distributable Profits/ (Accumulated Losses)	Total	Non-Controlling Interest	Total Equity
	Non-Distributable									
	Share Capital	Share Premium	Fair Value Reserve	Treasury Reserve	Revaluation Reserve					
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
The Group										
Balance as at 1 April 2017	49,283	1,038	(20)	(867)	18,110	(520)	(3,697)	63,327	-	63,327
Loss after taxation	-	-	-	-	-	-	(1,745)	(1,745)	(49)	(1,794)
Other comprehensive expense:										
- loss on fair value changes of available-for-sale financial assets	-	-	(1)	-	-	-	-	(1)	-	(1)
- Foreign currency translation	-	-	-	-	-	113	-	113	-	113
Total other comprehensive expenses	-	-	(1)	-	-	113	(1,745)	(1,633)	(49)	(1,682)
Amortisation of revaluation reserve	-	-	-	-	(179)	-	179	-	-	-
Transactions with owners of the Company:										
- Disposal of interest in subsidiary without losing control	-	-	-	-	-	-	-	-	77	77
- Share of pre-acquisition profit to new shareholder	-	-	-	-	-	28	186	214	(214)	-
- Resale of treasury shares	-	-	-	32	-	-	10	42	-	42
Total transaction with owners	-	-	-	32	-	28	196	256	(137)	119
Balance as at 31 December 2017	49,283	1,038	(21)	(835)	17,931	(379)	(5,067)	61,950	(186)	61,764
Balance as at 1 April 2016	49,000	1,038	2	(867)	18,348	(180)	(4,394)	62,947	-	62,947
Profit after taxation	-	-	-	-	-	-	459	459	-	459
Other comprehensive expense:										
- Recycle of revaluation reserve to retained earning	-	-	-	-	(238)	-	238	-	-	-
- transfer to profit or loss upon disposal of available-for-sale financial assets	-	-	63	-	-	-	-	63	-	63
- loss on fair value changes of available-for-sale financial assets	-	-	(85)	-	-	-	-	(85)	-	(85)
- Foreign currency translation	-	-	-	-	-	(340)	-	(340)	-	(340)
Total other comprehensive (expenses)/income	-	-	(22)	-	(238)	(340)	697	97	-	97
Transactions with owners of the Company:										
- Additional shares issue	283	-	-	-	-	-	-	283	-	283
Total transaction with owners	283	-	-	-	-	-	-	283	-	283
Balance as at 31 March 2017	49,283	1,038	(20)	(867)	18,110	(520)	(3,697)	63,327	-	63,327

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 2017 and the accompanying explanatory notes attached to this interim financial report.

OVERSEA ENTERPRISE BERHAD (317155-U)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASHFLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017

	Current Year Ended 31 December 2017 RM'000	Current Year Ended 31 December 2016 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(1,134)	55
Adjustments for:-		
Amortisation of intangible assets	27	26
Depreciation of property, plant & equipment	2,032	2,051
Interest expense	55	46
Share of profits in associates, net of income tax expense	(363)	258
Gain on disposal of property, plant and equipment	(4)	-
Interest income	(246)	(292)
Operating profit before working capital changes	<u>367</u>	<u>2,144</u>
Increase in inventories	25	(2,245)
Increase in trade and other receivables	(2,003)	(620)
Increase in trade and other payables	<u>1,546</u>	<u>1,228</u>
CASH (FOR)/FROM OPERATIONS	<u>(65)</u>	<u>507</u>
Income tax paid	(738)	(784)
Income tax refund	<u>250</u>	<u>10</u>
NET CASH FOR OPERATING ACTIVITIES	<u>(553)</u>	<u>(267)</u>
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES		
Interest received	246	292
Investment in associate company	(637)	(767)
Proceeds from disposal of:		
- property, plant and equipment	4	2
Purchase of property, plant and equipment	(1,643)	(1,401)
Deposits paid for renovation work	(1,258)	-
Proceeds from disposal of own shares	41	-
Payment for intangible assets	<u>(11)</u>	<u>(54)</u>
NET CASH FOR INVESTING ACTIVITIES	<u>(3,258)</u>	<u>(1,928)</u>
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Interest paid	(55)	(46)
Repayment of hire purchase obligations	(27)	(11)
Repayment of term loans	(40)	(25)
HP facilities granted	-	200
Drawdown of term loan	-	254
Proceeds from issuance of shares	-	283
Proceeds from issuance of shares to non controlling interest	<u>85</u>	<u>-</u>
NET CASH (FOR)/FROM FINANCING ACTIVITIES	<u>(37)</u>	<u>655</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(3,848)</u>	<u>(1,540)</u>
EFFECT OF FOREIGN EXCHANGE TRANSLATION	142	(369)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	<u>15,716</u>	<u>16,503</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	<u><u>12,010</u></u>	<u><u>14,594</u></u>
CASH AND CASH EQUIVALENTS COMPRISES:-		
Short-term investment with financial institution	43	238
Short term and fixed deposits with licensed banks	5,666	9,794
Cash and bank balances	<u>6,301</u>	<u>4,562</u>
	<u><u>12,010</u></u>	<u><u>14,594</u></u>

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 2017 and the accompanying explanatory notes attached to this interim financial report.

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 2017 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:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
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
MFRS 16 Leases	1 January 2019
MFRS 17 Insurance Contract	1 January 2021
Classification and Measurement of Share-based Payment Transactions (Amendments to MFRS 2)	1 January 2018
Annual Improvements to MFRS Standards 2014 – 2016 Cycle	1 January 2018

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

**OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2017**

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 2017 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 THIRD QUARTER ENDED 31 DECEMBER 2017

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				
3 months period ended						
31 December 2017						
Revenue from						
External customers	10,609	1,319	440	1	-	12,369
Inter-segment revenue	56	-	326	3	(385)	-
Total revenue	10,665	1,319	766	4	(385)	12,369
(Loss)/Profit before taxation	122	(438)	(932)	98	(131)	(1,281)
Income tax						(234)
Loss after taxation						(1,515)
Other comprehensive expenses						(77)
Total comprehensive expense						(1,438)
3 months period ended						
31 December 2016						
Revenue from						
External customers	10,726	1,083	273	5	-	12,087
Inter-segment revenue	22	-	13	26	(61)	-
Total revenue	10,748	1,083	286	31	(61)	12,087
(Loss)/Profit before taxation	(226)	(225)	(719)	(276)	280	(1,166)
Income tax						(80)
Loss after taxation						(1,246)
Other comprehensive expenses						(244)
Total comprehensive expense						(1,490)

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

OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2017

A9. Segmental Information (Cont'd)

Segmental Reporting

	Restaurant		Manufacturing	Others	Eliminations	Consolidated
	Malaysia	Foreign*				
	RM' 000	RM' 000				
9 months ended 31 December 2017						
Revenue from						
External customers	28,194	3,976	11,183	1	-	43,354
Inter-segment revenue	77	-	6,539	18	(6,634)	-
Total revenue	28,271	3,976	17,722	19	(6,634)	43,354
(Loss)/Profit before taxation	(1,864)	(1,073)	1,980	81	(258)	(1,134)
Income tax						(660)
Loss after taxation						(1,794)
Other comprehensive incomes						112
Total comprehensive expense						(1,682)
9 months ended 31 December 2016						
Revenue from						
External customers	30,058	3,162	10,783	5	-	44,007
Inter-segment revenue	54	-	7,368	36	(7,458)	-
Total revenue	30,112	3,162	18,151	41	(7,458)	44,007
Profit/(Loss) before taxation	(1,451)	(536)	2,126	(472)	388	55
Income tax						(303)
Loss after taxation						(248)
Other comprehensive expenses						(425)
Total comprehensive expense						(673)

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

	Restaurant		Manufacturing	Others	Eliminations	Consolidated
	Malaysia	Foreign*				
	RM' 000	RM' 000				
As at 31 December 2017						
Segmented assets	42,709	1,965	29,355	2,099	-	76,128
Unallocated assets						(792)
						75,336
As at 31 December 2016						
Segmented assets	45,270	1,664	29,045	981	-	76,960
Unallocated assets						(981)
						75,979

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

OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2017

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 31 December 2017 is as follows:-

	RM'000
Current:	
- within one year	1,435
Non-current:	
- between one and two years	780
- between two and five years	331
Total	<u>2,546</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:

	As at 31.12.2017 RM'000	Audited 31.03.2017 RM'000
<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	1,794	1,827

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OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2017

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:-

Transactions	Current financial quarter ended 31.12.2017 RM'000	Current financial year to-date 31.12.2017 RM'000
Rental paid to a Director	48	139
Rental paid to related parties ⁽¹⁾	281	843

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 THIRD QUARTER ENDED 31 DECEMBER 2017

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

B1. Review Of Group’s Performance and Segmental Analysis

(A) Overall Review of Group’s Financial Performance

	Individual Quarter 3 Months ended		Changes (%)	Cumulative Period ended		Changes (%)
	31.12.2017	31.12.2016		31.12.2017	31.12.2016	
RM'000	Unaudited	Unaudited		Unaudited	Unaudited	
Revenue	12,369	12,809	-3.4%	43,354	44,007	-1.5%
Operating (Loss)/Profit	(1,439)	(879)	63.7%	(1,446)	386	- >100%
(Loss)/Profit Before Interest and Tax	(1,267)	(1,137)	11.4%	(1,083)	128	- >100%
(Loss)/Profit Before Tax	(1,281)	(1,166)	9.9%	(1,134)	55	- >100%
Loss After tax	(1,515)	(1,246)	21.6%	(1,794)	(248)	>100%
Loss Attributable to Ordinary Equity Holders of the Parent	(1,495)	(1,246)	20.0%	(1,745)	(248)	>100%

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

The Group recorded revenue of RM12.4 million for the quarter ended 31 December 2017, which represents a slight decrease of 3.4% as compared to RM12.8 million in the quarter ended 31 December 2016.

The loss before tax (LBT) for the quarter ended 31 December 2017 was RM1.3 million, which has increased by 9.9% from LBT of RM1.2 mil in the quarter ended 31 December 2016.

The Group recorded revenue of RM43.4 million for the 9 months ended 31 December 2017, representing a decrease of 1.5% as compared to RM44.0 million in the 9 months ended 31 December 2016. Overall, decrease in revenue was mainly attributable to local restaurant segment. The closure of PJ outlet in the current year has contributed to the decrease in revenue in restaurant segment.

Year to date gross margin has improved from 59.0% in prior year to 59.2% in the current year as a result of constant cost monitoring and control. However, the current quarter gross margin has dropped from 61.3% in prior year to 58.8% in current year.

The Group recorded LBT of RM1.1 million for the 9 months ended 31 December 2017. In the 9 months ended 31 December 2016, the Group recorded profit before tax (PBT) of RM55,000. The decrease in bottom line was mainly attributable to restaurant segment.

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**OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2017**

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

(A) Overall Review of Group's Financial Performance (Cont'd)

(ii) Statement of financial position

As at 31 December 2017, total equity attributable to owners of the Company stood at RM61.9 million, which is 2.2% lower than RM63.3 million as at 31 March 2017.

Trade and other receivables increased from RM3.5 million in 31 March 2017 to RM6.5 million in 31 December 2017. The increase in trade and other receivables were mainly due to advance deposit payment of RM1.3 million capital expenditure for new outlet and center kitchen set up.

(iii) Statement of cash flow

The net operating cash flows used in operations of the Group was RM0.6 million for the 9 months ended 31 December 2017 against RM0.2 million for the corresponding period in 2016.

Net cash used in investing activities gone up to RM3.3 million in 9 months ended 31 December 2017 represents an increase of RM1.3 million as compared to RM1.9 million 9 months ended 31 December 2016.

Net cash from financing activities reduced from RM655,000 in 9 months ended 31 December 2016 to negative RM37,000 in 9 months ended 31 December 2017 mainly due to no new financing activities was carried out in the current year. Cash and cash equivalent decreases by RM3.8 million as compared with the opening cash and cash equivalent as at 1 April 2017. The total cash and cash equivalent stood at RM12.0 million as at 31 December 2017.

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OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2017

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

(B) Segmental Analysis

RM'000	Individual Quarter 3 Months ended		Change (%)	Cumulative Period ended		Change (%)
	31.12.2017	31.12.2016		31.12.2017	31.12.2016	
	Unaudited	Unaudited		Unaudited	Unaudited	
Revenue						
Restaurant	11,928	11,809	1.0%	32,170	33,220	-3.2%
Manufacturing	440	273	61.2%	11,183	10,783	3.7%
Others	1	5	0.0%	1	4	0.0%
Total	12,369	12,087	2.3%	43,354	44,007	-1.5%
(Loss)/Profit before tax						
Restaurant	(316)	(458)	-31.0%	(2,937)	(1,987)	47.8%
Manufacturing	(932)	(719)	29.6%	1,980	2,126	-6.9%
Others	(33)	11	- > 100%	(177)	(84)	> 100%
Total	(1,281)	(1,166)	9.9%	(1,134)	55	- >100%

3-month period (31.12.2017 vs. 31.12.2016)

Restaurant segment

The Group restaurant segment recorded revenue of RM11.9 million for the quarter ended 31 December 2017, which represents an increase of 1.0% as compared to RM11.8 million in the quarter ended 31 December 2016.

The Group's restaurant segment recorded LBT of RM0.3 million for the quarter ended 31 December 2017, which improved 31% as compared to LBT of RM0.5 million in the quarter ended 31 December 2016. The local outlets had reduced losses by RM0.3 million. The improved performance in our local outlets were mainly attributable to the closure of PJ outlet. However, Foreign outlets have additional loss of RM0.2 million.

The opening of new kiosk at Taiwan train station has resulted increase in operating costs, whereas the sales contributed from the additional kiosk has not risen in tandem with the forecasted sales. Hong Kong outlet incurred higher losses due to one off relocation expenses from Wan Chai to Lockhart Road.

Manufacturing segment

Manufacturing segment recorded revenue of RM0.4 million for the quarter ended 31 December 2017, which represents an increase of 61.2% as compared to RM0.3 million in the quarter ended 31 December 2016. This increase was mainly due to higher sales predominantly from local market. Manufacturing segment recorded LBT of RM0.9 million in the current quarter ended 31 December 2017, which is 29.6% higher than RM0.7 million in the quarter ended 31 December 2016.

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

(B) Segmental Analysis (Cont'd)

9-month period (31.12.2017 vs. 31.12.2016)

Restaurant segment

The Group restaurant segment recorded revenue of RM32.2 million for the 9 months ended 31 December 2017, which represents a decrease of 3.2% as compared to RM33.2 million for the 9 months ended 31 December 2016.

The Group's restaurant segment recorded LBT of RM2.9 million for the 9 months ended 31 December 2017, representing a decrease of 47.8% as compared to LBT of RM2.0 million in the 9 months ended 31 December 2016.

Overseas outlets had contributed RM0.5 mil additional losses from additional operating cost for operating an additional kiosk in Taiwan, one off operating cost incurred to relocate the business premises in Hong Kong.

Local restaurant outlets contributed RM0.4 mil higher losses due to decline in sales and increase in operating cost.

Manufacturing segment

The manufacturing segment recorded revenue of RM11.2 million for the 9 months ended 31 December 2017, represents a 3.7% increase compared to RM10.8 million in the 9 months ended 31 December 2016. The increase was mainly due to increase in moon cake sales predominantly from export sales.

Manufacturing segment recorded PBT of RM2.0 million for the 9 months ended 31 December 2017, represents a 6.9% decrease compared to RM2.1 million in the 9 months ended 31 December 2016.

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OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2017

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

	3 Months ended		Change (%)
	31.12.2017	30.09.2017	
RM'000	Unaudited	Unaudited	
Revenue	12,369	19,093	-35.2%
Operating (Loss)/Profit	(1,439)	1,701	- >100%
(Loss)/Profit Before Interest and Tax	(1,267)	1,679	- >100%
(Loss)/Profit Before Tax	(1,281)	1,634	- >100%
(Loss)/Profit After tax	(1,515)	1,273	- >100%
(Loss)/Profit Attributable to Ordinary Equity Holders of the Parent	(1,495)	1,287	- >100%

The revenue and operating profit of the Group has decreased in the current quarter as compared to the previous quarter mainly due to the seasonal cycle, where Mid-Autumn Festival falls on October in the current year and the buying spree was in September.

The main reason for the drops in PBT by RM2.9 million in the current quarter were mainly due to seasonal cycle.

RM'000	3 months ended		Change (%)
	31.12.2017	30.09.2017	
	Unaudited	Unaudited	
Revenue			
Restaurant	11,928	9,823	21.4%
Manufacturing	440	9,270	-95.3%
Others	1	-	0.0%
Total	12,369	19,093	-35.2%
(Loss)/Profit before tax			
Restaurant	(316)	(1,289)	-75.5%
Manufacturing	(932)	3,238	- >100%
Others	(33)	(315)	-89.5%
Total	(1,281)	1,634	- >100%

3-month period (31.12.2017 vs. 30.09.2017)

Restaurant segment

The restaurant segment recorded RM11.9 million in revenue in the current quarter 31 December 2017, which represents 21.4% increases as compared to previous quarter ended 30 September 2017. The Group's restaurant segment also managed to reduce losses from RM1.3 million LBT in the previous quarter ended 30 September 2017 to RM0.3 million LBT in the current quarter ended 31 December 2017.

Manufacturing segment

The Group's manufacturing segment recorded LBT of RM0.9 million for the 3-month ended 31 December 2017 as compared to PBT of RM3.2 million in the preceding quarter ended 30 September 2017. The main reason was moon cake sales recorded for Mid-Autumn Festival falls in the previous quarter.

B3. Prospects

Restaurant Operations and Manufacturing

The Group expect the financial year to be challenging but will nevertheless continue to leverage on current brand name to further strengthen our iconic portfolio via planned expansion plan into the operation of speciality outlet serving authentic “Steamboat and Dim Sum” in the Kuala Lumpur City Centre, adjacent to our flagship restaurant of Restoran Oversea (Imbi) Sdn Bhd. In addition, the Group is in the initial stage of securing a place to operate a grand themed Chinese restaurant in Genting Highlands. In view of these initiatives and based on our cautiously optimistic outlook for the Malaysian economy, the Group envisages that the level of sales and profitability to increase in the future. We will strive for efficiency increment across our value chain through new investment to realise the brand value into sustainable growth for the Company.

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 financial quarter ended 31.12.2017 RM'000	Current financial year to-date 31.12.2017 RM'000
Income tax:-		
Current period	(234)	(660)

The tax expense is computed based on respective subsidiaries chargeable income. As such, the Group had taken into the account the unabsorbed losses, capital allowances and unutilized reinvestment allowances, which will largely affect its provisional amount.

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OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2017

B6. Notes To The Statement of Comprehensive Income

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

	Current financial quarter ended 31.12.2017 RM'000	Current financial year to-date 31.12.2017 RM'000
Interest income	(66)	(246)
Other income including investment income	(941)	(2,531)
Interest expenses	18	55
Depreciation and amortization	682	2,059

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 31 December 2017.

B7. Status Of Corporate Proposals Announced But Not Yet Completed

There were no corporate proposals announced but not yet completed by the Group for the current quarter under review.

B8. Group Borrowings And Debts Securities

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

	Short Term (Secured) RM'000	Long Term (Secured) RM'000	Total (Secured) RM'000
as at 31 December 2017			
Term loan	56	1,294	1,350
Hire Purchase	38	121	159
Total Borrowing	<u>94</u>	<u>1,415</u>	<u>1,509</u>
as at 31 December 2016			
Term loan	53	1,350	1,403
Hire Purchase	32	162	194
	<u>85</u>	<u>1,512</u>	<u>1,597</u>

The decrease in term loan and hire purchase as at 31 December 2017 compared to 31 December 2016 was due to repayment of facilities. The Group's borrowing and debts securities are denominated in RM.

B9. Material Litigation

There was no material litigation (including status of any pending material litigation) for the current quarter under review.

OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2017

B10. Dividends

The directors do not recommend any interim dividend for the quarter under review.

B11. Earnings Per Share

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year to Date Ended	Preceding Year Corresponding Period Ended
	31.12.2017 RM'000	31.12.2016 RM'000	31.12.2017 RM'000	31.12.2016 RM'000
BASIC LOSSES PER SHARE				
Losses for the period attributable to owners of the company	(1,495)	(1,246)	(1,745)	(248)
Weighted average number of ordinary shares in issue ('000)	242,221	242,368	242,223	241,442
Basic losses per share (sen)	(0.62)	(0.51)	(0.72)	(0.10)

B12. Realised and unrealised retained earnings

The retained profit may be analysed as follows:

	As at the end of current quarter 31.12.2017 RM'000	Audited 31.03.2017 RM'000
Realised	(1,038)	1,085
Unrealised	5,102	4,935
	4,064	6,020
Total share of losses of an associate: - Realised	363	(511)
	4,427	5,508
Less: Consolidation adjustments	(9,494)	(9,205)
	(5,067)	(3,696)

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