

OVERSEA ENTERPRISE BERHAD (317155-U)
UNAUDITED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 JUNE 2019

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year to Date Ended	Preceding 3 Months Corresponding Period Ended
	30-Jun-19 RM'000	30-Jun-18 RM'000	30-Jun-19 RM'000	30-Jun-18 RM'000
Revenue	11,057	10,891	11,057	10,891
Cost of sales	(4,452)	(4,507)	(4,452)	(4,507)
Gross profit	6,605	6,384	6,605	6,384
Other operating income	829	911	829	911
Administration expenses	(2,029)	(2,204)	(2,029)	(2,204)
Selling and Distribution expenses	(6,559)	(6,618)	(6,559)	(6,618)
Operating loss	(1,154)	(1,527)	(1,154)	(1,527)
Share of results in associates	182	252	182	252
Loss before interest and tax	(972)	(1,275)	(972)	(1,275)
Finance costs	(154)	(16)	(154)	(16)
Loss before taxation	(1,126)	(1,291)	(1,126)	(1,291)
Income tax	(3)	18	(3)	18
Loss after taxation	(1,129)	(1,273)	(1,129)	(1,273)
Other comprehensive income/(expense)				
Fair value changes of available-for-sale financial assets	1	(6)	1	(6)
Foreign currency translation	(65)	(95)	(65)	(95)
Total comprehensive expense	(1,193)	(1,374)	(1,193)	(1,374)
Loss attributable to:				
Owners of the Company	(1,129)	(1,273)	(1,129)	(1,273)
Non-controlling interest	-	-	-	-
	(1,129)	(1,273)	(1,129)	(1,273)
Total comprehensive expense attributable to:				
Owners of the Company	(1,193)	(1,374)	(1,193)	(1,374)
Non-controlling interest	-	-	-	-
	(1,193)	(1,374)	(1,193)	(1,374)
Weighted average ordinary shares in issue ('000)	242,515	242,515	242,515	242,515
Losses per share (sen):				
- Basic	(0.47)	(0.52)	(0.47)	(0.52)

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 2019 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 JUNE 2019

	UNAUDITED	AUDITED
	As at	As at
	30-Jun-19	31-Mar-19
	RM'000	RM'000
ASSETS		
Non-current assets		
Investment in associate	689	691
Property, plant and equipment	48,409	48,982
Investment properties	2,450	2,450
Right-of-use assets	5,597	-
Other investments	737	737
Intangible assets	58	61
Long-term receivables	83	84
Deferred tax asset	49	49
	<u>58,072</u>	<u>53,054</u>
Current Assets		
Inventories	6,230	5,040
Trade and other receivables	5,334	2,931
Amount due from an associate	176	176
Tax refundable	338	78
Short-term investment with financial institutions	45	45
Deposits, bank and cash balances	3,608	5,506
	<u>15,731</u>	<u>13,776</u>
TOTAL ASSETS	<u>73,803</u>	<u>66,830</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	50,321	50,321
Reserves	2,953	4,146
Total equity attributable to owners of the Company	<u>53,274</u>	<u>54,467</u>
Non-controlling interest	-	-
Total equity	<u>53,274</u>	<u>54,467</u>
Non-current liabilities		
Hire purchase creditors	222	244
Term loans	1,216	1,231
Lease liabilities on right-of-use assets	2,284	-
Deferred taxation	5,489	5,507
	<u>9,211</u>	<u>6,982</u>
Current Liabilities		
Trade and other payables	7,121	5,166
Provision for tax	4	76
Hire purchase creditors	85	83
Term loans	56	56
Bank overdraft	692	-
Lease liabilities on right-of-use assets	3,360	-
	<u>11,318</u>	<u>5,381</u>
Total liabilities	<u>20,529</u>	<u>12,363</u>
TOTAL EQUITY AND LIABILITIES	<u>73,803</u>	<u>66,830</u>
Net Assets Per Share Attributable to ordinary equity holders of the Company (RM)	0.22	0.22

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 2019 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 30 JUNE 2019

The Group	Attributable to equity holders of the Company						Distributable 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	
Balance as at 1 April 2019	50,321	-	(63)	(835)	17,634	(229)	(12,361)	54,467	-	54,467
Loss after taxation	-	-	-	-	-	-	(1,129)	(1,129)	-	(1,129)
Other comprehensive expense:										
- loss on fair value changes of available-for-sale financial assets	-	-	1	-	-	-	-	1	-	1
- Foreign currency translation	-	-	-	-	-	(65)	-	(65)	-	(65)
Total other comprehensive expenses	-	-	1	-	-	(65)	(1,129)	(1,193)	-	(1,193)
Amortisation of revaluation reserve	-	-	-	-	(59)	-	59	-	-	-
Balance as at 30 June 2019	50,321	-	(62)	(835)	17,575	(294)	(13,431)	53,274	-	53,274
Balance as at 1 April 2018	49,283	1,038	(63)	(835)	17,871	(56)	(8,052)	59,186	-	59,186
Loss after taxation	-	-	-	-	-	-	(4,546)	(4,546)	-	(4,546)
Other comprehensive expense:										
- Foreign currency translation	-	-	-	-	-	(173)	-	(173)	-	(173)
Total other comprehensive expenses	-	-	-	-	-	(173)	(4,546)	(4,719)	-	(4,719)
Transactions with owners of the Company:										
- Transfer to share capital upon implementation of the Companies Act 2016	1,038	(1,038)	-	-	-	-	-	-	-	-
Total transaction with owners	1,038	(1,038)	-	-	-	-	-	-	-	-
Amortisation of revaluation reserve	-	-	-	-	(237)	-	237	-	-	-
Balance as at 31 March 2019	50,321	-	(63)	(835)	17,634	(229)	(12,361)	54,467	-	54,467

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 2019 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 30 JUNE 2019

	Current Year Ended 30 June 2019 RM'000	Preceding Year to Date Ended 30 June 2018 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Loss before taxation	(1,126)	(1,291)
Adjustments for:-		
Amortisation of intangible assets	3	6
Depreciation of:		
- property, plant & equipment	791	632
- right-of-use assets	892	-
Impairment loss on:		
- investment in associates	-	147
Interest expense	154	16
Share of losses/(profits) in associates, net of income tax expense	2	(252)
Interest income	(28)	(68)
Operating profit/(loss) before working capital changes	688	(810)
Increase in inventories	(1,190)	(1,091)
Increase in trade and other receivables	(2,402)	(2,061)
Increase in trade and other payables	1,957	1,363
CASH FOR OPERATIONS	(947)	(2,599)
Income tax paid	(354)	(234)
NET CASH FOR OPERATING ACTIVITIES	(1,301)	(2,833)
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	28	68
Redemption of preferred share from associate company	-	118
Purchase of property, plant and equipment	(218)	(704)
Deposits paid for renovation work	-	(1,008)
NET CASH FOR INVESTING ACTIVITIES	(190)	(1,526)
CASH FLOWS FOR FINANCING ACTIVITIES		
Interest paid	(154)	(16)
Repayment of hire purchase obligations	(20)	(16)
Repayment of term loans	(14)	(13)
Repayment of lease liabilities on right-of-use assets	(845)	-
NET CASH FOR FINANCING ACTIVITIES	(1,033)	(45)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,524)	(4,404)
EFFECT OF FOREIGN EXCHANGE TRANSLATION	(65)	(112)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	5,550	11,279
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	2,961	6,763
CASH AND CASH EQUIVALENTS COMPRISES:-		
Short-term investment with financial institution	45	44
Short term and fixed deposits with licensed banks	1,489	3,871
Cash and bank balances	2,119	2,848
Bank overdrafts	(692)	-
	2,961	6,763

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 2019 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 2016 in Malaysia.

The interim financial statements should be read in conjunction with the audited financial statements for year ended 31 March 2019 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 17 Insurance Contracts	1 January 2021
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020

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.

MFRS 16 : Leases

The Group adopted MFRS 16 Leases (“MFRS 16”) on 1 April 2019 which supersedes MFRS 117 Leases and the related interpretations.

MFRS 16 eliminates the classification of leases by the by the lessee as either finance leases (on balance sheet) or operating leases (off balance sheet). MFRS 16 requires a lessee to recognize a “right-of-use” of the underlying asset and a lease liability reflecting future lease payments for most leases.

The right-of-use asset is depreciated in accordance with the principles in MFRS 116 Property, Plant and Equipment and the lease liability is accreted over time with interest expense recognized in the income statement.

As allowed by the transitional provision of MFRS 16, the Group elected to apply the simplified transition approach and not to restate the comparatives amounts for the year prior to first adoption. Right-of-use assets and the corresponding lease liabilities on right-of-use assets will be measured on transition as if the new rules had always been applied. The impact of adopting MFRS 16 to opening balance are as follows:

Balance sheet

Impact of adopting MFRS 16 at 1 April 2019:

	RM'000
Right-of-use assets	6,489
Lease liabilities	(6,489)

The finance lease liabilities were measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate as at 1 April 2019. Right-of-use assets were measured at an amount equal to the lease liabilities, adjusted by the amount of the prepaid or accrued lease payments. Accordingly, there is no impact to the accumulated losses of the Group as at 1 April 2019.

On the income statement, expenses which previously included operating lease rental within EBITDA were replaced by interest expenses on lease liabilities and depreciation of the right-of-use assets. On the statement of cash flows, operating lease rental outflows previously recorded within “net cash for operating activities” were reclassified as “net cash for financing activities” for repayment of principal and interest of lease liabilities.

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 2019 were not subject to any qualification.

A4. Seasonal Or Cyclical Factors

For the financial quarter under review, restaurant sales were lower as compared to the previous quarter ended 31 March 2019 due to the Chinese New Year festive season in February 2019. The manufacturing division started the production in current quarter to cater for the up-coming Mid-Autumn Festival.

**OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2019**

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.

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OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2019

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 30 June 2019						
Revenue from						
External customers	8,620	414	2,023	-	-	11,057
Inter-segment revenue	7	-	232	21	(260)	-
Total revenue	8,627	414	2,255	21	(260)	11,057
(Loss)/ Profit before taxation	(1,103)	(110)	(194)	324	(43)	(1,126)
Income tax						(3)
Loss after taxation						(1,129)
Other comprehensive expense						(64)
Total comprehensive expense						(1,193)
3 months ended 30 June 2019						
Revenue from						
External customers	8,620	414	2,023	-	-	11,057
Inter-segment revenue	7	-	232	21	(260)	-
Total revenue	8,627	414	2,255	21	(260)	11,057
(Loss)/Profit before taxation	(1,103)	(110)	(194)	324	(43)	(1,126)
Income tax						(3)
Loss after taxation						(1,129)
Other comprehensive expense						(64)
Total comprehensive expense						(1,193)

*Note: Comprises Ipoh Group Limited (Hong Kong)

OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2019

A9. Segmental Information (Cont'd)

Segmental Reporting

	Restaurant		Manufacturing	Others	Eliminations	Consolidated
	Malaysia	Foreign*				
	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000
3 months period ended						
30 June 2018						
Revenue from						
External customers	8,505	385	2,000	1	-	10,891
Inter-segment revenue	64	-	1	1	(66)	-
Total revenue	8,569	385	2,001	2	(66)	10,891
(Loss)/Profit before taxation	(1,431)	(154)	37	240	17	(1,291)
Income tax						18
Loss after taxation						(1,273)
Other comprehensive expense						(101)
Total comprehensive expense						(1,374)
3 months ended June 2018						
Revenue from						
External customers	8,505	385	2,000	1	-	10,891
Inter-segment revenue	64	-	1	1	(66)	-
Total revenue	8,569	385	2,001	2	(66)	10,891
(Loss)/Profit before taxation	(1,431)	(154)	37	240	17	(1,291)
Income tax						18
Loss after taxation						(1,273)
Other comprehensive expense						(101)
Total comprehensive expense						(1,374)

*Note: Comprises Ipoh Group Limited (Hong Kong)

	Restaurant		Manufacturing	Others	Eliminations	Consolidated
	Malaysia	Foreign*				
	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000
As at 30 June 2019						
Segmented assets	43,210	213	27,261	2,732	-	73,416
Unallocated assets						387
						73,803
As at 30 June 2018						
Segmented assets	42,365	277	27,561	1,360	-	71,563
Unallocated assets						434
						71,997

*Note: Comprises Ipoh Group Limited (Hong Kong)

OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2019

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 June 2019 is as follows:-

	RM'000
Current:	
- within one year	4,595
Non-current:	
- between one and two years	2,273
- between two and five years	384
Total	<u>7,252</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 30.06.2019 RM'000	Audited 31.03.2019 RM'000
<u>Corporate guarantees given by the Company to financial institutions for facilities granted to subsidiaries</u>		
- Total facilities granted	3,891	3,890
- Current Exposure	2,423	1,743

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OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2019

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 30.06.2019 RM'000	Current financial year to-date 30.06.2019 RM'000
Rental paid to a Director	28	28
Rental paid to related parties ⁽¹⁾	295	295

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 commitment in respect of capital expenditure at the end of the reporting period not provided for in the interim financial statements, other than as disclosed below:

	Amount (RM'000)
Authorised but not contracted for:	
Property, plant and equipment	<u>29</u>

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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 (%)
	30.06.2019	30.06.2018		30.06.2019	30.06.2018	
RM'000	Unaudited	Unaudited		Unaudited	Audited	
Revenue	11,057	10,891	1.5%	11,057	10,891	1.5%
Operating Loss	(1,154)	(1,527)	24.4%	(1,154)	(1,527)	24.4%
Loss Before Interest and Tax	(972)	(1,275)	23.8%	(972)	(1,275)	23.8%
Loss Before Tax	(1,126)	(1,291)	12.8%	(1,126)	(1,291)	12.8%
Loss After tax	(1,129)	(1,273)	11.3%	(1,129)	(1,273)	11.3%
Loss Attributable to Ordinary Equity Holders of the Parent	(1,129)	(1,273)	11.3%	(1,129)	(1,273)	11.3%

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

The Group recorded revenue of RM11.1 million for the quarter ended 30 June 2019, posted an increase in revenue of 1.5% as compared to RM10.9 million in the quarter ended 30 June 2018. The positive result was attributable from the increase in sales in restaurant segment and manufacturing segment.

Quarter on quarter, the Group’s loss before tax (LBT) was marginally decrease by RM165,000 against the previous year’s same quarter. This was mainly attributable to the lower losses by restaurant segment by RM360,000 and additional profit in other segment by RM36,000. This was however offset by higher losses in manufacturing segment by RM231,000.

Gross margin has slightly increased from 58.6% in prior year to date 30 June 2018 to 59.7% in current year to date 30 June 2019.

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OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2019

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 March 2019, total equity attributable to owners of the Company stood at RM53.3 million, which is 2% lower than RM54.5 million as at 31 March 2019.

The increase in total assets and total liabilities was mainly due to the recognition of right-of-use assets upon the adoption of MRF516. Besides, inventories, trade receivables, trade payables were increase in conjunction with the starting of moon-cakes season production.

(iii) Statement of cash flow

The net operating cash flows for operations of the Group was RM1,301,000 for the 3 months ended 30 June 2019 against the outflow of RM2,833,000 for the corresponding period in 2018.

Net cash used in investing activities of the Group was RM190,000 for the 3 months ended 30 June 2019, as compared to RM1.53 million for the 3 months ended 30 June 2018.

Net cash for financing activities was RM1,033,000 in 3 months ended 30 June 2019. In prior year to date 3 months ended 30 June 2018, total net cash for financing activities was RM45,000.

Cash and cash equivalent decreases by RM2.52 million as compared with the opening cash and cash equivalent as at 1 April 2019. The total cash and cash equivalent stood at RM2.96 million as at 30 June 2019.

(B) Segmental Analysis

	Individual Quarter 3 Months ended		Change (%)	Cumulative Period ended		Change (%)
	30.06.2019	30.06.2018		30.06.2019	30.06.2018	
RM'000	Unaudited	Unaudited		Unaudited	Audited	
Revenue						
Restaurant	9,034	8,890	1.6%	9,034	8,890	1.6%
Manufacturing	2,023	2,000	1.2%	2,023	2,000	1.2%
Others	-	1	0.0%	-	1	0
Total	11,057	10,891	1.5%	11,057	10,891	1.5%
(Loss)/Profit before tax						
Restaurant	(1,194)	(1,554)	23.2%	(1,194)	(1,554)	23.2%
Manufacturing	(194)	37	-624.3%	(194)	37	-624.3%
Others	262	226	15.9%	262	226	15.9%
Total	(1,126)	(1,291)	12.8%	(1,126)	(1,291)	12.8%

OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2019

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

(B) Segmental Analysis (Cont'd)

3-month period (30.06.2019 vs. 30.06.2018)

Restaurant segment

The Group restaurant segment recorded revenue of RM9.0 million for the quarter ended 30 June 2019, which represents an increase of 1.6% as compared to RM8.9 million in the quarter ended 30 June 2018. The increase in revenue was mainly contributed from the opening of outlet at Skyplaza, Genting in October 2018. The increase was however offset with the cessation of Subang Parade and Tsim Tung outlet business from January 2019 onwards.

The Group's restaurant segment recorded LBT of RM1.2 million for the quarter ended 30 June 2019. The lower LBT by RM0.36 million was mainly due to the closure of non-profit making outlet.

Manufacturing segment

The revenue for manufacturing segment compared to the preceding year's same quarter has increased by RM23,000.

Meanwhile, the LBT in quarter ended 30 June 2019 was increase by RM231,000 compared to quarter ended 30 June 2018. This was mainly due to the lower profit margin and higher manpower cost incurred.

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

	3 Months ended		Change (%)
	30.06.2019	31.03.2019	
RM'000	Unaudited	Unaudited	
Revenue	11,057	12,972	-14.8%
Operating Loss	(1,154)	(2,864)	59.7%
Loss Before Interest and Tax	(972)	(2,820)	65.5%
Loss Before Tax	(1,126)	(2,858)	60.6%
Loss After tax	(1,129)	(2,909)	61.2%
Loss Attributable to Ordinary Equity Holders of the Parent	(1,129)	(2,909)	61.2%

The Group recorded revenue of RM11.1 million for the quarter ended 30 June 2019, representing a decrease of 15% as compared to RM13.0 million in the quarter ended 30 June 2018. The significant decrease was due to major festive season in immediate preceding quarter.

The Group recorded LBT of RM1.13 million for the quarter ended 30 June 2019, from LBT of RM2.86 million in the immediate preceding quarter. The decrease in LBT was mainly due to the impairment made on property, plant and equipment amounting to RM1.73 million in the previous quarter.

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OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2019

B2. Financial Review For The Current Quarter Compare To The Results Of The Previous Quarter (Cont'd)

	3 months ended		Change (%)
	30.06.2019	31.03.2019	
<i>RM'000</i>	Unaudited	Unaudited	
Revenue			
<i>Restaurant</i>	9,034	13,282	-32.0%
<i>Manufacturing</i>	2,023	(334)	->100%
<i>Others</i>	-	24	0.0%
Total	11,057	12,972	-14.8%
(Loss)/Profit before tax			
<i>Restaurant</i>	(1,194)	(1,235)	3.3%
<i>Manufacturing</i>	(194)	(1,392)	86.1%
<i>Others</i>	262	(231)	>100%
Total	(1,126)	(2,858)	60.6%

3-month period (30.06.2019 vs. 31.03.2019)

Restaurant segment

The restaurant segment posted a decline of RM4.2 million or 32% in revenue as compared to previous corresponding quarter. This was mainly due to Chinese New Year festival fell in previous quarter. Despite the significant decrease in revenue, the LBT was improved by RM41,000 mainly due to impairment made on property, plant and equipment in previous quarter.

Manufacturing segment

The Group's manufacturing segment recorded the revenue of RM2.02 million in the current quarter and LBT of RM194,000, representing an increase of RM2.36 million in revenue and decrease of RM1.20 million in LBT as compared to previous corresponding quarter. The favorable result was due to the moon cake sales started in current quarter.

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B3. Prospects

Restaurant Operations and Manufacturing

Despite the current economic slowdown, our Group's existing local F&B outlets are still recording nominal increase in revenue as compared to previous years, henceforth moving forward we shall continue to endeavour to promote the brand "Restoran Oversea" and to remain relevant in the market. On the manufacturing front, efforts are being spearheaded to increase the annual plant utilisation and we are currently in process to roll out new products in the near future.

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 31.03.2019 RM'000	Current financial year to-date 31.03.2019 RM'000
Income tax:- Current period	3	3

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 FIRST QUARTER ENDED 30 JUNE 2019

B6. Notes To The Statement of Comprehensive Income

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

	Current financial quarter ended 30.06.2019 RM'000	Current financial year to-date 30.06.2019 RM'000
Interest income	(28)	(28)
Other income including investment income	(801)	(801)
Depreciation and amortization	1,686	1,686
Interest expenses	154	154

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 March 2019.

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 30 June 2019			
Term loan	56	1,216	1,272
Hire Purchase	85	222	307
Bank overdraft	692	-	692
Lease liabilities on right-of-use assets	3,360	2,284	5,644
	<hr/>	<hr/>	<hr/>
Total Borrowing	4,193	3,722	7,915
	<hr/>	<hr/>	<hr/>
as at 30 June 2018			
Term loan	57	1,266	1,323
Hire Purchase	68	218	286
	<hr/>	<hr/>	<hr/>
	125	1,484	1,609
	<hr/>	<hr/>	<hr/>

The decrease in hire purchase and term loan as at 30 June 2019 compared to 30 June 2018 was due to repayment of facilities. The Group's borrowing and debts securities are denominated in RM.

OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2019

B9. Material Litigation

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

B10. Dividends

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

B11. Losses Per Share

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30.06.2019 RM'000	Preceding Year Corresponding Quarter Ended 30.06.2018 RM'000	Current Year to Date Ended 30.06.2019 RM'000	Preceding Year Corresponding Period Ended 30.06.2018 RM'000
LOSSES PER SHARE				
Losses for the period attributable to owners of the company	(1,129)	(1,273)	(1,129)	(1,273)
Weighted average number of ordinary shares in issue ('000)	242,515	242,515	242,515	242,515
Losses per share (sen)	(0.47)	(0.52)	(0.47)	(0.52)