

OVERSEA ENTERPRISE BERHAD (317155-U)
UNAUDITED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2013

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year to Date Ended	Preceding 6 Months Corresponding Period Ended
	30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Revenue	21,092	21,453	33,617	34,437
Cost of sales	(9,185)	(8,786)	(14,328)	(14,573)
Gross profit	11,907	12,667	19,289	19,864
Other operating income	1,217	1,071	2,429	2,226
Administration and other operating expenses	(1,850)	(1,904)	(3,625)	(3,781)
Selling and Distribution expenses	(8,189)	(10,506)	(15,374)	(18,743)
Finance costs	(39)	(36)	(73)	(74)
Share of results in a jointly controlled entity	(30)	-	(48)	-
Profit/(loss) before tax	3,016	1,292	2,598	(508)
Income tax	(273)	(233)	(441)	(110)
Profit/(loss) after tax	2,743	1,059	2,157	(618)
Other comprehensive (expenses)/income				
Fair value changes of available-for-sale financial assets	17	6	31	(2)
Transfer to profit or loss upon disposal of available-for-sale financial assets	(70)	-	(247)	-
Foreign currency translation	-	-	5	-
Total comprehensive income/(expenses)	2,690	1,065	1,946	(620)
Profit/(loss) attributable to:				
Owners of the Company	2,774	1,101	2,200	(576)
Non-controlling interest	(31)	(42)	(43)	(42)
	2,743	1,059	2,157	(618)
Total comprehensive income/(expenses) attributable to:				
Owners of the Company	2,721	1,107	1,989	(578)
Non-controlling interest	(31)	(42)	(43)	(42)
	2,690	1,065	1,946	(620)
Weighted average no. of ordinary shares in issue ('000)	245,000	245,000	245,000	245,000
Earnings/(losses) per share (sen):				
- Basic	1.13	0.45	0.90	(0.24)

Note:

- (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 2013 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 2013

	UNAUDITED As at 30 September 2013	AUDITED As at 31 March 2013
	RM'000	RM'000
ASSETS		
Non-current assets		
Investment in a jointly controlled entity	545	593
Property, plant and equipment	26,301	26,888
Investment properties	1,577	1,922
Other investments	185	734
Intangible assets	198	168
Deferred tax asset	-	209
Long-term receivables	132	116
	<u>28,938</u>	<u>30,630</u>
Current Assets		
Inventories	3,640	3,947
Trade and other receivables	10,953	3,965
Tax refundable	1,412	1,800
Deposits, bank and cash balances	17,250	17,281
	<u>33,255</u>	<u>26,993</u>
Total Assets	<u><u>62,193</u></u>	<u><u>57,623</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	49,000	49,000
Reserves	1,346	(643)
Equity attributable to owners of the Company	50,346	48,357
Non-controlling interest	(43)	-
Total equity	<u>50,303</u>	<u>48,357</u>
Non-current liabilities		
Hire purchase creditors	38	57
Term loans	571	766
Deferred taxation	968	1,177
	<u>1,577</u>	<u>2,000</u>
Current Liabilities		
Trade and other payables	9,859	6,786
Hire purchase creditors	45	53
Amount owing to director	6	-
Term loans	403	427
	<u>10,313</u>	<u>7,266</u>
Total liabilities	11,890	9,266
Total equity and liabilities	<u><u>62,193</u></u>	<u><u>57,623</u></u>
 Net Assets Per Share Attributable to ordinary equity holders of the Company (RM)	 0.21	 0.20

Note:-

- (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 2013 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 2013

Group	Attributable to equity holders of the Company					Non Controlling Interest	Total Equity
	Share Capital	Share Premium	Fair Value Reserve	Foreign Exchange Translation Reserve	Distributable Retained Profits		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 April 2013	49,000	1,038	252	(5)	(1,928)	-	48,357
Profit/(loss) after taxation	-	-	-	-	2,200	(43)	2,157
Consolidation Foreign currency	-	-	-	5	-	-	5
Other comprehensive income:	-	-	31	-	-	-	31
- gain on fair value changes of available-for-sale financial assets	-	-	31	-	-	-	31
- transfer to profit and loss upon disposal of available-for-sale financial assets	-	-	(247)	-	-	-	(247)
Total other comprehensive (expenses)/income	-	-	(216)	5	2,200	(43)	1,946
Balance as at 30 September 2013	49,000	1,038	36	-	272	(43)	50,303
Balance as at 1 April 2012	49,000	1,038	92	(1)	3,220	-	53,349
Loss after taxation	-	-	-	-	(4,413)	(97)	(4,510)
Other comprehensive income:	-	-	238	-	-	-	238
- gain on fair value changes of available-for-sale financial assets	-	-	238	-	-	-	238
- transfer to profit and loss upon disposal of available-for-sale financial assets	-	-	(78)	-	-	-	(78)
- foreign currency translation	-	-	-	(5)	-	-	(5)
Total other comprehensive income/(expenses)	-	-	160	(5)	(4,413)	(97)	(4,355)
Dividend paid	-	-	-	-	(735)	97	(735)
Arising from acquisition of a subsidiary	-	-	-	-	(735)	97	(735)
Arising from disposal of a subsidiary	-	-	-	1	-	-	1
Balance as at 31 March 2013	49,000	1,038	252	(5)	(1,928)	-	48,357

Note:-

(1) 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 2013 and the accompanying explanatory notes attached to this interim financial report.

OVERSEA ENTERPRISE BERHAD (317155-U)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASHFLOWS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2013

	Current Year to Date Ended 30 September 2013	Preceding 6 months to Date Ended 30 September 2012
	RM'000	RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit/(loss) before taxation	2,598	(508)
Adjustments for Non Cash items	1,482	1,465
Operating profit before working capital changes	4,080	957
Decrease in inventories	307	535
Increase in trade and other receivables	(6,988)	(8,890)
Increase in trade and other payables	3,073	4,635
Net cash from operations	472	(2,763)
Tax paid	(370)	(753)
Tax refund	317	-
Net cash from/(used in) operating activities	419	(3,516)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Interest received	153	188
Payment for intangibles assets	-	(154)
Purchase of property, plant and equipment	(913)	(2,041)
Purchase of other investments	-	(288)
Proceeds from disposal of other investment	578	510
Proceeds from disposal of property, plant and equipment	26	-
None controlling interest investment	-	649
Net cash used in investing activities	(156)	(1,136)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Advance from directors	6	6
Interest paid	(59)	(74)
Repayment of hire purchase obligations	(27)	(60)
Repayment of term loan	(219)	(305)
Net cash used in financing activities	(299)	(433)
Net decrease in cash and cash equivalents	(36)	(5,085)
Effect of foreign exchange transaction	5	-
Cash and cash equivalents at beginning of the period	17,281	20,601
Cash and cash equivalents at end of the period	17,250	15,516
Cash and cash equivalents comprises :-		
Short term and fixed deposits with licensed banks	12,274	12,164
Cash and bank balances	4,976	3,352
	17,250	15,516

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 2013 and the accompanying explanatory notes attached to this interim financial report.

NOTES TO THE QUARTERLY REPORT

PART A – EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARDS ("FRS") 134: INTERIM FINANCIAL REPORTING

A1. Basis Of Preparation

The interim financial statements are unaudited and have been prepared in accordance with IAS 134: Interim Financial Reporting and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

The interim financial statements should be read in conjunction with the audited financial statements for year ended 31 March 2013 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) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial period:-

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments	1 January 2015
Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014

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 2013 was 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 business operation save for the annual moon cake production and slight increase in banquet sales.

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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

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

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OVERSEA ENTERPRISE BERHAD (317155-U)
QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2013

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 ended 30 September 2013						
Revenue from						
External customers	11,602	360	9,130	-	-	21,092
Inter-segment revenue	86	-	6,976	304	(7,366)	-
Total revenue	11,688	360	16,106	304	(7,366)	21,092
Profit before taxation	305	(42)	2,710	43	-	3,016
Income tax						(273)
Profit after taxation						2,743
Other comprehensive expenses						(53)
Total comprehensive profit						2,690
Period ended 30 September 2013						
Revenue from						
External customers	22,595	773	10,249	-	-	33,617
Inter-segment revenue	177	-	7,251	463	(7,891)	-
Total revenue	22,772	773	17,500	463	(7,891)	33,617
Profit before taxation	436	(122)	2,563	(279)	-	2,598
Income tax						(440)
Profit after taxation						2,158
Other comprehensive expenses						(212)
Total comprehensive profit						1,946
Segmented assets	41,477	458	17,489	1,358	-	60,782
Unallocated assets						1,411
						62,193

*Note: Comprises Ipoh Group Limited (Hong Kong).

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A10. Valuation Of Property, Plant and Equipment

There was no valuation exercise performed on the property, plant and equipment during the current financial quarter under review.

A11. Operating Lease Commitments

Non-cancellable lease commitments of the Group as at 30 September 2013 is as follows:-

	RM'000
Current:	
- within one year	3,672
Non-current:	
- between one and two years	1,950
- between two and five years	130
Total	<u>5,752</u>

A12. Material Events Subsequent To The End Of The Current Financial Quarter

On 1 October 2013, Restoran Oversea JV (International) Sdn Bhd, which is a wholly-owned subsidiary of the Company, had subscribed for 301 ordinary shares of Australian Dollar ("A\$") 1.00 each representing 30.1% equity interest in Burger Foundry Australia Pty Ltd. for a total cash consideration of A\$300,000.

A13. Changes In Composition Of The Group

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

A14. Contingent Liabilities Or Contingent Assets

Contingent liabilities of the Group comprise the following:

	30.09.13 RM'000	31.03.13 RM'000
<u>Corporate guarantees given by the Company to financial institutions for facilities granted to subsidiaries</u>		
- Total facilities granted	6,743	6,743
- Current Exposure	1,270	1,439

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A15. Significant Related Party Transactions

The Group had entered into the following transactions during the current financial quarter with related parties in which certain directors of the Company have substantial financial interest:-

Transactions	Current financial quarter RM'000	Current financial year to-date RM'000
Rental paid to a Director	25	50
Rental paid to related parties ⁽¹⁾	242	484

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 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.

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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2013

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

B1. Review Of Performance

For the current quarter ended 30 September 2013, the Group's revenue of approximately RM21.09 million is relatively consistent with the preceding year's corresponding quarter revenue of approximately RM21.45 million.

Gross margin dropped to 56.45% during the current quarter from 59.05% in preceding year's corresponding quarter mainly due to the drop in margins for the manufacturing division. This arose mainly due to the timing difference of the seasonal date for moon cake festival and goods returned. The total operating expenses for current period stands at RM10.08 million, which represents a 19% decrease as compared to the previous year's corresponding period total operating expenses of RM12.45 million.

Profit after tax ("PAT") for the current quarter ended 30 September 2013 of approximately RM2.74 million improved by 159.02% from the previous year's corresponding period PAT of approximately RM1.06 million.

The detailed analysis of the performance of the respective operating segments for the current quarter ended 30 September 2013 as compared to the previous year's corresponding quarter ended 30 September 2012 is as below:-

1) Restaurants

Food and beverage ("F&B") segment revenue decreased by approximately RM0.286 million due to cessation in operations of Restoran Oversea (Jaya 1) Sdn Bhd ("Jaya 1") and disposal of Grand Ocean Restaurant Pte Ltd ("Grand Ocean") at Singapore.

Total expenses decreased by RM1.88 million from the previous year's corresponding quarter of RM9.91 million to RM8.03 million mainly due to the reduction in overhead costs during the quarter arising from the cessation in operations of Jaya 1 and the disposal of Grand Ocean.

Profit after tax for the current quarter is RM0.60 million, which is an improvement from RM1.20 million loss after tax in the preceding year's corresponding quarter.

2) Manufacturing

Revenue from this segment remained relatively the same as compared to the previous year's corresponding quarter ended 30 September 2012. However, margins dropped to 49.76% from 56.87% in the preceding year's corresponding quarter mainly due to the timing difference as mentioned earlier.

Total expenses had decreased by RM0.60 million from the preceding year's corresponding quarter of RM2.43 million to RM1.83 million in the current quarter due to efficient cost cutting measures.

Profit after tax for the current quarter improved by 7.52% from approximately RM2.47 million in the preceding year's corresponding quarter to RM2.66 million in the current quarter.

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3) Others

Income from this segment mainly comprises of central purchasing of high value stocks for the Group. All the transactions are eliminated for consolidation purpose. The loss before tax mainly arose from general and administrative expenses at holding level.

B2. Comparison To The Results Of The Previous Quarter

The revenue for the current quarter ended 30 September 2013 increased by 68.40% from RM12.53 million in the previous quarter ended 30 June 2013 to RM21.09 million in the current quarter. Manufacturing revenue increased by approximately 715.91% from RM1.12 million in the previous quarter ended 30 June 2013 to RM9.13 million in the current quarter and F&B revenue increased by 4.87% from RM11.41 million in the previous quarter ended 30 June 2013 to RM11.96 million in the current quarter, which is consistent with the Mid-Autumn Festival sale activities and increase in wedding banquet sales as compared to previous quarter.

Profit before tax for the current quarter increased to approximately RM3.02 million as compared to loss before tax of RM0.42 million in the previous quarter ended 30 June 2013. The improvement arose mainly from the sales increase contribution both from the F&B and manufacturing division.

B3. Prospects

The Group is in the midst of preparation works to establish a new restaurant which is expected to contribute to the increase in sales for the Group. The Group is also embarking on an initiative to modernize the management of its Chinese restaurants by investing in a new POS system which had commenced in stages since 1 October 2013.

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 September 2013 RM'000	Current year to-date 30 September 2013 RM'000
Income tax:-		
Current period	(273)	(441)

During the current quarter, the Group had changed the basis of its tax computation from 25% on its accounting profit to 25% on its taxable profit. As such, the Group has taken into the account the unabsorbed losses, capital allowances and unutilized reinvestment allowances which will largely affect its provisional amount.

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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2013

B6. Notes To The Statement of Comprehensive Income

	Current quarter ended 30 September 2013 RM'000	Current year to-date 30 September 2013 RM'000
Interest income	(92)	(153)
Other income including investment income	(1,052)	(2,017)
Interest expenses	35	59
Depreciation and amortization	638	1,277
Gain on disposal of quoted investment	(60)	(246)
Gain on disposal of fixed assets	(12)	(12)
Fixed Assets Written Off	56	61
Loss on disposal of fixed assets	-	8
Loss on disposal of quoted investment	39	39
Provison of diminution in value investment	(41)	(41)

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 receivables and/or 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 30 September 2013.

B7. Status Of Corporate Proposals Announced But Not Yet Completed

There are no corporate proposals announced but not yet completed by the Group as at the latest practicable date of 15 November 2013.

B8. Group Borrowings And Debts Securities

The Group's borrowings and debts securities as at 30 September 2013 are as follows:

	Short Term (Secured) RM'000	Long Term (Secured) RM'000
Hire Purchase Creditors	45	38
Term loan	403	571
Total	<u>448</u>	<u>609</u>

B9. Material Litigation

There was no material litigation (including status of any pending material litigation) as at the latest practicable date of 15 November 2013.

B10. Dividend Paid

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 SEPTEMBER 2013

B11. Earnings Per Share

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year to Date Ended	Preceding Year Corresponding Period Ended
	30-Sept-13 RM'000	30-Sept-12 RM'000	30-Sept-13 RM'000	30-Sept-12 RM'000
BASIC EARNINGS PER SHARE				
Profit/(loss) for the period attributable to owners of the company	2,774	1,101	2,200	(576)
Weighted average number of ordinary shares in issue ('000)	245,000	245,000	245,000	245,000
Basic Profit/(loss) per share (sen)	1.13	0.45	0.90	(0.24)

B12. Realised and unrealised retained earnings

The retained profit may be analysed as follows:

	As at the end of current quarter 30 September 2013 RM'000	As at the end of previous year 31 March 2013 RM'000
Realised	(769)	(2,956)
Unrealised	993	953
	<u>224</u>	<u>(2,003)</u>
Total share of losses of a jointly controlled entity:		
- Realised	<u>48</u>	<u>75</u>
	<u>272</u>	<u>(1,928)</u>

By Order of the Board

Ng Bee Lian
 Company Secretary
 Date: 20 November 2013