

**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**UNAUDITED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE FIRST QUARTER ENDED 30 JUNE 2018**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year to Date Ended	Preceding 12 Months Corresponding Period Ended
	30-Jun-18 RM'000	30-Jun-17 RM'000	30-Jun-18 RM'000	30-Jun-17 RM'000
<b>Revenue</b>	<b>10,891</b>	<b>11,892</b>	<b>10,891</b>	<b>11,892</b>
Cost of sales	(4,507)	(4,781)	(4,507)	(4,781)
<b>Gross profit</b>	<b>6,384</b>	<b>7,111</b>	<b>6,384</b>	<b>7,111</b>
Other operating income	911	910	911	910
Administration expenses	(2,204)	(2,477)	(2,204)	(2,477)
Selling and Distribution expenses	(6,618)	(7,253)	(6,618)	(7,253)
<b>Operating loss</b>	<b>(1,527)</b>	<b>(1,709)</b>	<b>(1,527)</b>	<b>(1,709)</b>
Share of results in associates	252	236	252	236
<b>Loss before interest and tax</b>	<b>(1,275)</b>	<b>(1,473)</b>	<b>(1,275)</b>	<b>(1,473)</b>
Finance costs	(16)	(15)	(16)	(15)
<b>Loss before taxation</b>	<b>(1,291)</b>	<b>(1,488)</b>	<b>(1,291)</b>	<b>(1,488)</b>
Income tax	18	(66)	18	(66)
<b>Loss after taxation</b>	<b>(1,273)</b>	<b>(1,554)</b>	<b>(1,273)</b>	<b>(1,554)</b>
Other comprehensive (expense)/incomes				
Fair value changes of available-for-sale financial assets	(6)	-	(6)	-
Foreign currency translation	(95)	35	(95)	35
<b>Total comprehensive expense</b>	<b>(1,374)</b>	<b>(1,519)</b>	<b>(1,374)</b>	<b>(1,519)</b>
Loss attributable to:				
Owners of the Company	(1,273)	(1,539)	(1,273)	(1,539)
Non-controlling interest	-	(15)	-	(15)
	<b>(1,273)</b>	<b>(1,554)</b>	<b>(1,273)</b>	<b>(1,554)</b>
Total comprehensive expense attributable to:				
Owners of the Company	(1,374)	(1,504)	(1,374)	(1,504)
Non-controlling interest	-	(15)	-	(15)
	<b>(1,374)</b>	<b>(1,519)</b>	<b>(1,374)</b>	<b>(1,519)</b>
Weighted average ordinary shares in issue ('000)	242,515	242,228	242,515	242,228
(Losses)/Earnings per share (sen):				
- Basic	(0.52)	(0.64)	(0.52)	(0.64)

**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 2018 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 2018**

	UNAUDITED As at 30-Jun-18 RM'000	AUDITED As at 31-Mar-18 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment in associate	1,587	1,600
Property, plant and equipment	47,552	47,465
Investment properties	2,450	2,450
Other investments	135	141
Intangible assets	85	91
Long-term receivables	76	82
Deferred tax asset	67	49
	<u>51,952</u>	<u>51,878</u>
<b>Current Assets</b>		
Inventories	6,606	5,516
Trade and other receivables	6,169	3,093
Amount due from an associate	140	140
Tax refundable	367	277
Short-term investment with financial institutions	44	43
Deposits, bank and cash balances	6,719	11,236
	<u>20,045</u>	<u>20,305</u>
<b>TOTAL ASSETS</b>	<b><u>71,997</u></b>	<b><u>72,183</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	49,283	49,283
Reserves	8,529	9,903
Total equity attributable to owners of the Company	<u>57,812</u>	<u>59,186</u>
Non-controlling interest	-	-
Total equity	<u>57,812</u>	<u>59,186</u>
<b>Non-current liabilities</b>		
Hire purchase creditors	218	236
Term loans	1,266	1,279
Deferred taxation	5,773	5,792
	<u>7,257</u>	<u>7,307</u>
<b>Current Liabilities</b>		
Trade and other payables	6,740	5,378
Provision for tax	63	188
Hire purchase creditors	68	67
Term loans	57	57
	<u>6,928</u>	<u>5,690</u>
<b>Total liabilities</b>	<u>14,185</u>	<u>12,997</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>71,997</u></b>	<b><u>72,183</u></b>
Net Assets Per Share Attributable to ordinary equity holders of the Company (RM)	0.24	0.24

**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 2018 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 2018**

	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 2018</b>	<b>49,283</b>	<b>1,038</b>	<b>(63)</b>	<b>(835)</b>	<b>17,871</b>	<b>(56)</b>	<b>(8,052)</b>	<b>59,186</b>	<b>-</b>	<b>59,186</b>
Loss after taxation	-	-	-	-	-	-	(1,273)	(1,273)	-	(1,273)
Other comprehensive expense:										
- loss on fair value changes of available-for-sale financial assets	-	-	(6)	-	-	-	-	(6)	-	(6)
- Foreign currency translation	-	-	-	-	-	(95)	-	(95)	-	(95)
Total other comprehensive expenses	-	-	(6)	-	-	(95)	(1,273)	(1,374)	-	(1,374)
Amortisation of revaluation reserve	-	-	-	-	(59)	-	59	-	-	-
<b>Balance as at 30 June 2018</b>	<b>49,283</b>	<b>1,038</b>	<b>(69)</b>	<b>(835)</b>	<b>17,812</b>	<b>(151)</b>	<b>(9,266)</b>	<b>57,812</b>	<b>-</b>	<b>57,812</b>
<b>Balance as at 1 April 2017</b>	<b>49,283</b>	<b>1,038</b>	<b>(20)</b>	<b>(867)</b>	<b>18,109</b>	<b>(520)</b>	<b>(3,696)</b>	<b>63,327</b>	<b>-</b>	<b>63,327</b>
Profit after taxation	-	-	-	-	-	-	(4,789)	(4,789)	(70)	(4,859)
Other comprehensive expense:										
- loss on fair value changes of available-for-sale financial assets	-	-	(1)	-	-	-	-	(1)	-	(1)
- transfer to profit or loss upon disposal of available-for-sale financial assets	-	-	(42)	-	-	-	-	(42)	-	(42)
- Foreign currency translation	-	-	-	-	-	392	-	392	11	403
Total other comprehensive (expenses)/income	-	-	(43)	-	-	392	(4,789)	(4,440)	(59)	(4,499)
Transactions with owners of the Company:										
- treasury shares sold	-	-	-	32	-	-	9	41	-	41
- Issuance of shares by a subsidiary to non-controlling interest	-	-	-	-	-	-	-	-	85	85
- changes in ownership interests in subsidiary that do not result in loss of control	-	-	-	-	-	23	186	209	(210)	(1)
- disposal of a subsidiary	-	-	-	-	-	49	-	49	184	233
Total transaction with owners	-	-	-	32	-	72	195	299	59	358
Amortisation of revaluation reserve	-	-	-	-	(238)	-	238	-	-	-
<b>Balance as at 31 March 2018</b>	<b>49,283</b>	<b>1,038</b>	<b>(63)</b>	<b>(835)</b>	<b>17,871</b>	<b>(56)</b>	<b>(8,052)</b>	<b>59,186</b>	<b>-</b>	<b>59,186</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 2018 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 30 JUNE 2018**

	Current Year Ended 30 June 2018 RM'000	Preceding Year to Date Ended 30 June 2017 RM'000
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>		
Loss before taxation	(1,291)	(1,488)
Adjustments for:-		
Amortisation of intangible assets	6	9
Depreciation of property, plant & equipment	632	655
Impairment loss for investment in associate	147	-
Interest expense	16	19
(Gain)/Loss on disposal of plant and equipment	-	(4)
Share of profits/(loss) in associates, net of income tax expense	(252)	(236)
Interest income	(68)	(103)
Operating loss before working capital changes	(810)	(1,148)
Increase in inventories	(1,091)	(852)
Decrease/(Increase) in trade and other receivables	(2,061)	(1,286)
Increase/(Decrease) in trade and other payables	1,363	1,257
<b>CASH FOR OPERATIONS</b>	<b>(2,599)</b>	<b>(2,029)</b>
Income tax paid	(234)	(64)
<b>NET CASH FOR OPERATING ACTIVITIES</b>	<b>(2,833)</b>	<b>(2,093)</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Interest received	68	103
Redemption of preferred share from associate company	118	-
Advance to associates	-	(205)
Proceeds from disposal of:		
- property, plant and equipment	-	4
Purchase of property, plant and equipment	(704)	(446)
Deposits paid for renovation work	(1,008)	-
Proceeds from disposal of own shares	-	42
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<b>(1,526)</b>	<b>(502)</b>
<b>CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES</b>		
Interest paid	(16)	(19)
Repayment of hire purchase obligations	(16)	(9)
Repayment of term loans	(13)	(10)
Proceeds from issuance of shares to non controlling interest	-	85
<b>NET CASH (FOR)/FROM FINANCING ACTIVITIES</b>	<b>(45)</b>	<b>47</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(4,404)</b>	<b>(2,548)</b>
<b>EFFECT OF FOREIGN EXCHANGE TRANSLATION</b>	<b>(112)</b>	<b>(7)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>11,279</b>	<b>15,717</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<b>6,763</b>	<b>13,162</b>
<b>CASH AND CASH EQUIVALENTS COMPRISES:-</b>		
Short-term investment with financial institution	44	242
Short term and fixed deposits with licensed banks	3,871	8,944
Cash and bank balances	2,848	3,976
	<b>6,763</b>	<b>13,162</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 2018 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 2018 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
MFRS 17 Insurance Contracts	1 January 2021
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Interpretation 23 Uncertainty Over Income Tax Treatments	1 January 2019
Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 15: Effective Date of MFRS 15	1 January 2018
Amendments to MFRS 15: Clarifications to MFRS 15 'Revenue from Contracts with Customers'	1 January 2018

**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2018**

**A2. Adoption Of New And Revised Accounting Policies**

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to MFRS 140 – Transfers of Investment Property	1 January 2018
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Annual Improvements to MFRS Standards 2014 – 2017 Cycles:	
• Amendments to MFRS 1: Deletion of Short-term Exemptions for First-time Adopters	
• Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value	1 January 2018
Annual Improvements to MFRS Standards 2015 – 2017 Cycles	1 January 2019

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 2018 were not subject to any qualification.

**A4. Seasonal Or Cyclical Factors**

For the financial quarter under review, restaurant sales were lower as compared to the previous quarter ended 31 March 2018 which was the Chinese New Year festive season. The manufacturing division began to generate revenue and production commenced during the quarter to cater for the up-coming Mid-Autumn Festival, which falls in the end of September 2018.

**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 JUNE 2018**

**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				
<b>3 months period ended 30 June 2018</b>						
<b>Revenue from</b>						
External customers	8,505	385	2,000	1	-	10,891
Inter-segment revenue	64	-	1	1	(66)	-
<b>Total revenue</b>	<b>8,569</b>	<b>385</b>	<b>2,001</b>	<b>2</b>	<b>(66)</b>	<b>10,891</b>
<b>(Loss)/Profit before taxation</b>	<b>(1,431)</b>	<b>(154)</b>	<b>37</b>	<b>240</b>	<b>17</b>	<b>(1,291)</b>
Income tax						18
<b>Loss after taxation</b>						<b>(1,273)</b>
Other comprehensive expense						(101)
<b>Total comprehensive expense</b>						<b>(1,374)</b>
<b>3 months period ended 30 June 2018</b>						
<b>Revenue from</b>						
External customers	8,505	385	2,000	1	-	10,891
Inter-segment revenue	64	-	1	1	(66)	-
<b>Total revenue</b>	<b>8,569</b>	<b>385</b>	<b>2,001</b>	<b>2</b>	<b>(66)</b>	<b>10,891</b>
<b>(Loss)/Profit before taxation</b>	<b>(1,431)</b>	<b>(154)</b>	<b>37</b>	<b>240</b>	<b>17</b>	<b>(1,291)</b>
Income tax						18
<b>Loss after taxation</b>						<b>(1,273)</b>
Other comprehensive expense						(101)
<b>Total comprehensive expense</b>						<b>(1,374)</b>

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



**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2018**

**A9. Segmental Information (Cont'd)**

Segmental Reporting

	Restaurant		Manufacturing	Others	Eliminations	Consolidated
	Malaysia	Foreign*				
	RM' 000	RM' 000				
<b>3 months ended 30 June 2017</b>						
<b>Revenue from</b>						
External customers	9,111	1,308	1,473	-	-	11,892
Inter-segment revenue	9	-	90	10	(109)	-
<b>Total revenue</b>	<b>9,120</b>	<b>1,308</b>	<b>1,563</b>	<b>10</b>	<b>(109)</b>	<b>11,892</b>
<b>(Loss)/Profit before taxation</b>	<b>(1,005)</b>	<b>(327)</b>	<b>(326)</b>	<b>194</b>	<b>(24)</b>	<b>(1,488)</b>
Income tax						(66)
<b>Loss after taxation</b>						<b>(1,554)</b>
Other comprehensive incomes						35
<b>Total comprehensive expense</b>						<b>(1,519)</b>
<b>3 months ended 30 June 2017</b>						
<b>Revenue from</b>						
External customers	9,111	1,308	1,473	-	-	11,892
Inter-segment revenue	9	-	90	10	(109)	-
<b>Total revenue</b>	<b>9,120</b>	<b>1,308</b>	<b>1,563</b>	<b>10</b>	<b>(109)</b>	<b>11,892</b>
<b>(Loss)/Profit before taxation</b>	<b>(1,005)</b>	<b>(327)</b>	<b>(326)</b>	<b>194</b>	<b>(24)</b>	<b>(1,488)</b>
Income tax						(66)
<b>Loss after taxation</b>						<b>(1,554)</b>
Other comprehensive income						35
<b>Total comprehensive expense</b>						<b>(1,519)</b>

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

	Restaurant		Manufacturing	Others	Eliminations	Consolidated
	Malaysia	Foreign*				
	RM' 000	RM' 000				
<b>As at 30 June 2018</b>						
<b>Segmented assets</b>	42,588	295	27,696	1,418	-	71,997
<b>Unallocated assets</b>						(434)
						71,563
<b>As at 30 June 2017</b>						
<b>Segmented assets</b>	42,647	2,117	29,228	1,857	-	75,849
<b>Unallocated assets</b>						(809)
						75,040

\*Note: Comprises Ipoh Group Limited (Hong Kong) in Year 2017 and 2018 and Taiwan Haewaytian Limited (Taiwan) in Year 2017 only.

**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2018**

**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 June 2018 is as follows:-

	<b>RM'000</b>
Current:	
- within one year	2,425
Non-current:	
- between one and two years	1,982
- between two and five years	555
Total	<u>4,962</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 30.06.2018 RM'000</b>	<b>Audited 31.03.2018 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	1,772	1,784

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

**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2018**

**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 30.06.2018 RM'000</b>	<b>Current financial year to-date 30.06.2018 RM'000</b>
Rental paid to a Director	46	46
Rental paid to related parties <sup>(1)</sup>	299	299

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, other than as disclosed below:

	<b>Amount (RM'000)</b>
Authorised but not contracted for:	
Property, plant and equipment	<u>2,230</u>

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

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

**B1. Review Of Group’s Performance and Segmental Analysis**

**(A) Overall Review of Group’s Financial Performance**

	Individual Quarter 3 Months ended		Changes (%)	Cumulative Period ended		Changes (%)
	31.03.2018	31.03.2017		31.03.2018	31.03.2017	
RM'000	Unaudited	Unaudited		Unaudited	Audited	
Revenue	10,891	11,892	-8.4%	10,891	11,892	-8.4%
Operating Loss	(1,527)	(1,709)	10.6%	(1,527)	(1,709)	10.6%
Loss Before Interest and Tax	(1,275)	(1,473)	13.4%	(1,275)	(1,473)	13.4%
Loss Before Tax	(1,291)	(1,488)	13.2%	(1,291)	(1,488)	13.2%
Loss After tax	(1,273)	(1,554)	18.1%	(1,273)	(1,554)	18.1%
Loss Attributable to Ordinary Equity Holders of the Parent	(1,273)	(1,539)	17.3%	(1,273)	(1,539)	17.3%

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

The Group recorded revenue of RM10.9 million for the quarter ended 30 June 2018, which represents a slight decrease of 8.4% as compared to RM11.9 million in the quarter ended 30 June 2017.

The Group recorded loss before tax (LBT) of RM1.3 million for the quarter ended 30 June 2018, which represents an improvement of 13.2% as compared to LBT of RM1.5 million in the quarter ended 30 June 2017.

The decrease in revenue were mainly due to closure of PJ outlet and disposal of Taiwan outlet.

Gross margin has dropped slightly from 59.8% in prior year to date 30 June 2017 to 58.6% in current year to date 30 June 2018.

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

**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2018**

**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 June 2018, total equity attributable to owners of the Company stood at RM57.8 million, which is 2.3% lower than RM59.2 million as at 31 March 2018.

Inventories increased from RM5.5 million in 31 March 2018 to RM6.6 million in 30 June 2018. Trade and other receivables had increased from RM3.1 million in 31 March 2018 to RM6.2 million in 30 June 2018. The increase in trade receivable was mainly due to the Mooncake Festival approaching and the Group has started the mooncake operations. The increase in other receivable was mainly due to deposit paid for renovation of new outlet and security deposit paid for renting of new outlet premise.

(iii) Statement of cash flow

The net operating cash flows for operations of the Group was RM2.8 million for the 3 months ended 30 June 2018 against RM2.1 million for the corresponding period in 2017.

Net cash used in investing activities of the Group was RM1.5 million for the 3 months ended 30 June 2018, which is RM1.0 million higher as compared to RM0.5 million for the 3 months ended 30 June 2017.

Net cash for financing activities was RM45,000 in 3 months ended 30 June 2018. In prior year to date 3 months ended 30 June 2017, total net cash from financing activities was RM47,000.

Cash and cash equivalent decreases by RM4.4 million as compared with the opening cash and cash equivalent as at 1 April 2018. The total cash and cash equivalent stood at RM6.8 million as at 30 June 2018.

**(B) Segmental Analysis**

	Individual Quarter 3 Months ended		Change (%)	Cumulative Period ended		Change (%)
	31.03.2018	31.03.2017		31.03.2018	31.03.2017	
RM'000	Unaudited	Unaudited		Unaudited	Unaudited	
<b>Revenue</b>						
Restaurant	8,890	10,419	-14.7%	8,890	10,419	-14.7%
Manufacturing	2,000	1,473	35.8%	2,000	1,473	35.8%
Others	1	-	0.0%	1	-	0.0%
<b>Total</b>	<b>10,891</b>	<b>11,892</b>	<b>-8.4%</b>	<b>10,891</b>	<b>11,892</b>	<b>-8.4%</b>
<b>(Loss)/Profit before tax</b>						
Restaurant	(1,554)	(1,332)	-16.7%	(1,554)	(1,332)	-16.7%
Manufacturing	37	(326)	111.3%	37	(326)	111.3%
Others	226	170	-32.9%	226	170	-32.9%
<b>Total</b>	<b>(1,291)</b>	<b>(1,488)</b>	<b>13.2%</b>	<b>(1,291)</b>	<b>(1,488)</b>	<b>13.2%</b>

**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2018**

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

**(B) Segmental Analysis (Cont'd)**

**3-month period (30.06.2018 vs. 30.06.2017)**

Restaurant segment

The Group restaurant segment recorded revenue of RM8.9 million for the quarter ended 30 June 2018, which represents a decrease of 14.7% as compared to RM10.4 million in the quarter ended 30 June 2017.

The Group's restaurant segment recorded LBT of RM1.6 million for the quarter ended 30 June 2018, which represents a decrease of 16.7% as compared to LBT of 1.3 million in the quarter ended 30 June 2017. The decreases in restaurant segment were attributable to Malaysia outlets (down by RM0.4 million) set-off with increases in foreign outlet (up by RM0.2 million).

Manufacturing segment

Manufacturing segment recorded profit before tax (PBT) of RM37,000 in the current quarter ended 30 June 2018. In last year, the manufacturing segment recorded LBT of RM0.3 million. The improved performance was mainly due to higher export sales in the current year to date as compared to last year.

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

	3 Months ended		Change (%)
	30.06.2018	31.03.2018	
RM'000	Unaudited	Unaudited	
Revenue	10,891	15,158	-28.2%
Operating Loss	(1,527)	(3,102)	50.8%
Loss Before Interest and Tax	(1,275)	(2,843)	55.2%
Loss Before Tax	(1,291)	(2,858)	54.8%
Loss After tax	(1,273)	(3,069)	58.5%
Loss Attributable to Ordinary Equity Holders of the Parent	(1,273)	(3,048)	58.2%

The Group recorded revenue of RM10.9 million for the quarter ended 30 June 2018, representing a decrease of 28.2% as compared to RM15.2 million in the previous quarter ended 31 March 2018. The decrease was mainly due to seasonal cycle. The previous quarter was where the restaurant operations recorded higher sales during Chinese New Year Festival.

The Group recorded LBT of RM1.3 million for the quarter ended 30 June 2018, from LBT of RM2.9 million in the previous quarter ended 31 March 2018.

The main reason for the improved performance by RM1.6 million in the current quarter were mainly due to one of impairment reflected in the previous quarter. Total Impairment for both foreign and local outlets amounted to RM1.7 million and loss on disposal of Taiwan subsidiary amounted to RM0.7 million.

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

**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2018**

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

	3 months ended		Change (%)
	30.06.2018	31.03.2018	
<i>RM '000</i>	Unaudited	Unaudited	
<b>Revenue</b>			
<i>Restaurant</i>	8,890	15,208	-41.5%
<i>Manufacturing</i>	2,000	(49)	>100%
<i>Others</i>	1	(1)	>100%
<b>Total</b>	<b>10,891</b>	<b>15,158</b>	<b>-28.2%</b>
<b>Profit/(Loss) before tax</b>			
<i>Restaurant</i>	(1,554)	(1,102)	-41.0%
<i>Manufacturing</i>	37	(825)	>100%
<i>Others</i>	226	(931)	124.3%
<b>Total</b>	<b>(1,291)</b>	<b>(2,858)</b>	<b>54.8%</b>

**3-month period (31.03.2018 vs. 31.12.2017)**

Restaurant segment

The restaurant segment recorded RM8.9 million revenue in the current quarter 30 June 2018, which represents 41.5% decreases as compared to RM15.2 in the previous quarter ended 31 March 2018. The restaurant segment recorded LBT of RM1.6 million, which represents a decrease of 41.0% as compared to LBT of RM1.1 million in the previous quarter ended 31 March 2018.

Manufacturing segment

The Group's manufacturing segment recorded revenue of RM2 million in the current quarter and PBT of RM37,000 for the 3-month ended 30 June 2018 as compared to LBT of RM0.8 million in the previous quarter ended 31 March 2018.

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

**B3. Prospects**

**Restaurant Operations and Manufacturing**

Financial liquidity, uncertainties in global economy and domestic demand are the main challenges for the Group moving forward in the financial year 2019. The Group had consolidated its investment in various food and beverages model and is now focusing on selected business structure and model and are targeting on specific location that have proven to be key assets within the Group as well as emerging with potential for business growth. The Group latest soft launching of new outlet in Genting Highlands is expected to contribute positively to the Group's income.

**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 30.06.2018 RM'000</b>	<b>Current financial year to-date 30.06.2018 RM'000</b>
Income tax:-		
Current period	18	18

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.

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



**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2018**

**B6. Notes To The Statement of Comprehensive Income**

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

	<b>Current financial quarter ended 30.06.2018 RM'000</b>	<b>Current financial year to-date 30.06.2018 RM'000</b>
Interest income	(68)	(68)
Other income including investment income	(844)	(844)
Interest expenses	16	16
Depreciation and amortization	638	638

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 2018.

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

There were no corporate proposals announced but not yet completed by the Group for the current quarter under review.

**B8. Group Borrowings And Debts Securities**

The Group's borrowings and debts securities are as follows:

	<b>Short Term (Secured) RM'000</b>	<b>Long Term (Secured) RM'000</b>	<b>Total (Secured) RM'000</b>
<b>as at 30 June 2018</b>			
Term loan	57	1,266	1,323
Hire Purchase	68	218	286
<b>Total Borrowing</b>	<b>125</b>	<b>1,484</b>	<b>1,609</b>
<b>as at 30 June 2017</b>			
Term loan	54	1,326	1,380
Hire Purchase	33	144	177
	87	1,470	1,557

The increase in term loan and hire purchase as at 30 June 2018 compared to 30 June 2017 was due to new hire purchase facilities granted. The Group's borrowing and debts securities are denominated in RM.

**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2018**

**B9. Material Litigation**

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

**B10. Dividends**

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

**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
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
	RM'000	RM'000	RM'000	RM'000
<b>BASIC LOSSES PER SHARE</b>				
Losses for the period attributable to owners of the company	(1,273)	(1,539)	(1,273)	(1,539)
Weighted average number of ordinary shares in issue ('000)	242,515	242,228	242,515	242,228
Basic losses per share (sen)	(0.52)	(0.64)	(0.52)	(0.64)