

OVERSEA ENTERPRISE BERHAD (317155-U)**UNAUDITED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2021**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year to Date Ended	Preceding 6 Months Corresponding Period Ended
	30-Sep-21 RM'000	30-Sep-20 RM'000	30-Sep-21 RM'000	30-Sep-20 RM'000
Revenue	12,592	14,036	17,542	16,106
Cost of sales	(6,145)	(5,818)	(9,356)	(6,879)
Gross profit	6,447	8,218	8,186	9,227
Other operating income	509	1,506	1,028	2,150
Administration expenses	(1,387)	(1,339)	(2,881)	(2,110)
Selling and Distribution expenses	(3,472)	(4,983)	(6,179)	(7,886)
Operating profit	2,097	3,402	154	1,381
Share of results in associates	-	16	-	(98)
Profit before interest and tax	2,097	3,418	154	1,283
Finance costs	(45)	(84)	(77)	(169)
Profit before taxation	2,052	3,334	77	1,114
Income tax	(204)	(166)	(195)	(151)
Profit/(Loss) after taxation	1,848	3,168	(118)	963
Other comprehensive (expenses)/income				
Fair value changes of equity investments	(1)	(3)	(5)	4
Foreign currency translation differences	-	133	-	175
Total comprehensive income/(expenses)	1,847	3,298	(123)	1,142
Profit/(Loss) attributable to:				
Owners of the Company	1,848	3,168	(118)	963
Total comprehensive incomes/(expenses) attributable to:				
Owners of the Company	1,847	3,298	(123)	1,142
Weighted average ordinary shares in issue ('000)	873,054	242,515	873,054	242,515
Earnings/(Losses) per share (sen):				
- Basic	0.21	1.31	(0.01)	0.40

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 2021 and the accompanying explanatory notes attached to this interim financial report.

OVERSEA ENTERPRISE BERHAD (317155-U)
UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

	UNAUDITED	AUDITED
	As at	As at
	30-Sep-21	31-Mar-21
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	25,815	25,702
Investment properties	4,850	4,850
Right-of-use assets	19,580	20,177
Other investments	372	377
Intangible assets	82	79
Long-term receivables	62	70
	<u>50,761</u>	<u>51,255</u>
Current Assets		
Inventories	4,249	3,919
Trade and other receivables	10,007	1,957
Tax refundable	221	238
Short-term investment with financial institutions	19	19
Deposits, bank and cash balances	16,014	19,850
	<u>30,510</u>	<u>25,983</u>
TOTAL ASSETS	<u>81,271</u>	<u>77,238</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	67,782	67,782
Reserves	(4,533)	(4,410)
Total equity	<u>63,249</u>	<u>63,372</u>
Non-current liabilities		
Long-term borrowings	1,107	1,141
Lease liabilities	239	370
Deferred tax liabilities	6,945	7,027
	<u>8,291</u>	<u>8,538</u>
Current Liabilities		
Trade and other payables	9,087	4,486
Current tax liabilities	173	58
Short-term borrowings	78	77
Lease liabilities	393	707
	<u>9,731</u>	<u>5,328</u>
Total liabilities	<u>18,022</u>	<u>13,866</u>
TOTAL EQUITY AND LIABILITIES	<u>81,271</u>	<u>77,238</u>
Net Assets Per Share Attributable to ordinary equity holders of the Company (RM)	0.07	0.07

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 2021 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 SEPTEMBER 2021

	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 2021	67,782	(74)	(836)	21,711	(186)	(25,025)	63,372
Loss after taxation	-	-	-	-	-	(118)	(118)
Other comprehensive expenses:							
- fair value changes of equity instruments	-	(5)	-	-	-	-	(5)
Total other comprehensive income/expense	-	(5)	-	-	-	(118)	(123)
Amortisation of revaluation reserve	-	-	-	(156)	-	156	-
Balance as at 30 September 2021	67,782	(79)	(836)	21,555	(186)	(24,987)	63,249
Balance as at 1 April 2020	50,321	(83)	(836)	17,396	(496)	(17,620)	48,682
Loss after taxation	-	-	-	-	-	(7,684)	(7,684)
Other comprehensive expense:							
- revaluation of property, plant and equipment	-	-	-	4,691	-	-	4,691
- remeasurement of deferred tax on revalued property, plant and equipment arising from change in tax rates of real property gains tax	-	-	-	(97)	-	-	(97)
- fair value changes of equity instruments	-	9	-	-	-	-	9
- Foreign currency translation differences	-	-	-	-	310	-	310
Total other comprehensive expenses	-	9	-	4,594	310	(7,684)	(2,771)
Contribution by and distribution to owners of the Company:							
- Issuance of shares	17,461	-	-	-	-	-	17,461
Total transaction with owners	17,461	-	-	-	-	-	17,461
Amortisation of revaluation reserve	-	-	-	(279)	-	279	-
Balance as at 31 March 2021	67,782	(74)	(836)	21,711	(186)	(25,025)	63,372

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 2021 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 30 SEPTEMBER 2021

	Current Year to Date Ended 30 September 2021 RM'000	Preceding Year to Date Ended 30 September 2020 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit before taxation	77	1,114
Adjustments for:-		
Amortisation of intangible assets	6	9
Bad debts written off on amount owing by associates	-	62
Bad debts written off on deposits and other receivables	390	-
Depreciation of:		
- property, plant & equipment	877	894
- right-of-use assets	383	1,756
Interest expense	62	169
Loss on disposal of:		
- property, plant and equipment	-	106
- other investment	144	-
Share of loss in associates, net of income tax expense	-	99
Interest income	(129)	(54)
Reversal of impairment loss on:		
- property, plant and equipment	-	(221)
- amount owing by associates	-	(62)
- other receivables	(390)	-
- other investment	(144)	-
Operating loss before working capital changes	1,276	3,872
(Increase)/Decrease in inventories	(329)	588
Increase in trade and other receivables	(8,042)	(6,942)
Increase in trade and other payables	4,601	4,413
CASH FOR OPERATIONS	(2,494)	1,931
Income tax paid	(147)	(241)
NET CASH (FOR)/FROM OPERATING ACTIVITIES	(2,641)	1,690
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
Interest received	129	54
Repayment from related parties	-	16
Additional of intangible assets	(10)	(13)
Placement of deposits pledged with licensed banks	(1)	(2)
Purchase of property, plant and equipment	(775)	(77)
Proceeds from disposal of property, plant and equipment	-	5
NET CASH FOR INVESTING ACTIVITIES	(657)	(17)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Interest paid	(62)	(142)
Repayment of hire purchase obligations	(45)	-
Repayment of term loans	(33)	-
Repayment of lease liabilities on right-of-use assets	(399)	(1,834)
NET CASH FOR FINANCING ACTIVITIES	(539)	(1,976)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,837)	(303)
EFFECT OF FOREIGN EXCHANGE TRANSLATION	-	177
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	19,443	6,731
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	15,606	6,605
CASH AND CASH EQUIVALENTS COMPRISES:-		
Short-term investment with financial institution	19	20
Short term and fixed deposits with licensed banks	13,448	1,887
Cash and bank balances	2,566	5,119
	16,033	7,026
Less :		
Deposits pledged to licensed banks	(427)	(421)
	15,606	6,605

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 2021 and the accompanying explanatory notes attached to this interim financial report.

**OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021**

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 2021 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
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 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	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 FIRST QUARTER ENDED 30 SEPTEMBER 2021**

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 2021 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.

OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021

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 30 September 2021						
Revenue from						
External customers	1,332	-	11,260	-	-	12,592
Inter-segment revenue	28	-	7,833	5	(7,866)	-
Total revenue	1,360	-	19,093	5	(7,866)	12,592
(Loss)/Profit before taxation	(1,365)	-	3,539	(122)	-	2,052
Income tax						(204)
Profit after taxation						1,848
Other comprehensive expense						(1)
Total comprehensive income						1,847
6 months ended 30 September 2021						
Revenue from						
External customers	3,659	-	13,883	-	-	17,542
Inter-segment revenue	71	-	7,834	10	(7,915)	-
Total revenue	3,730	-	21,717	10	(7,915)	17,542
(Loss)/Profit before taxation	(2,729)	-	3,147	(341)	-	77
Income tax						(195)
Loss after taxation						(118)
Other comprehensive expense						(5)
Total comprehensive expense						(123)

*Note: Comprises Ipoh Group Limited (Hong Kong)

OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021

A9. Segmental Information (Cont'd)

Segmental Reporting

	Restaurant		Manufacturing	Others	Eliminations	Consolidated
	Malaysia	Foreign*				
	RM' 000	RM' 000				
3 months period ended 30 September 2020						
Revenue from						
External customers	4,259	80	9,692	5	-	14,036
Inter-segment revenue	61	-	6,442	6	(6,509)	-
Total revenue	4,320	80	16,134	11	(6,509)	14,036
Profit/(Loss) before taxation	97	(349)	3,424	1	161	3,334
Income tax						(166)
Profit after taxation						3,168
Other comprehensive income						130
Total comprehensive income						3,298
6 months ended 30 September 2020						
Revenue from						
External customers	5,982	376	9,743	5	-	16,106
Inter-segment revenue	104	-	6,443	11	(6,558)	-
Total revenue	6,086	376	16,186	16	(6,558)	16,106
(Loss)/Profit before taxation	(1,302)	(326)	2,745	(242)	239	1,114
Income tax						(151)
Profit after taxation						963
Loss comprehensive income						179
Total comprehensive income						1,142

*Note: Comprises Ipoh Group Limited (Hong Kong)

	Restaurant		Manufacturing	Others	Eliminations	Consolidated
	Malaysia	Foreign*				
	RM' 000	RM' 000				
As at 30 September 2021						
Segmented assets	47,063	50	20,169	13,768	-	81,050
Unallocated assets						221
						81,271
As at 30 September 2020						
Segmented assets	32,641	194	32,699	1,381	-	66,915
Unallocated assets						261
						67,176

*Note: Comprises Ipoh Group Limited (Hong Kong)

OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021

A10. Valuation Of Property, Plant and Equipment

There was 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

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

A12. Changes In Composition Of The Group

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

A13. Contingent Liabilities Or Contingent Assets

Contingent liabilities of the Group comprise the following:

	As at 30.09.2021 RM'000	Audited 31.03.2021 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	1,612	1,645

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 30.09.2021 RM'000	Current financial year to-date 30.09.2021 RM'000
Rental paid to a Director	18	38
Rental paid to related parties ⁽¹⁾	164	345

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.

OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021

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 (%)
	30.09.21	30.09.20		30.09.21	30.09.20	
RM'000	Unaudited	Unaudited		Unaudited	Unaudited	
Revenue	12,592	14,036	-10.3%	17,542	16,106	8.9%
Operating Loss	2,097	3,402	-38.4%	154	1,381	-88.8%
Profit Before Interest and Tax	2,097	3,418	-38.6%	154	1,283	-88.0%
Profit Before Tax	2,052	3,334	-38.5%	77	1,114	-93.1%
Profit/(Loss) After tax	1,848	3,168	-41.7%	(118)	963	-112.3%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	1,848	3,168	-41.7%	(118)	963	-112.3%

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

The Group recorded revenue of RM12.59million for the quarter ended 30 September 2021, posted a decrease of RM1.44 million as compared to RM14.04 million in the quarter ended 30 September 2020. Lower revenue for the period under review was mainly due to decrease in revenue for restaurant segment.

Quarter on quarter, the Group's profit before tax ("PBT") was consistent as compared to the preceding year's same quarter. Slight improvement was seen from manufacturing segment.

Gross margin has decreased from 58.5% in prior year quarter ended 30 September 2020 to 51.2% in current year quarter ended 30 September 2021.

Group revenue for the six months ended 30 September 2021 stood at RM17.54 million. The revenue was RM1.44 million higher than the same period last year, which was RM16.11 million. Restaurant segment registered a drop in sales of RM2.70 million and manufacturing segment registered an increase in sales of RM4.14 million.

The Group recorded PBT of RM77,000 for the six months ended 30 September 2021 compared to RM1.11 million for the six months ended 30 September 2020.

Gross margin has decreased from 57.3% in prior year six months ended 30 September 2020 to 46.7% in current year six months ended 30 September 2021.

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**OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021**

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 30 September 2021, total equity attributable to owners of the Company stood at RM63.25 million, which is 0.19% lower than RM63.37 million as at 31 March 2021.

The increase in trade and other receivables, trade and other payables compared to the balances as at 31 March 2021 was mainly due to the Mid-Autumn operation has just ended towards the end of September 2021.

(iii) Statement of cash flow

The net operating cash outflows for operations of the Group was RM2,641,000 for the six months ended 30 September 2021 against net operating cash outflows from operations of RM1,690,000 for the corresponding period in 2020.

Net cash for investing activities of the Group was RM657,000 for the three months ended 30 September 2021 and RM17,000 for the three months ended 30 September 2020.

Net cash for financing activities was RM539,000 for six months ended 30 September 2021, as compared to RM1,976,000 for the six months ended 30 September 2020.

Cash and cash equivalent decreases by RM3,837,000 as compared with the opening cash and cash equivalent as at 1 April 2021. The total cash and cash equivalent stood at RM16,033,000 as at 30 September 2021.

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OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021

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

(B) Segmental Analysis

	Individual Quarter 3 Months ended		Change (%)	Cumulative Period ended		Change (%)
	30.09.21	30.09.20		30.09.21	30.09.20	
RM'000	Unaudited	Unaudited		Unaudited	Unaudited	
Revenue						
Restaurant	1,332	4,339	-69.3%	3,659	6,358	-42.5%
Manufacturing	11,260	9,692	16.2%	13,883	9,743	42.5%
Others	-	5	-100.0%	-	5	-100.0%
Total	12,592	14,036	-10.3%	17,542	16,106	8.9%
(Loss)/Profit before tax						
Restaurant	(1,365)	122	-1218.9%	(2,729)	(1,245)	-119.2%
Manufacturing	3,539	3,424	3.4%	3,147	2,734	15.1%
Others	(122)	(212)	-42.5%	(341)	(375)	-9.1%
Total	2,052	3,334	-38.5%	77	1,114	-93.1%

3-month period (30.09.2021 vs. 30.09.2020)

Restaurant segment

The Group restaurant segment recorded revenue of RM1.33 million for the quarter ended 30 September 2021, which represents a decrease of 69.3% as compared to RM4.34 million in the quarter ended 30 September 2020. The significant decrease in revenue of restaurant segment was mainly due to the ongoing COVIC-19 pandemic crisis.

The bottom line turned from PBT RM122,000 for quarter ended 30 September 2020 to LBT RM1.37 million in the quarter ended 30 September 2021.

Manufacturing segment

Manufacturing segment recorded revenue of RM11.26 million for the quarter ended 30 September 2021, which represents a 16.2% increase as compared to RM9.69 million in the quarter ended 30 September 2020. The revenue increase was due to the manufacturing segment is able to leverage the use of digitalisation in marketing strategies, which enable the Group to maneuver through the crisis.

In tandem with the increase in revenue, the PBT of manufacturing segment has improved by RM115,000 compared to last year same quarter.

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OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021

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

(B) Segmental Analysis (Cont'd)

6-month period (30.09.2021 vs. 30.09.2020)

Restaurant segment

The Group restaurant segment recorded revenue of RM3.66 million for the six months ended 30 September 2021, which represents a decrease of 42.5% as compared to RM6.36 million in the six months ended 30 September 2020. The significant decrease in revenue of restaurant segment was mainly due to the ongoing COVIC-19 pandemic 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 RM2.73 million for the six months ended 30 September 2021, which is RM1.48 million higher as compared to LBT of RM1.25 million in the six months ended 30 September 2020.

Manufacturing segment

The manufacturing segment recorded revenue of RM13.88 million for the six months ended 30 September 2021, represents an increase 42.5% compared to RM9.74 million in the six months ended 30 September 2020. The increase in revenue for the corresponding period was as a consequence of higher demand in domestic and international market.

Correspondingly, the manufacturing segment registered an improved PBT.

OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021

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

	3 Months ended		Change (%)
	30.09.2021	30.06.2021	
RM'000	Unaudited	Unaudited	
Revenue	12,592	4,951	154.3%
Operating Profit/(Loss)	2,097	(1,943)	-207.9%
Profit/(Loss) Before Interest and Tax	2,097	(1,943)	-207.9%
Profit/(Loss) Before Tax	2,052	(1,975)	-203.9%
Profit/(Loss) After tax	1,848	(1,966)	-194.0%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	1,848	(1,966)	-194.0%

The Group recorded revenue of RM12.59 million for the quarter ended 30 September 2021, representing an increase of RM7.64 million as compared to RM4.95 million in the quarter ended 30 June 2021.

The Group's bottom line turned from LBT RM1.98 million for quarter ended 30 September 2020 to PBT RM2.05 million in the quarter ended 30 September 2021.

	3 months ended		Change (%)
	30.09.2021	30.06.2021	
RM'000	Unaudited	Unaudited	
Revenue			
Restaurant	1,332	2,327	42.8%
Manufacturing	11,260	2,624	>100%
Others	-	-	#DIV/0!
Total	12,592	4,951	-154.3%
Loss before tax			
Restaurant	(1,365)	(1,364)	-0.1%
Manufacturing	3,539	(392)	1002.8%
Others	(122)	(219)	44.3%
Total	2,052	(1,975)	203.9%

3-month period (30.09.2021 vs. 30.06.2021)

Restaurant segment

The restaurant segment posted a decrease of RM1.00 million or 42.8% in revenue as compared to previous quarter. In current quarter, the revenue of restaurant segment experienced a significant decrease due to the spread of COVID-19 and the re-implementation of various movement control order by government beginning June 2021.

The restaurant segment recorded LBT of RM1.37 million in the current quarter of 30 September 2021 which is consistent with the quarter ended 30 June 2021.

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

3-month period (30.09.2021 vs. 30.06.2021) (Cont'd)

Manufacturing segment

In current quarter, the manufacturing segment recorded revenue of RM11.26 million and PBT of RM3.54 million, representing an increase of RM8.64 million in revenue and increase of RM3.93 million in bottom line as compared to previous quarter.

B3. Prospects

Restaurant Operations and Manufacturing

The COVID-19 pandemic severely impacted the business operations of the Group as a result of containment measures taken by the Government of Malaysia to defray the spread of pandemic such as travel bans and closure of non-essential business amongst other things. Whilst there is still uncertainty in the surge of number of COVID-19 cases, the roll out of the national vaccination program is expected to pave the way for recoveries in post pandemic. The Group would continue to work with its strategic partner to manoeuvre through this challenging time. The synergistic partnership allows both parties to leverage on each other's expertise to achieve its objectives.

The Group shall continue to implement its expansion program as well as strengthening its capability to tap into new segment of markets that had been accelerated by the pandemic namely, towards lifestyle digitisation. These exercises include expansions of new restaurants, upgrading of its manufacturing capabilities, digital transformation encompassing leveraging on the latest technologies, complementing existing business through strategic acquisitions or investment to promote growth.

The Group is cautiously optimistic that with implementation of good planning and strategies, the Group will emerge stronger in its industry to future-proof the Group and achieve long-term sustainable growth.

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 30.09.2021 RM'000	Current financial year to-date 30.09.2021 RM'000
Income tax:-		
Current period	(204)	(195)

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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B6. Notes To The Statement of Comprehensive Income

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

	Current financial quarter ended 30.09.2021 RM'000	Current financial year to-date 30.09.2021 RM'000
Interest income	(59)	(129)
Other income including investment income	(449)	(899)
Depreciation and amortization	631	1,266
Interest expenses	30	62
Impairment loss on other investment	(144)	(144)
Bad debts written off on deposits and other receivables	390	390
Reversal of impairment loss on other receivables	(390)	(390)

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 2021.

B7. Status Of Corporate Proposals Announced But Not Yet Completed

On 28 July 2021, the Company proposed to undertake the following:-

- (i) Proposed Private Placement of up to 396,384,000 new ordinary shares, representing thirty percent (30%) of the total number of issued shares of the Company ("Placement Shares").
- (ii) Proposed renounceable rights issue of up to 1,717,664,991 new Shares ("Rights Shares") together with up to 572,554,997 free detachable warrants in the Company ("Warrants B") on the basis of 3 Rights Shares together with 1 free Warrants B for every 3 existing Shares held by the entitled shareholders on an entitlement date to be determined.

Further to the Company's announcement on 28 July 2021, the Company announced on 8 October 2021 that the Company has obtained written approval from Bursa Securities on the multiple proposals. The Company obtained shareholders' approval to proceed with the multiple proposals at an Extraordinary General Meeting held on 1 November 2021.

The Company had on 11 November 2021 ("Price Fixing Date") fixed the issue price for the placement of 261,916,000 Placement Shares, being the first and final tranche of the Private Placement, at RM0.0737 per Placement Share ("Issue Price"). The Issue Price represents a discount of 19.98% to the 5-day VWAP of the Shares up to and including 10 November 2021 of RM0.0921, being the last market day immediately preceding the Price-fixing Date.

On 18 November 2021, the Company has allotted 261,916,000 shares to Mr. Lim Kon Lian at RM0.0737 per share and that the shares were listed on Bursa Securities on 19 November 2021. Following the listing of placement shares, total unit of ordinary shares of the Company increase to 1,146,670,000 units. With that, marks the completion of the private placement proposal.

As at the date of the report, the Company has yet to complete the proposed rights issue.

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B8. Status Of Utilisation of Proceeds

(i) Private Placement – 20%

On 12 November 2021, the Company proposed to undertake a private placement of up to 48,503,000 new ordinary shares, representing twenty percent (20%) of the total number of issued shares of the Company.

On 19 February 2021, the Company completed the said private placement exercise which involved the issuance of 48,503,000 new Shares (representing 20% of the then existing total number of issued Shares (excluding treasury shares) before the private placement), raising a total of RM17.46 million.

The said proceeds have been utilised as follows:-

Utilisation of proceeds	Intended timeframe for utilisation from 19 February 2021	Actual proceeds raised RM'000	Amount utilised as at the LPD RM'000	Balance unutilised RM'000
(i) Refurbishment of existing outlets	Within 24 months	12,000	-	(¹)12,000
(ii) Working capital	Within 24 months	5,070	5,070	-
(iii) Expenses for the private placement	Immediate	391	391	-
Total		17,461	5,461	12,000

(ii) Private Placement – 30%

On 28 July 2021, the Company proposed to undertake the following:-

- (iii) Proposed Private Placement of up to 396,384,000 new ordinary shares, representing thirty percent (30%) of the total number of issued shares of the Company (“Placement Shares”).
- (iv) Proposed renounceable rights issue of up to 1,717,664,991 new Shares (“Rights Shares”) together with up to 572,554,997 free detachable warrants in the Company (“Warrants B”) on the basis of 3 Rights Shares together with 1 free Warrants B for every 3 existing Shares held by the entitled shareholders on an entitlement date to be determined.

With the completion of the Private Placement 30% on 18 November 2021, the Company raised a total proceed of RM19.30 million and the fund had not been utilized.

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B9. 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 September 2021			
Term loan	78	1,107	1,185
Lease liabilities	393	239	632
	<hr/>	<hr/>	<hr/>
Total Borrowing	471	1,346	1,817
	<hr/>	<hr/>	<hr/>
As at 31 March 2021 (Audited)			
Term loan	77	1,141	1,218
Lease liabilities	707	370	1,077
	<hr/>	<hr/>	<hr/>
	784	1,511	2,295
	<hr/>	<hr/>	<hr/>

The decrease in term loan as at 30 June 2021 compared to 31 March 2021 was due to repayment of facilities. Following the adoption of MFRS16, the hire purchase balances are classified to lease liabilities. The Group's borrowing and debts securities are denominated in RM.

B10. Material Litigation

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

B11. Dividends

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

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B12. 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
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RM'000	RM'000	RM'000	RM'000
LOSSES PER SHARE				
/Profit/(Loss) for the period attributable to owners of the company	1,848	3,168	(118)	963
Weighted average number of ordinary shares in issue ('000)	873,054	242,515	873,054	242,515
Earnings/(Losses) per share (sen)	0.21	1.31	(0.01)	0.40
Diluted Earnings/(Losses) per share (sen)	0.21	N/A	(0.01)	N/A