

OVERSEA ENTERPRISE BERHAD (317155-U)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2011

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year to Date Ended	Preceding Year Corresponding Period Ended
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
Revenue	13,985	12,194	32,772	30,842
Cost of sales	(5,899)	(5,542)	(13,761)	(13,588)
Gross profit	8,086	6,652	19,011	17,254
Other operating income	1,437	988	3,221	2,627
Administration and other operating expenses	(1,638)	(2,090)	(3,602)	(4,409)
Selling and Distribution expenses	(8,164)	(6,605)	(16,677)	(14,262)
Finance costs	(97)	(120)	(199)	(262)
(Loss)/Profit before tax	(376)	(1,175)	1,754	948
Income tax expense	(158)	320	(707)	(268)
(Loss)/Profit after tax	(534)	(855)	1,047	680
Other comprehensive (expenses)/income	(175)	(47)	(319)	82
Total comprehensive (expenses)/income	(709)	(902)	728	762
(Loss)/Profit attributable to:				
Equity holders of the Company	(534)	(855)	1,047	680
Total comprehensive (expenses)/income attributable to:				
Equity holders of the Company	(709)	(902)	728	762
Weighted average no. of ordinary shares in issue ('000)	245,000	245,000	245,000	218,593
(Loss)/Earnings per share (sen):				
- Basic	(0.22)	(0.35)	0.43	0.31

Notes:

N/A Not Applicable

- (i) Basic earnings per share for the quarter and financial period is calculated based on the net 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 Report for the financial year ended 31 December 2010 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 2011

	UNAUDITED As at 31 June 2011 RM'000	AUDITED As at 31 December 2010 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	29,520	29,263
Investment properties	7,722	7,723
Other Investments	195	1,021
Intangible assets	271	71
Goodwill on consolidation	92	92
Long-term receivables	186	250
	<u>37,986</u>	<u>38,420</u>
Current Assets		
Inventories	6,754	5,347
Trade and other receivables	5,246	5,904
Tax refundable	2,577	2,322
Deposits, bank and cash balances	15,082	14,460
	<u>29,659</u>	<u>28,033</u>
Total Assets	<u>67,645</u>	<u>66,453</u>
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of The Company		
Share capital	49,000	49,000
Reserves	3,720	2,993
Shareholders' Funds	<u>52,720</u>	<u>51,993</u>
Minority Interests	-	-
Total equity	<u>52,720</u>	<u>51,993</u>
Non-current liabilities		
Hire purchase creditors	33	74
Term Loans	1,579	1,859
Deferred taxation	648	648
	<u>2,260</u>	<u>2,581</u>
Current Liabilities		
Trade and other payables	9,202	8,431
Hire purchase creditors	103	122
Bank overdrafts	0	16
Term loans	3,272	3,310
Tax payables	88	-
	<u>12,665</u>	<u>11,879</u>
Total liabilities	14,925	14,460
Total equity and liabilities	<u>67,645</u>	<u>66,453</u>
 Net Assets Per Share Attributable to ordinary equity holders of the Company (RM)	 0.22	 0.21

Note:-

- (i) The unaudited condensed statement of financial position should be read in conjunction with the annual audited account for the financial year ended 31 December 2010 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 2011

Group	Attributable to equity holders of the Company				
	Share Capital	Non-Distributable Share Premium	Fair Value Reserve	Foreign Currency Translation Reserve	Distributable Retained Profits
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2011	49,000	1,039	369	(1)	1,586
Net profit for the period	-	-	-	-	1,047
Total other comprehensive expenses	-	-	(319)	-	-
Balance as at 30 June 2011	49,000	1,039	50	(1)	2,633
Balance as at 1 January 2010					
- As previously stated	37,620	-	-	-	1,910
- Effects of adopting FRS 139	-	-	(41)	-	-
- As restated	37,620	-	(41)	-	1,910
Public Issue	11,380	1,707	-	-	-
Less: Listing expenses	-	(668)	-	-	-
Net profit for the period	-	-	-	-	680
Total other comprehensive income	-	-	82	-	-
Balance as at 30 June 2010	49,000	1,039	41	-	2,590

OVERSEA ENTERPRISE BERHAD (317155-U)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASHFLOWS
FOR THE SECOND QUARTER ENDED 30 JUNE 2011

	Current Year to Date Ended 30 June 2011	Current Year to Date Ended 30 June 2010
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,754	948
Adjustments for Non Cash Items	1,098	1,545
Operating profit before working capital changes	2,852	2,493
Increase in inventories	(1,407)	(1,195)
Decrease in trade and other receivables	723	1,471
Increase in trade and other payables	896	(2,583)
Net cash from operations	3,064	186
Tax paid	(874)	(1,212)
Net cash used in operating activities	2,190	(1,026)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	127	60
Payment for intangibles assets	(223)	(73)
Proceeds from disposal of property, plant and equipment	-	3
Purchase of property, plant and equipment	(1,716)	(337)
Proceeds from disposal of other investment	963	-
Net cash used in investing activities	(849)	(347)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment to directors	(125)	(8)
Interest paid	(200)	(142)
Repayment of hire purchase obligations	(59)	(57)
Repayment of term loan	(319)	(2,135)
Proceed from issuance of share	-	12,418
Net cash from financing activities	(703)	10,076
Net increase in cash and cash equivalents	638	8,703
Cash and cash equivalents at beginning of the period	14,444	8,395
Cash and cash equivalents at end of the period	15,082	17,098
Cash and cash equivalents comprises :-		
Short term and fixed deposits with licensed banks	11,522	14,382
Cash and bank balances	3,560	3,176
Bank overdraft	-	(460)
	15,082	17,098

Notes:-

N/A Not Applicable

- (i) The unaudited condensed consolidated statements of cash flow should be read in conjunction with the Annual Report for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to this interim financial report.

**OVERSEA ENTERPRISE BERHAD (317155-U)
 QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2011**

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 FRS 134: Interim Financial Reporting and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The accounting policies and methods of computation adopted by Oversea Enterprise Berhad (“Oversea” or the “Company”) and its subsidiaries (“Group”) for these interim financial statements are in compliance with the new and revised FRSs issued by the Malaysian Accounting Standards Board.

The interim financial statements should be read in conjunction with the audited financial statement for year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial report.

A2. Adoption Of New And Revised Accounting Policies

The accounting policies and methods of computation adopted by the Group in these condensed consolidated interim financial statements are consistent with those adopted in the condensed consolidated financial statements for the year ended 31 December 2010, except for adoption of the following new/revised FRSs effective for financial period beginning 1 July 2010 and 1 January 2011:

(a) FRS

FRS 1 (Revised)	First-time Adoption of Financial Reporting Standards
FRS 3 (Revised)	Business Combinations
FRS 127 (Revised)	Consolidated and Separate Financial Statements

(b) Amendments to FRSs

Amendment to FRS 1 (Revised)	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 2	Scope of FRS 2 and FRS 3 (Revised)
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 5	Plan to Sell the Controlling Interest in a Subsidiary
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 138	Consequential Amendments Arising from FRS 3 (Revised)

(c) IC Interpretations

IC Interpretation 4	Determining Whether an Arrangement Contain a Lease
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distribution of Non-cash Assets to Owners
IC Interpretation 18	Transfer of Assets from Customers

**OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2011**

- (d) Amendments to FRSs contained in the documents entitled "Annual Improvement to FRSs (2010)"

The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operation except as follows:-

- (i) FRS 3 (Revised) introduces significant changes to the accounting for business combinations, both at the acquisition date and post-acquisition, and requires greater use of fair values. In addition, all transaction costs, other than share and debt issue costs, will be expensed as incurred.
- (ii) FRS 127 (Revised) requires accounting for changes in ownership interests by the group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or losses attributable to the minority interest to be absorbed by the minority interest instead of by the parent.

The application of the above FRSs, Amendments to FRSs and Interpretation did not result in any significant changes in the accounting policies and presentation of the financial result of the Group.

A2. 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 December 2010 were not subject to any qualification.

A3. Seasonal Or Cyclical Factors

Save for the slight increase in banquet operation which normally peak from October to March, the operations of the Group were not materially affected by any seasonal or cyclical factors in the current financial quarter under review.

A4. 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.

A5. 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.

A6. Changes In Debt and Equity Securities

There were no issuance 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.

A7. Dividend Paid

There were no dividends paid in the current financial year to date.

OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2011

A8. Segmental Information

The Group is organized into the following operating segments:-

- a) Restaurant
- b) Manufacturing 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

Period ended 30 June 2011	Restaurant		Manufacturing	Others	Eliminations	Consolidated
	Malaysia	Singapore				
	RM' 000	RM' 000				
Revenue from						
External customers	28,622	3,580	570	-	-	32,772
Inter-segment revenue	57	-	473	1,183	(1,713)	-
Total revenue	28,679	3,580	1,043	1,183	(1,713)	32,772
Profit/(Loss) before taxation	2,626	19	(708)*	(183)		1,754
Income tax expenses						(707)
Profit after taxation						1,047
Other Comprehensive Expenses						(319)
Total Comprehensive Income						728
Segmented assets	42,703	4,372	13,087	4,907		65,069
Unallocated assets						2,576
						67,645

Note:- * The loss was mainly due to the fixed costs i.e. depreciation costs and staff costs of three (3) of its subsidiaries

A9. Valuation Of Property, Plant and Equipment

There was no valuation of the property, plant and equipment in the current financial quarter under review.

A10. Capital Commitments

Non-cancellable lease commitments of the Group as at 30 June 2011 is as follows:-

	RM'000
Current:	
- within one year	3,487
Non-current:	
- between one and two years	2,213
- between two and five years	1,165

OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2011

A11. Material Events Subsequent To The End Of The Current Financial Quarter

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

A12. Changes In Composition Of The Group

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

A13. Contingent Liabilities Or Contingent Assets

Contingent liabilities of the Group comprise the following:

	30.06.11	30.06.10
	RM'000	RM'000
Corporate guarantees given by the Company to financial institutions for facilities granted to subsidiaries		
- Total facilities granted	8,243	-
- Current Exposure	2,027	-

A14. Significant Related Party Transactions

The Group had 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	Financial year
	quarter	to date
	RM'000	RM'000
Rental paid to Director	25	50
Rental received from related parties ⁽¹⁾	*	1
Rental paid to related parties ⁽¹⁾	242	485

Notes:

⁽¹⁾ These companies are owned by some directors who are also substantial shareholders of Oversea Enterprise Berhad.
 * Amount is less than RM1,000

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

**OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2011**

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

B1. Review Of Performance

For the six months ended 30 June 2011 the Group recorded revenue of RM32.77 million and profit before tax of RM1.75 million as compared to RM30.84 million and RM0.95 million in the preceding year ended 30 June 2010 respectively. The Group's revenue for the current quarter under review of RM14 million was 14.7% higher compared to the preceding year corresponding quarter of RM12.2 million. The overall higher revenue was mainly due to higher sales contribution from the restaurant business in Singapore, commenced operations on 30 January 2011.

The Group recorded a lower loss before tax of RM0.38 million for the current quarter as compared to the preceding year corresponding quarter of RM1.18 million mainly due to the Group's efforts in implementing stricter cost control measure thus resulting in improvements to the Group's overall gross profit margin of 57.8% as compared to 54.6% in the preceding year corresponding quarter.

B2. Comparison To The Results Of The Preceding Quarter

The Group recorded revenue of RM14 million for the current quarter under review representing a decrease of RM4.80 million or 25.6% from the RM18.79 million in the preceding quarter.

The Group's loss before tax was RM0.38 million for the current quarter under review as compared to profit before tax of RM2.13 million in the preceding quarter.

The loss before tax recorded for the current quarter under review was mainly due to the low season in banquet sales resulting in a decrease in performance in the restaurant segment. Revenue from the restaurant segment decreased from RM18.88 million in the preceding quarter to RM13.32 million. The manufacturing segment revenue recorded an increase of RM0.66 million due to the commencement of mooncake selling period.

B3. Current Year Prospects

The Group's new restaurant located at Shaw Tower, Singapore, which commenced operations on 30 January 2011, has received positive response. The Singapore outlet has 25 tables and a seating capacity for about 200 diners. This restaurant has been performing well to date, as evident from the improvement in the Group's revenue this quarter as compared to the preceding year corresponding period.

In view of the Group's performance in year 2010, the Board plans to re-strategise to focus on improving the results of its existing outlets in the immediate term. The Group intends to implement stricter cost control measures such as improving on existing banquet booking system and formulate strategies to improve the sales of the Group. The Group endeavours to remain competitive in the market by renovating some of its restaurants and introduce more variety of food products at competitive prices. The Group also plans to further strengthen the brand name by creating awareness and to promote brand loyalty for customers by way of advertising and promotion activities. For the manufacturing segment, the Group plans to monitor raw material prices closely and had formulated different recipes to produce new types of mooncake for 2011.

Moving forward, with the successful implementation of the various strategies stated above, the Board remains positive of its results for 2011.

OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2011

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 quarter ended 30 June 2011 RM' 000	Current year to-date 30 June 2011 RM' 000
Income tax:-		
Current period/year	<u>158</u>	<u>707</u>

The effective tax rate for current quarter and the current year to date is equivalent to the statutory rate of 25%.

B6. Profit/(Loss) On Sale Of Unquoted Investments And/Or Properties

Save as disclosed below, there were no sales of unquoted investments and/or properties during the current financial quarter and financial year-to-date:-

On 24 January 2011, the Company's wholly owned subsidiary, namely Restoran Oversea (Imbi) Sdn Bhd have disposed off four (4) units of two-storey shop offices, all situated in Kuchai Business Park, Off Jalan Klang Lama, 58200 Kuala Lumpur free from encumbrances, to Yayasan Dazhi (640772-A) of 250, Jalan Terasek, Bangsar Baru, 59100 Kuala Lumpur for a total cash consideration of RM5,650,000. As at the date of this announcement, the sales is pending completion.

B7. Purchase Or Disposal Of Quoted Securities

There is no purchase of quoted securities by the Group during the quarter under review and the disposals of quoted securities were as follows:-

	Current quarter ended 30 June 2011 RM'000	Current year to- date 30 June 2011 RM'000
Proceeds of quoted securities disposed	<u>530</u>	<u>963</u>
Gain on disposal of quoted securities	<u>283</u>	<u>456</u>

Total investments in quoted securities as at 30 June 2011 were as follows:-

	RM'000
At Cost	<u>38</u>
At book value	<u>87</u>
At market value	<u>87</u>

**OVERSEA ENTERPRISE BERHAD (317155-U)
 QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2011**

B8. (a) Status Of Corporate Proposals

Save for the disposal of the properties to Yayasan Dazhi as disclosed in note B6 above, there is no corporate proposal announced or not completed by the Group as at the latest practicable date of 19 August 2011.

(b) Status Of Utilization Of Proceeds Of Public Issue

As at the end of the current quarter and financial year-to-date, the status of utilisation of the proceeds as compared to the actual utilisation is as follows:-

Purposes	Proposed utilisation	Amount Utilised	Time frame	Balance unutilised
	RM'000	RM'000		RM'000
(i) Capital Expenditure and business expansion plan	6,050	3,940 ^{*1}	Within 2 years after listing	2,110
(ii) Working Capital	3,310	2,147 ^{*2}	Within 2 years after listing	1,163
(iii) Repayment of borrowings	2,000	2,000	Within 1 year after listing	-
(iv) Estimated listing expenses	1,727	1,727	Upon listing	-
Total	13,087	9,814		3,273

Notes:

^{*1} The Board, after taking into consideration the existing business needs of the Group, has decided to vary approximately RM500,000 of its proceeds, which was initially allocated for the purpose of financing the purchase of new machineries to the commissioning of a new waste water treatment plant.

^{*2} Inclusive of excess in listing expenses amounting to RM298,000.

B9. Group Borrowings And Debts Securities

The Group's borrowings and debts securities as at 30 June 2011 are as follows:

	Short Term (Secured) RM'000	Long Term (Secured) RM'000
Hire Purchase Creditors	103	33
Term loan	*3,272	1,579
Total	3,375	1,612

*Term loan of RM2.56 million is being classified as short term due to sale of properties attached to it as disclosed in B6.

B10. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at the date of this announcement.

B11. Material Litigation

There was no material litigation (including status of any pending material litigation) as at the latest practicable date of 19 August 2011.

B12. Dividends

No interim dividend has been declared in respect of the current financial quarter under review.

OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2011

B13. Earnings Per Share

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year to Date Ended	Preceding Year Corresponding Period Ended
	30-Jun-11 RM'000	30-Jun-10 RM'000	30-Jun-11 RM'000	30-Jun-10 RM'000
BASIC EARNINGS PER SHARE				
(Loss)/Profit for the period attributable to ordinary equity holders of the company	(534)	(855)	1,047	680
Weighted average number of ordinary shares in issue ('000)	245,000	245,000	245,000	218,593
Basic earnings per share (sen)	(0.22)	(0.35)	0.43	0.31

B14. Realised and unrealised retained earnings

The retained profit may be analysed as follows:

	As at the end of current quarter 30.06.2011 RM'000	As at the end of preceding quarter 31.03.2011 RM'000
- Realised	2,605	3,140
- Unrealised	28	28
	<u>2,633</u>	<u>3,168</u>

By Order of the Board

Ng Bee Lian
 Company Secretary
 Date: 19.08.2011