

**OVERSEA ENTERPRISE BERHAD** (317155-U)  
**UNAUDITED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE THIRD QUARTER ENDED 31 DECEMBER 2016**

	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-16 RM'000	31-Dec-15 RM'000	31-Dec-16 RM'000	31-Dec-15 RM'000
<b>Revenue</b>	<b>12,087</b>	<b>12,216</b>	<b>44,007</b>	<b>43,031</b>
Cost of sales	(4,683)	(4,958)	(18,035)	(17,840)
<b>Gross profit</b>	<b>7,404</b>	<b>7,258</b>	<b>25,972</b>	<b>25,191</b>
Other operating income	1,100	1,082	3,201	2,587
Administration expenses	(1,936)	(3,521)	(6,371)	(8,237)
Selling and Distribution expenses	(7,447)	(5,887)	(22,416)	(20,632)
Finance costs	(29)	(28)	(73)	(99)
Share of results in an associate	(258)	(28)	(258)	(148)
<b>(Loss)/Profit before tax</b>	<b>(1,166)</b>	<b>(1,124)</b>	<b>55</b>	<b>(1,338)</b>
Income tax	(80)	(122)	(303)	(240)
<b>(Loss)/Profit after tax</b>	<b>(1,246)</b>	<b>(1,246)</b>	<b>(248)</b>	<b>(1,578)</b>
Other comprehensive incomes/(expenses)				
Fair value changes of available-for-sale financial assets	(63)	12	(114)	(82)
Transfer to profit or loss upon disposal of available-for-sale financial assets	-	65	-	65
Foreign currency translation	(181)	(82)	(311)	(100)
<b>Total comprehensive expense</b>	<b>(1,490)</b>	<b>(1,251)</b>	<b>(673)</b>	<b>(1,695)</b>
(Loss)/Profit attributable to:				
Owners of the Company	(1,246)	(1,246)	(248)	(1,578)
Total comprehensive expense attributable to:				
Owners of the Company	(1,490)	(1,251)	(673)	(1,695)
Weighted average ordinary shares in issue ('000)	242,368	240,953	241,442	240,953
(Losses)/Earnings per share (sen):				
- Basic	(0.51)	(0.52)	(0.10)	(0.65)

**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 2016 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 2016**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>As at</b>	<b>As at</b>
	<b>31-Dec-16</b>	<b>31-Mar-16</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment in associate	529	20
Property, plant and equipment	47,446	48,040
Investment properties	2,450	2,450
Other investments	258	372
Intangible assets	115	88
Long-term receivables	107	121
Deferred tax asset	361	343
	<u>51,266</u>	<u>51,434</u>
<b>Current Assets</b>		
Inventories	6,417	4,172
Trade and other receivables	4,063	3,428
Tax refundable	620	247
Short-term investment with financial institutions	238	233
Deposits, bank and cash balances	14,356	16,270
	<u>25,694</u>	<u>24,350</u>
	<u><b>76,960</b></u>	<u><b>75,784</b></u>
<b>TOTAL ASSETS</b>		
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	49,283	49,000
Reserves	13,274	13,947
Total equity attributable to owners of the Company	<u>62,557</u>	<u>62,947</u>
<b>Non-current liabilities</b>		
Hire purchase creditors	162	-
Term loans	1,350	1,136
Deferred taxation	6,047	6,103
	<u>7,559</u>	<u>7,239</u>
<b>Current Liabilities</b>		
Trade and other payables	6,734	5,505
Amount due to joint venture	-	-
Provision for tax	25	49
Hire purchase creditors	32	6
Term loans	53	38
	<u>6,844</u>	<u>5,598</u>
	<u><b>14,403</b></u>	<u><b>12,837</b></u>
	<u><b>76,960</b></u>	<u><b>75,784</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		
Net Assets Per Share Attributable to ordinary equity holders of the Company (RM)	0.26	0.26

**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 2016 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 2016**

	Attributable to equity holders of the Company						Total	Non-Controlling Interest	Total Equity	
	Non-Distributable					Distributable Retained Profits/ (Accumulated Losses)				
	Share Capital	Share Premium	Fair Value Reserve	Treasury Reserve	Revaluation Reserve					Foreign Exchange Translation Reserve
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
<b>The Group</b>										
<b>Balance as at 1 April 2016</b>	<b>49,000</b>	<b>1,038</b>	<b>2</b>	<b>(867)</b>	<b>18,348</b>	<b>(180)</b>	<b>(4,394)</b>	<b>62,947</b>	<b>-</b>	<b>62,947</b>
Profit after taxation	-	-	-	-	-	-	(248)	(248)	-	(248)
Other comprehensive expense:										
- Recycle of revaluation reserve to retained earning	-	-	-	-	(178)	-	178	-	-	-
- loss on fair value changes of available-for-sale financial assets	-	-	(114)	-	-	-	-	(114)	-	(114)
- Foreign currency translation	-	-	-	-	-	(311)	-	(311)	-	(311)
Total other comprehensive (expenses)/income	-	-	(114)	-	(178)	(311)	(70)	(673)	-	(673)
Transactions with owners of the Company:										
- Additional shares issue	283	-	-	-	-	-	-	283	-	283
Total transaction with owners	283	-	-	-	-	-	-	283	-	283
<b>Balance as at 31 December 2016</b>	<b>49,283</b>	<b>1,038</b>	<b>(112)</b>	<b>(867)</b>	<b>18,170</b>	<b>(491)</b>	<b>(4,464)</b>	<b>62,557</b>	<b>-</b>	<b>62,557</b>
<b>Balance as at 1 April 2015</b>	<b>49,000</b>	<b>1,038</b>	<b>(9)</b>	<b>(867)</b>	<b>-</b>	<b>(24)</b>	<b>(69)</b>	<b>49,069</b>	<b>(161)</b>	<b>48,908</b>
Loss after taxation	-	-	-	-	-	-	(3,085)	(3,085)	-	(3,085)
Other comprehensive expense:										
- loss on fair value changes of available-for-sale financial assets	-	-	(55)	-	-	-	-	(55)	-	(55)
- transfer to profit and loss upon disposal of available-for-sale financial assets	-	-	66	-	-	-	-	66	-	66
- revaluation surplus from valuation of properties	-	-	-	-	18,348	-	-	18,348	-	18,348
- foreign currency translation	-	-	-	-	-	(156)	-	(156)	-	(156)
Total other comprehensive income/(expenses)	-	-	11	-	18,348	(156)	(3,085)	15,118	-	15,118
Transactions with owners of the Company:										
- Acquisition of shares in jointly controlled entity	-	-	-	-	-	-	(355)	(355)	-	(355)
- Dividend	-	-	-	-	-	-	(723)	(723)	-	(723)
- Acquisition of shares in subsidiary	-	-	-	-	-	-	(162)	(162)	161	(1)
Total transaction with owners	-	-	-	-	-	-	(1,240)	(1,240)	161	(1,079)
<b>Balance as at 31 March 2016 (Audited)</b>	<b>49,000</b>	<b>1,038</b>	<b>2</b>	<b>(867)</b>	<b>18,348</b>	<b>(180)</b>	<b>(4,394)</b>	<b>62,947</b>	<b>-</b>	<b>62,947</b>

**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 2016 and the accompanying explanatory notes attached to this interim financial report.

**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASHFLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016**

	<b>Current Year Ended 31 December 2016 RM'000</b>	<b>Preceding Year to Date Ended 31 December 2015 RM'000</b>
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>		
Profit/(loss) before taxation	55	(1,338)
Adjustments for:-		
Amortisation of intangible assets	25	46
Provision for doubtful debt	-	84
Depreciation of property, plant & equipment	2,051	1,927
Interest expense	46	56
Property, plant and equipment written off	-	8
Share of loss in an associate, net of income tax expense	258	148
Gain on disposal of other investment	-	(23)
Interest income	(292)	(391)
Operating profit before working capital changes	2,143	517
Increase in inventories	(2,245)	(866)
Increase in trade and other receivables	(625)	(776)
Increase in trade and other payables	1,229	61
<b>CASH FOR OPERATIONS</b>	<b>502</b>	<b>(1,064)</b>
Income tax paid	(773)	(1,023)
Income tax refund	-	-
<b>NET CASH FOR OPERATING ACTIVITIES</b>	<b>(271)</b>	<b>(2,087)</b>
<b>CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES</b>		
Interest received	292	391
Investment in associate company	(767)	-
Advance to associate	-	(150)
Payment for intangible asset	(54)	(63)
Proceeds from disposal of:		
- property, plant and equipment	2	-
- other investments	-	884
Purchase of property, plant and equipment	(1,401)	(881)
Purchase of other investments	-	(1,005)
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<b>(1,928)</b>	<b>(824)</b>
<b>CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES</b>		
Dividend paid	-	(723)
Interest paid	(46)	(56)
Repayment of hire purchase obligations	(11)	(16)
Repayment of term loans	(25)	(337)
HP facilities granted	200	-
Drawdown of term loan	254	-
Proceeds from issuance of shares	283	-
<b>NET CASH FROM/(FOR) FINANCING ACTIVITIES</b>	<b>655</b>	<b>(1,132)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,544)</b>	<b>(4,043)</b>
<b>EFFECT OF FOREIGN EXCHANGE TRANSLATION</b>	<b>(370)</b>	<b>(100)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>16,270</b>	<b>18,272</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<b>14,356</b>	<b>14,129</b>
<b>CASH AND CASH EQUIVALENTS COMPRISES:-</b>		
Short term and fixed deposits with licensed banks	9,794	8,332
Cash and bank balances	4,562	5,797
	<b>14,356</b>	<b>14,129</b>

**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 2016 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 2016**

**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 2016 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:-

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 16 Leases	1 January 2019
Amendments to MFRS 107: Disclosure Initiative	1 January 2017
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017

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.

**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 2016 were not subject to any qualification.

**OVERSEA ENTERPRISE BERHAD (317155-U)  
QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2016**

**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 other than the annual moon cake production.

**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 THIRD QUARTER ENDED 31 DECEMBER 2016**

**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
<b>3 months period ended</b>						
<b>31 December 2016</b>						
<b>Revenue from</b>						
External customers	10,726	1,083	273	5	-	12,087
Inter-segment revenue	22	-	13	26	(61)	-
<b>Total revenue</b>	<b>10,748</b>	<b>1,083</b>	<b>286</b>	<b>31</b>	<b>(61)</b>	<b>12,087</b>
<b>Profit/(Loss) before taxation</b>	(226)	(225)	(719)	(276)	280	(1,166)
Income tax						(80)
<b>Profit/(Loss) after taxation</b>						(1,246)
Other comprehensive expenses						(244)
<b>Total comprehensive incomes</b>						(1,490)
<b>9 months ended 31 December</b>						
<b>2016</b>						
<b>Revenue from</b>						
External customers	30,058	3,162	10,783	5	-	44,007
Inter-segment revenue	54	-	7,368	36	(7,458)	-
<b>Total revenue</b>	<b>30,112</b>	<b>3,162</b>	<b>18,151</b>	<b>41</b>	<b>(7,458)</b>	<b>44,007</b>
<b>Profit before taxation</b>	(1,451)	(536)	2,126	(472)	388	55
Income tax						(303)
<b>Profit after taxation</b>						(248)
Other comprehensive expenses						(425)
<b>Total comprehensive incomes</b>						(673)
<b>Segmented assets</b>	45,270	1,664	29,045	981	-	76,960
<b>Unallocated assets</b>						(981)
						75,979

\*Note: Comprises Ipoh Group Limited (Hong Kong) and Taiwan Haewaytian Limited (Taiwan)

**OVERSEA ENTERPRISE BERHAD (317155-U)  
 QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2016**

**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 31 December 2016 is as follows:-

	<b>RM'000</b>
Current:	
- within one year	2,196
Non-current:	
- between one and two years	439
- between two and five years	17
Total	<u>2,652</u>

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

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

**A13. Changes In Composition Of The Group**

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

**A14. Contingent Liabilities Or Contingent Assets**

Contingent liabilities of the Group comprise the following:

	<b>As at 31.12.2016 RM'000</b>	<b>Audited 31.03.2016 RM'000</b>
<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	1,837	1,999

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**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2016**

**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:-

<b>Transactions</b>	<b>Current financial quarter ended 31.12.2016 RM'000</b>	<b>Current financial year to-date 31.12.2016 RM'000</b>
Rental paid to a Director	43	129
Rental paid to related parties <sup>(1)</sup>	278	835

Note:

(1) These parties are related to directors who are also substantial shareholders of Oversea Enterprise Berhad.

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

**A16. Capital Commitments**

There is no outstanding commitments in respect of capital expenditure at the end of the reporting period not provided for in the interim financial statements.

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**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2016**

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

**B1. Review Of Performance**

	Individual Quarter 3 Months ended		Cumulative Period ended	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
RM'000	Unaudited	Unaudited	Unaudited	Unaudited
<b>Revenue</b>				
Restaurant	11,809	12,243	33,220	34,034
Manufacturing	273	(27)	10,783	8,997
Others	5	-	4	-
<b>Total</b>	<b>12,087</b>	<b>12,216</b>	<b>44,007</b>	<b>43,031</b>
<b>Profit/(Loss) before tax</b>				
Restaurant	(458)	(424)	(1,987)	(2,569)
Manufacturing	(719)	(828)	2,126	1,487
Others	11	128	(84)	(256)
<b>Total</b>	<b>(1,166)</b>	<b>(1,124)</b>	<b>55</b>	<b>(1,338)</b>

**3-month period (31.12.2016 vs. 31.12.2015)**

The Group recorded revenue of RM12.1 million for the quarter ended 31 December 2016, which represents a slight decrease of 1.1% as compared to RM12.2 million in the quarter ended 31 December 2015.

The loss before tax (LBT) for the quarter ended 31 December 2016 was RM1.1 million, which was consistent with the result in the quarter ended 31 December 2015.

Restaurant segment

The Group restaurant segment recorded revenue of RM11.8 million for the quarter ended 31 December 2016, which represents a slight decrease of 3.5% as compared to RM12.2 million in the quarter ended 31 December 2015.

The Group's restaurant segment recorded LBT of RM0.5 million for the quarter ended 31 December 2016, which represents 8.0% increase in losses as compared to LBT of RM0.4 million in the quarter ended 31 December 2015. The slight decrease in bottom line was mainly due to the drop in revenue both local and overseas cafe and increase in operating expenses.

Manufacturing segment

Manufacturing segment recorded an increase in revenue of RM0.3 million for the quarter ended 31 December 2016, as compared to the quarter ended 31 December 2015. Manufacturing segment also recorded an LBT of RM0.7 million for the quarter ended 31 December 2016, representing an improvement in bottom line by 13.2% as compared to LBT RM0.8 million in the quarter ended 31 December 2015. This improvement was mainly due to higher sales contributed from non-seasonal product and lower sales return recorded in the current quarter.

**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2016**

**B1. Review Of Performance (cont'd)**

**9-month period (31.12.2016 vs. 31.12.2015)**

The Group recorded revenue of RM44.0 million for the 9 months ended 31 December 2016, representing an increase of 2.2% as compared to RM43.0 million in the 9 months ended 31 December 2015. Overall, increase in revenue was mainly attributable to manufacturing segment where we see our mooncake sales recorded higher performance in both export and local channel. At the same time, the Group started focusing on marketing of non-seasonal product, which has generated additional sales during non-peak season. The closure of non-profitable café outlets in the current year also contributed to the decrease in revenue in restaurant segment.

Gross margin has improved slightly from 58.5% in prior year to 59.0% in the current year as a result of constant cost monitoring and control.

The Group recorded PBT of RM55 thousand for the 9 months ended 31 December 2016. In the previous year, the bottom line for the 9 months ended 31 December 2015 was an LBT of RM1.3 million. All 3 segments showed improved performance in the current year 9 months ended 31 December 2016 compared to previous year.

Restaurant segment

The Group's restaurant segment recorded LBT of RM2.0 million for the 9 months ended 31 December 2016, representing an improvement of 22.6% as compared to LBT of RM2.6 million for the 9 months ended 31 December 2015.

The reduction of RM0.6 million in LBT was mainly due to the closure of 2 non-profit making cafes had brought down the losses by RM0.6 million and our traditional restaurant outlets had contributed RM0.2 million in reduction in losses before tax,. However, our overseas operation is suffering higher losses by RM0.2 million.

Manufacturing segment

The manufacturing segment recorded revenue of RM10.8 million for the 9 months ended 31 December 2016, represents a 19.8% increase compared to RM9.0 million in the 9 months ended 31 December 2015.

Manufacturing segment recorded PBT of RM2.1 million for the 9 months ended 31 December 2016, representing a 43.0% increase compared to RM1.5 million in the 9 months ended 31 December 2015. The increase was mainly due to increase in sales both for export and local market, mooncake and non-seasonal product.

**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2016**

**B2. Comparison To The Results Of The Previous Quarter**

	3 months ended	
	31.12.2016	30.09.2016
<i>RM'000</i>	Unaudited	Unaudited
<b>Revenue</b>		
<i>Restaurant</i>	11,809	10,903
<i>Manufacturing</i>	273	8,823
<i>Others</i>	5	-
<b>Total</b>	<b>12,087</b>	<b>19,726</b>
<b>Profit/(Loss) before tax</b>		
<i>Restaurant</i>	(458)	(576)
<i>Manufacturing</i>	(719)	2,978
<i>Others</i>	11	(30)
<b>Total</b>	<b>(1,166)</b>	<b>2,372</b>

**3-month period (31.12.2016 vs. 30.09.2016)**

The Group recorded revenue of RM12.1 million for the quarter ended 31 December 2016, representing a decrease of 38.7% as compared to RM19.7 million in the previous quarter ended 30 September 2016. The decrease was mainly due to seasonal cycle whereby the manufacturing operations recorded higher sales during the Mid-autumn Festival.

The Group recorded LBT of RM1.1 million for the quarter ended 31 December 2016, from PBT of RM2.4 million in the previous quarter ended 30 September 2016.

The main reason for the PBT of RM2.4 million in the previous quarter were mainly due to higher sales recorded in manufacturing segment.

Restaurant segment

The Group's restaurant segment recorded LBT of RM0.5 million for the 3-month ended 31 December 2016 as compared to LBT of RM0.6 million in the preceding quarter ended 30 September 2016. The improved performance was mainly to improved sales in the current quarter.

Manufacturing segment

The Group's manufacturing segment recorded LBT of RM0.7 million for the 3-month ended 31 December 2016 as compared to PBT of RM3.0 million in the preceding quarter ended 30 September 2016. The main reason was moon cake sales recorded for Mid-Autumn Festival falls in the previous quarter.

**B3. Prospects**

**Restaurant Operations and Manufacturing**

We are currently looking for new opportunities to enlarge our profit base and to provide long term growth for the Group. We are actively pursuing additional opportunities of the manufacturing of non-seasonal product to increase our plant utilisation. Due to the ever changing landscape of the consumer tastes and trends in tandem with their lifestyles, it is crucial to evolve and provide more relevant innovative product solutions in order to grow the business and promote customer awareness of our brand name. In line with this, we are trying to increase our market penetration via more aggressive marketing strategies and to develop our product as all year round product.

**Prospects**

Given the slower growth and rising cost of living, consumers will become more price sensitive and selective in the purchases of goods and services. Competition is also expected to be more intense. Despite the challenging economic conditions, the Group remain steadfast and positive about the industry and the business as we have built strong foundation for the Group over the years.

We are mindful of the challenges ahead and the Group will continue to focus on product, service and marketing innovations as well as improving cost competitiveness to drive sales and profits.

**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**

	<b>Current financial quarter ended 31.12.2016 RM'000</b>	<b>Current financial year to-date 31.12.2016 RM'000</b>
Income tax:-		
Current period	(80)	(303)

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**

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

	<b>Current financial quarter ended 31.12.2016 RM'000</b>	<b>Current financial year to-date 31.12.2016 RM'000</b>
Interest income	(95)	(292)
Other income including investment income	(1,004)	(2,909)
Interest expenses	18	46
Depreciation and amortization	701	2,077

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 2016.

**B7. Status Of Corporate Proposals Announced But Not Yet Completed**

There were no corporate proposals announced but not yet completed by the Group as at the latest practicable date of 22 February 2017.

**B8. Group Borrowings And Debts Securities**

The Group's borrowings and debts securities as at 31 December 2016 are as follows:

	<b>Short Term (Secured) RM'000</b>	<b>Long Term (Secured) RM'000</b>
Term loan	53	1,350
Hire Purchase	32	162

**B9. Material Litigation**

There was no material litigation (including status of any pending material litigation) as at the latest practicable date of 22 February 2017.

**B10. Dividends**

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

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**B11. Earnings/(Losses) Per Share**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31.12.2016 RM'000	Preceding Year Corresponding Quarter Ended 31.12.2015 RM'000	Current Year to Date Ended 31.12.2016 RM'000	Preceding Year Corresponding Period Ended 31.12.2015 RM'000
<b>BASIC EARNINGS PER SHARE</b>				
(Losses)/Earnings for the period attributable to owners of the company	(1,246)	(1,246)	(248)	(1,578)
Weighted average number of ordinary shares in issue ('000)	242,368	240,953	241,442	240,953
Basic earnings/(losses) per share (sen)	(0.51)	(0.52)	(0.10)	(0.65)

**B12. Realised and unrealised retained earnings**

The retained profit may be analysed as follows:

	As at the end of current quarter 31.12.2016 RM'000	Audited 31.03.2016 RM'000
Realised	1,106	1,172
Unrealised	5,155	5,760
	6,261	6,932
Total share of losses of an associate: - Realised	-	(237)
	6,261	6,695
Less: Consolidation adjustments	(10,725)	(11,089)
	(4,464)	(4,394)

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