

OVERSEA ENTERPRISE BERHAD (317155-U)**UNAUDITED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020**

	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-20 RM'000	31-Dec-19 RM'000	31-Dec-20 RM'000	31-Dec-19 RM'000
Revenue	3,088	10,470	19,194	41,354
Cost of sales	(1,524)	(4,258)	(8,404)	(16,736)
Gross profit	1,564	6,212	10,790	24,618
Other operating income	1,176	1,200	3,327	3,064
Administration expenses	(2,051)	(1,994)	(4,161)	(6,285)
Selling and Distribution expenses	(3,889)	(6,494)	(11,775)	(20,865)
Operating (loss)/profit	(3,200)	(1,076)	(1,819)	532
Share of results in associates	-	195	(99)	490
(Loss)/profit before interest and tax	(3,200)	(881)	(1,918)	1,022
Finance costs	(108)	(146)	(276)	(451)
(Loss)/profit before taxation	(3,308)	(1,027)	(2,194)	571
Income tax	(30)	(91)	(181)	(609)
Loss after taxation	(3,338)	(1,118)	(2,375)	(38)
Other comprehensive (expenses)/income				
Fair value changes of equity investments	-	(1)	4	(10)
Foreign currency translation differences	135	65	310	(36)
Total comprehensive expenses	(3,203)	(1,054)	(2,061)	(84)
Loss attributable to:				
Owners of the Company	(3,338)	(1,118)	(2,375)	(38)
Total comprehensive expenses attributable to:				
Owners of the Company	(3,203)	(1,054)	(2,061)	(84)
Weighted average ordinary shares in issue ('000)	242,515	242,515	242,515	242,515
Losses per share (sen):				
- Basic	(1.38)	(0.46)	(0.98)	(0.02)

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 2020 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 2020

	UNAUDITED	AUDITED
	As at	As at
	31-Dec-20	31-Mar-20
	RM'000	RM'000
ASSETS		
Non-current assets		
Investment in associate	-	280
Property, plant and equipment	24,265	25,093
Investment properties	5,365	5,365
Right-of-use assets	16,027	18,192
Other investments	372	368
Intangible assets	74	73
Long-term receivables	81	88
Deferred tax asset	49	49
	<u>46,233</u>	<u>49,508</u>
Current Assets		
Inventories	3,953	4,327
Trade and other receivables	2,753	1,978
Amount due from related parties	-	33
Amount due from associates	-	136
Tax refundable	227	142
Short-term investment with financial institutions	19	29
Deposits, bank and cash balances	5,462	7,121
	<u>12,414</u>	<u>13,766</u>
TOTAL ASSETS	<u>58,647</u>	<u>63,274</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	50,321	50,321
Reserves	(3,700)	(1,639)
Total equity	<u>46,621</u>	<u>48,682</u>
Non-current liabilities		
Term loans	1,179	1,169
Lease liabilities on right-of-use assets	478	498
Deferred taxation	5,364	5,420
	<u>7,021</u>	<u>7,087</u>
Current Liabilities		
Trade and other payables	3,989	4,557
Provision for tax	110	54
Term loans	58	59
Lease liabilities on right-of-use assets	848	2,835
	<u>5,005</u>	<u>7,505</u>
Total liabilities	<u>12,026</u>	<u>14,592</u>
TOTAL EQUITY AND LIABILITIES	<u>58,647</u>	<u>63,274</u>
Net Assets Per Share Attributable to ordinary equity holders of the Company (RM)	0.19	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 2020 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 2020

	Attributable to equity holders of the Company						Total Equity RM'000
	Non-Distributable					Distributable Accumulated Losses RM'000	
	Share Capital RM'000	Fair Value Reserve RM'000	Treasury Reserve RM'000	Revaluation Reserve RM'000	Foreign Exchange Translation Reserve RM'000		
The Group							
Balance as at 1 April 2020	50,321	(83)	(835)	17,397	(496)	(17,622)	48,682
Loss after taxation	-	-	-	-	-	(2,375)	(2,375)
Other comprehensive expenses:							
- fair value changes of equity instruments	-	4	-	-	-	-	4
- Foreign currency translation differences	-	-	-	-	310	-	310
Total other comprehensive income/expense	-	4	-	-	310	(2,375)	(2,061)
Amortisation of revaluation reserve	-	-	-	(180)	-	180	-
Balance as at 31 December 2020	50,321	(79)	(835)	17,217	(186)	(19,817)	46,621
Balance as at 1 April 2019	50,321	(63)	(835)	17,634	(229)	(12,361)	54,467
Loss after taxation	-	-	-	-	-	(5,498)	(5,498)
Other comprehensive expense:							
- fair value changes of equity instruments	-	(20)	-	-	-	-	(20)
- Foreign currency translation differences	-	-	-	-	(267)	-	(267)
Total other comprehensive expenses	-	(20)	-	-	(267)	(5,498)	(5,785)
Amortisation of revaluation reserve	-	-	-	(237)	-	237	-
Balance as at 31 March 2020	50,321	(83)	(835)	17,397	(496)	(17,622)	48,682

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 2020 and the accompanying explanatory notes attached to this interim financial report.

OVERSEA ENTERPRISE BERHAD (317155-U)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020

	Current Year to Date Ended 31 December 2020 RM'000	Preceding Year to Date Ended 31 December 2019 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
(Loss)/profit before taxation	(2,194)	571
Adjustments for:-		
Amortisation of intangible assets	12	10
Bad debts written off on amount owing by associates	62	-
Depreciation of:		
- property, plant & equipment	1,319	2,281
- right-of-use assets	2,595	2,625
Impairment for investment in other investment	181	-
Interest expense	276	451
Property, plant and equipment written off	-	347
Reversal of impairment loss of property, plant and equipment	(301)	(300)
Reversal of impairment loss on amount owing by associates	(62)	(33)
Share of results in associates, net of income tax expense	99	(34)
Loss on disposal of property, plant and equipment	149	-
Interest income	(69)	(97)
Operating profit before working capital changes	<u>2,067</u>	<u>5,821</u>
Decrease in inventories	374	90
Increase in trade and other receivables	(632)	(839)
Increase in trade and other payables	(569)	470
CASH FROM OPERATIONS	<u>1,240</u>	<u>5,542</u>
Income tax paid	(266)	(910)
NET CASH FROM OPERATING ACTIVITIES	<u>974</u>	<u>4,632</u>
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
Interest received	69	97
Repayment from related parties	33	-
Repayment from associates	-	127
Additional of intangible assets	(13)	(19)
Placement of deposits pledged with licensed banks	(2)	-
Purchase of property, plant and equipment	(104)	(691)
Proceeds from disposal of property, plant and equipment	43	-
NET CASH FROM/(FOR) INVESTING ACTIVITIES	<u>26</u>	<u>(486)</u>
CASH FLOWS FOR FINANCING ACTIVITIES		
Interest paid	(267)	(451)
Repayment of hire purchase obligations	(29)	(62)
Repayment of term loans	-	(43)
Repayment of lease liabilities on right-of-use assets	(2,688)	(2,489)
NET CASH FOR FINANCING ACTIVITIES	<u>(2,984)</u>	<u>(3,045)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,984)	1,101
EFFECT OF FOREIGN EXCHANGE TRANSLATION	312	(36)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	<u>6,731</u>	<u>5,550</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>5,059</u>	<u>6,615</u>
CASH AND CASH EQUIVALENTS COMPRISES:-		
Short-term investment with financial institution	19	39
Short term and fixed deposits with licensed banks	1,267	2,985
Cash and bank balances	3,773	3,591
	<u>5,059</u>	<u>6,615</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 2020 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 2020**

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 2020 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
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9	Effective immediately
Amendments to MFRS 16: Covid-19-Related Rent Concessions	1 June 2020
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 116: Proceeds Before Intended Use	1 January 2022
Amendments to MFRS137: Onerous Contracts-Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018-2020	1 January 2022

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 2020**

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 2020 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.

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.

[THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020

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
3 months period ended 31 December 2020						
Revenue from						
External customers	3,030	-	58	-	-	3,088
Inter-segment revenue	47	-	(20)	8	(35)	-
Total revenue	3,077	-	38	8	(35)	3,088
Loss before taxation	(1,288)	(8)	(1,077)	(471)	(464)	(3,308)
Income tax						(30)
Loss after taxation						(3,338)
Other comprehensive income						135
Total comprehensive expense						(3,203)
9 months ended 31 December 2020						
Revenue from						
External customers	9,012	376	9,801	5	-	19,194
Inter-segment revenue	151	-	6,423	19	(6,593)	-
Total revenue	9,163	376	16,224	24	(6,593)	19,194
(Loss)/Profit before taxation	(2,590)	(334)	1,668	(713)	(225)	(2,194)
Income tax						(181)
Loss after taxation						(2,375)
Other comprehensive income						314
Total comprehensive expense						(2,061)

*Note: Comprises Ipoh Group Limited (Hong Kong)

OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020

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						
31 December 2019						
Revenue from						
External customers	10,161	345	(39)	3	-	10,470
Inter-segment revenue	6	-	(587)	23	558	-
Total revenue	10,167	345	(626)	26	558	10,470
Profit/(Loss) before taxation	328	(84)	(1,511)	227	13	(1,027)
Income tax						(91)
Loss after taxation						(1,118)
Other comprehensive income						64
Total comprehensive expense						(1,054)
9 months ended 31 December						
2019						
Revenue from						
External customers	27,880	1,134	12,303	37	-	41,354
Inter-segment revenue	20	-	6,856	74	(6,950)	-
Total revenue	27,900	1,134	19,159	111	(6,950)	41,354
(Loss)/Profit before taxation	(1,449)	(303)	1,830	808	(315)	571
Income tax						(609)
Loss after taxation						(38)
Loss comprehensive expense						(46)
Total comprehensive expense						(84)

*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 31 December 2020						
Segmented assets	31,164	50	26,125	1,032	-	58,371
Unallocated assets						276
						58,647
As at 31 December 2019						
Segmented assets	41,924	146	26,035	2,576	-	70,681
Unallocated assets						466
						71,147

*Note: Comprises Ipoh Group Limited (Hong Kong)

**OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020**

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

On 12 January 2021, the Company announced multiple proposal which includes share split and bonus issue of up to 442,377,000 warrants on the basis of 1 warrant for every 2 shares. On 15 January 2021, notice of Extraordinary General Meeting (EGM) was given and on 18 January 2021, the circular on this were released.

On 2 February 2021, the EGM was held and the proposed share split and bonus issue of warrant were approved by the shareholders.

On 9 February 2021, the Company announced the ex-date and entitlement date for the share split, which will be on 23 February 2021 and 24 February 2021 respectively.

On 16 February 2021, the Company fixed the issue price for the first tranche of the private placement at RM0.36 per placement shares. The Issue Price represents a discount of approximately 7.64% to the 5-market day volume weighted average price of the Shares up to and including 15 February 2021, being the last market day immediately preceding the Price-fixing Date, of RM0.3898.

On 17 February 2021, the Company announced the details of the bonus issue of free warrants. Ex-date and entitlement date is on 2 March 2021 and 3 March 2021 respectively. The exercise price of the Warrants was fixed at RM0.16 per Warrant.

On 18 February 2021, the Company announced the private placement of up to 48,503,000 new ordinary shares in the Company to identified investors.

On 19 February 2021, the Company announced that the private placement has been completed following the listing of and quotation for 48,503,000 placement shares on the ACE Market of Bursa Malaysia Securities Berhad on 19 February 2021.

A12. Changes In Composition Of The Group

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

OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020

A13. Contingent Liabilities Or Contingent Assets

Contingent liabilities of the Group comprise the following:

	As at 31.012.2020 RM'000	Audited 31.03.2020 RM'000
<u>Corporate guarantees given by the Company to financial institutions for facilities granted to subsidiaries</u>		
- Total facilities granted	3,895	3,895
- Current Exposure	1,660	1,647

A14. 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 31.12.2020 RM'000	Current financial year to-date 31.12.2020 RM'000
Rental paid to a Director	20	55
Rental paid to related parties ⁽¹⁾	181	509

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.

A15. 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.

[THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020

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 (%)
	31.12.20	31.12.19		31.12.20	31.12.19	
RM'000	Unaudited	Unaudited		Unaudited	Unaudited	
Revenue	3,088	10,470	-70.5%	19,194	41,354	-53.6%
Operating (Loss)/Profit	(3,200)	(1,076)	>100%	(1,819)	532	> -100%
(Loss)/Profit Before Interest and Tax	(3,200)	(881)	>100%	(1,918)	1,022	> -100%
(Loss)/Profit Before Tax	(3,308)	(1,027)	>100%	(2,194)	571	> -100%
Loss After tax	(3,338)	(1,118)	>100%	(2,375)	(38)	> -100%
Loss Attributable to Ordinary Equity Holders of the Parent	(3,338)	(1,118)	>100%	(2,375)	(38)	> -100%

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

The Group recorded revenue of RM3.09million for the quarter ended 31 December 2020, posted a decrease of RM7.38 million as compared to RM10.47 million in the quarter ended 31 December 2019. Lower revenue for the period under review was mainly due to decrease in revenue for restaurant segment.

Quarter on quarter, the Group’s loss before tax (“LBT”) was increase by RM2.28 million compared to the preceding year’s same quarter. This was mainly attributable to the losses incurred by restaurant segment amounting to RM1.69 million and other segment by RM0.9 million.

Gross margin has decreased from 59.3% in prior year quarter ended 31 December 2019 to 50.6% in current year quarter 31 December 2020.

Group revenue for the nine months ended 31 December 2020 stood at RM19.19 million. The revenue was RM22.16 million lower than the same period last year, which was RM41.35 million. The decrease was mainly attributable from lower sales by restaurant segment and manufacturing segment RM19.63 million and RM2.50 million respectively.

The Group recorded LBT of RM2.19 million for the nine months ended 31 December 2020 compared to profit before tax (“PBT”) of RM571,000 for the nine months ended 31 December 2019.

**OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020**

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 2020, total equity attributable to owners of the Company stood at RM46.62 million, which is 4.23% lower than RM48.68 million as at 31 March 2020.

The increases in trade and other receivables was due to the remaining sales proceeds from the sales of mooncake from Mid-Autumn Festival which was on 1st October 2020. The decrease in inventories, cash and bank balances, trade and other payables compared to the balances as at 31 March 2020 was mainly due to the reduced sales volume resulted by the pandemic.

(iii) Statement of cash flow

The net operating cash inflows from operations of the Group was RM976,000 for the nine months ended 31 December 2020 against RM4,632,000 for the corresponding period in 2019.

Net cash from investing activities of the Group was RM26,000 for the nine months ended 31 December 2020, as compared to an outflow of RM486,000 for the nine months ended 31 December 2019.

Net cash for financing activities was RM2,986,000 for nine months ended 31 December 2020. In prior year to date nine months ended 31 December 2019, total net cash for financing activities was RM3,045,000.

Cash and cash equivalent decreases by RM1,984,000 as compared with the opening cash and cash equivalent as at 1 April 2020. The total cash and cash equivalent stood at RM5,059,000 as at 31 December 2020.

[THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020

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

(B) Segmental Analysis

	Individual Quarter 3 Months ended		Change (%)	Cumulative Period ended		Change (%)
	31.12.20	31.12.19		31.12.20	31.12.19	
RM'000	Unaudited	Unaudited		Unaudited	Unaudited	
Revenue						
Restaurant	3,030	10,506	-71.2%	9,388	29,014	-67.6%
Manufacturing	58	(39)	-248.7%	9,801	12,303	-20.3%
Others	-	3	-100.0%	5	37	-86.5%
Total	3,088	10,470	-70.5%	19,194	41,354	-53.6%
(Loss)/Profit before tax						
Restaurant	(1,296)	395	- >100%	(2,541)	(1,696)	-49.8%
Manufacturing	(1,179)	(1,511)	-22.0%	1,657	1,830	-9.5%
Others	(833)	89	- >100%	(1,310)	437	- >100%
Total	(3,308)	(1,027)	- >100%	(2,194)	571	- >100%

3-month period (31.12.2020 vs. 31.12.2019)

Restaurant segment

The Group restaurant segment recorded revenue of RM3.03 million for the quarter ended 31 December 2020, which represents a decrease of 71.2% as compared to RM10.51 million in the quarter ended 31 December 2019. The material decline in revenue of food and beverage sector was mainly due to the ongoing COVIC-19 pandemic crisis.

Following the reduced sales, the bottom line turned from PBT RM395,000 in the quarter ended 31 December 2019 to LBT RM1.30 million in the quarter ended 31 December 2020.

Manufacturing segment

Manufacturing segment recorded revenue of RM58,000 for the quarter ended 31 December 2020, which represents a increase of RM97,000 as compared to negative RM39,000 in the quarter ended 31 December 2019. The revenue increase was due to the manufacturing segment had started a new product in the current quarter.

**OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020**

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

(B) Segmental Analysis (Cont'd)

3-month period (31.12.2020 vs. 31.12.2019) (Cont'd)

Other segment

Other segment recorded loss before tax of approximately RM833,000 was RM922,000 higher compared to corresponding quarter's profit before tax of RM89,000 mainly due to higher corporate expenses relating to the legal and professional fees of the corporate exercises in the current quarter.

9-month period (31.12.2020 vs. 31.12.2019)

Restaurant segment

The restaurant segment revenue was lowered by RM19.63 million as compared to the corresponding period ended 31 December 2019 was due to unprecedented disruption caused by global COVIC-19 crisis. The implementation of various movement control order by government from 18 March 2020 and stringent containment measures deployed to contain the spread of virus have had a devastating impact on restaurant segment.

As a result of disruption in business, the restaurant segment recorded LBT of RM2.54 million for the nine months ended 31 December 2020, represents higher losses of 49.8% as compared to LBT of RM1.70 million in the nine months ended 31 December 2019.

Manufacturing segment

The manufacturing segment recorded revenue of RM9.80 million for the nine months ended 31 December 2020, represents a decrease 20.3% compared to RM12.30 million in the nine months ended 31 December 2019. The fell in revenue for the corresponding period was as a consequence of lower demand in domestic and international market.

Correspondingly, the manufacturing segment registered a slightly lower PBT.

Other segment

The others segment recorded LBT of RM1.3 million mainly due to loss of positive results from associate giving a gap of RM590,000; RM500,000 legal professional fees due to corporate exercises, RM385,000 unrealised FOREX loss and RM180,000 impairment for other investment.

[THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020

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

	3 Months ended		Change (%)
	31.12.2020	30.09.2020	
RM'000	Unaudited	Unaudited	
Revenue	3,088	14,036	-78.0%
Operating (Loss)/Profit	(3,200)	3,402	-194.1%
(Loss)/Profit Before Interest and Tax	(3,200)	3,418	-193.6%
(Loss)/Profit Before Tax	(3,308)	3,334	-199.2%
(Loss)/Profit After tax	(3,338)	3,168	-205.4%
(Loss)/Profit Attributable to Ordinary Equity Holders of the Parent	(3,338)	3,168	-205.4%

The Group recorded revenue of RM3.09 million for the quarter ended 31 December 2020, representing a decrease of RM10.95 million as compared to RM14.04 million in the quarter ended 30 September 2020.

The Group PBT decreased by RM6.64 million as compared to immediate preceding quarter due to moon cake festival fall in previous quarter and the 3rd wave of spread of COVID-19 which affected the restaurant segment performance.

	3 months ended		Change (%)
	31.12.2020	30.09.2020	
RM'000	Unaudited	Unaudited	
Revenue			
Restaurant	3,030	4,339	30.2%
Manufacturing	58	9,692	> 100%
Others	-	5	100%
Total	3,088	14,036	> 100%
(Loss)/Profit before tax			
Restaurant	(1,296)	122	> 100%
Manufacturing	(1,179)	3,424	> 100%
Others	(833)	(212)	-292.9%
Total	(3,308)	3,334	> 100%

3-month period (31.12.2020 vs. 30.09.2020)

Restaurant segment

The restaurant segment posted a decrease of RM1.31 million or 30.2% in revenue as compared to previous corresponding quarter. In current quarter, the revenue of restaurant segment experienced a drop due to third wave spreading of COVID-19.

With the decreased in revenue, the restaurant segment recorded LBT of RM1.30 million. The restaurant segment has recorded a PBT of RM122,000 in the preceding quarter.

**OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020**

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

3-month period (31.12.2020 vs. 30.09.2020) (Cont'd)

Manufacturing segment

In current quarter, the manufacturing segment recorded revenue of RM58,000 and LBT of RM1.18 million, representing a decrease of RM9.63 million in revenue and decrease of RM4.60 million in bottom line as compared to previous quarter.

B3. Prospects

Restaurant Operations and Manufacturing

Whilst the Malaysian economy continues to deal with the resurgence of the COVID-19 pandemic, the expected roll out of the COVID-19 Immunisation Programme to be implemented by the Government of Malaysia have provided hope of a recovery in the year ahead. The 1st phase of the immunisation programme is scheduled to commence from 26 February 2021 for frontline workers, followed by 2nd phase from April 2021 for high-risk group and finally 3rd phase from May 2021 until February 2022 for adults above age of 18.

Restaurant Segment

The Group would continue to focus on its several initiatives taken during the containment measures of movement control orders (MCO) such as promoting take-away packages and provision of door-to-door delivery services as an additional source of business in the future. Moving forward, with the completion of the private placement as well as the ongoing share split exercise and in addition the proposed issuance of warrants, the proceeds from these corporate exercises would drive this particular segment's expansion plan to set up new outlets including refurbishment of existing outlets exercise in 2021.

Manufacturing Segment

At the same time, the Group is also focusing on growing its manufacturing segment by increasing the contribution of non-seasonal food products through the introduction of western cookies thus enabling possible departure from mainstream manufacturing of mooncake, henceforth reducing reliance on a sole income generator. Although the contribution from mooncake products are expected to remain supported in 2021, the industry in Malaysia is expected to continue to be hampered by a depressed market environment in the next quarters.

The Group remains cautiously optimistic for the year ahead and shall be mindful of cost control. The Group believes that the sustained efforts in driving operational improvements throughout its operation would allow the Group to continue delivering value to its shareholders.

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.

OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020

B5. Taxation

	Current financial quarter ended 31.12.2020 RM'000	Current financial year to-date 31.12.2020 RM'000
Income tax:-		
Current period	30	181

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.

B6. Notes To The Statement of Comprehensive Income

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

	Current financial quarter ended 31.12.2020 RM'000	Current financial year to-date 31.12.2020 RM'000
Interest income	(15)	(69)
Other income including investment income	(1,161)	(3,526)
Reversal of impairment loss on amount owing by associates	-	(62)
Reversal of impairment loss of property, plant and equipment	(80)	(301)
Bad debt written off on amount owing by associates	-	62
Depreciation and amortization	1,267	3,926
Interest expenses	108	276
Loss on disposal of property, plant and equipment	43	149
Impairment for investment in other investment	181	181

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 2020.

B7. Status Of Corporate Proposals Announced But Not Yet Completed

On 12 January 2021, the Company announced multiple proposal which includes share split and bonus issue of up to 442,377,000 warrants on the basis of 1 warrant for every 2 shares. On 15 January 2021, notice of Extraordinary General Meeting (EGM) was given and on 18 January 2021, the circular on this were released.

On 2 February 2021, the EGM was held and the proposed share split and bonus issue of warrant were approved by the shareholders.

On 9 February 2021, the Company announced the ex-date and entitlement date for the share split, which will be on 23 February 2021 and 24 February 2021 respectively.

OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020

B7. Status Of Corporate Proposals Announced But Not Yet Completed (Cont'd)

On 17 February 2021, the Company announced the details of the bonus issue of free warrants. Ex-date and entitlement date is on 2 March 2021 and 3 March 2021 respectively. The exercise price of the Warrants was fixed at RM0.16 per Warrant.

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 2020			
Term loan	58	1,179	1,237
Lease liabilities on right-of-use assets	848	478	1,326
	<hr/>	<hr/>	<hr/>
Total Borrowing	906	1,657	2,563
	<hr/>	<hr/>	<hr/>
as at 31 December 2019			
Term loan	58	1,185	1,243
Lease liabilities on right-of-use assets	3,363	902	4,265
	<hr/>	<hr/>	<hr/>
	3,421	2,087	5,508
	<hr/>	<hr/>	<hr/>

The decrease in term loan as at 31 December 2020 compared to 31 December 2019 was due to repayment of facilities. Following the adoption of MFRS16, the hire purchase balances are classified to lease liabilities on right-of-use. 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.

B10. Dividends

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

[THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020

B11. Losses Per Share

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year to Date Ended	Preceding Year Corresponding Period Ended
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
LOSSES PER SHARE				
Loss for the period attributable to owners of the company	(3,338)	(1,118)	(2,375)	(38)
Weighted average number of ordinary shares in issue ('000)	242,515	242,515	242,515	242,515
Losses per share (sen)	(1.38)	(0.46)	(0.98)	(0.02)

[THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]