

**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**UNAUDITED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE FIRST QUARTER ENDED 30 JUNE 2020**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year to Date Ended	Preceding 3 Months Corresponding Period Ended
	30-Jun-20 RM'000	30-Jun-19 RM'000	30-Jun-20 RM'000	30-Jun-19 RM'000
<b>Revenue</b>	<b>2,070</b>	<b>11,057</b>	<b>2,070</b>	<b>11,057</b>
Cost of sales	(1,061)	(4,452)	(1,061)	(4,452)
<b>Gross profit</b>	<b>1,009</b>	<b>6,605</b>	<b>1,009</b>	<b>6,605</b>
Other operating income	644	829	644	829
Administration expenses	(771)	(2,029)	(771)	(2,029)
Selling and Distribution expenses	(2,903)	(6,559)	(2,903)	(6,559)
<b>Operating loss</b>	<b>(2,021)</b>	<b>(1,154)</b>	<b>(2,021)</b>	<b>(1,154)</b>
Share of results in associates	(114)	182	(114)	182
<b>Loss before interest and tax</b>	<b>(2,135)</b>	<b>(972)</b>	<b>(2,135)</b>	<b>(972)</b>
Finance costs	(85)	(154)	(85)	(154)
<b>Loss before taxation</b>	<b>(2,220)</b>	<b>(1,126)</b>	<b>(2,220)</b>	<b>(1,126)</b>
Income tax	15	(3)	15	(3)
<b>Loss after taxation</b>	<b>(2,205)</b>	<b>(1,129)</b>	<b>(2,205)</b>	<b>(1,129)</b>
Other comprehensive expenses				
Fair value changes of equity investments	7	1	7	1
Foreign currency translation differences	42	(65)	42	(65)
<b>Total comprehensive expenses</b>	<b>(2,156)</b>	<b>(1,193)</b>	<b>(2,156)</b>	<b>(1,193)</b>
Loss attributable to:				
Owners of the Company	(2,205)	(1,129)	(2,205)	(1,129)
Non-controlling interest	-	-	-	-
	<b>(2,205)</b>	<b>(1,129)</b>	<b>(2,205)</b>	<b>(1,129)</b>
Total comprehensive expenses attributable to:				
Owners of the Company	(2,156)	(1,193)	(2,156)	(1,193)
Non-controlling interest	-	-	-	-
	<b>(2,156)</b>	<b>(1,193)</b>	<b>(2,156)</b>	<b>(1,193)</b>
Weighted average ordinary shares in issue ('000)	242,515	242,515	242,515	242,515
Losses per share (sen):				
- Basic	(0.91)	(0.47)	(0.91)	(0.47)

**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 2020 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 2020**

	UNAUDITED As at 30-Jun-20 RM'000	AUDITED As at 31-Mar-20 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment in associate	166	280
Property, plant and equipment	24,883	25,093
Investment properties	5,364	5,365
Right-of-use assets	17,169	18,192
Other investments	375	368
Intangible assets	82	73
Long-term receivables	88	88
Deferred tax asset	49	49
	<u>48,176</u>	<u>49,508</u>
<b>Current Assets</b>		
Inventories	4,886	4,327
Trade and other receivables	2,569	1,978
Amount due from related parties	5	33
Amount due from associates	98	136
Tax refundable	313	142
Short-term investment with financial institutions	28	29
Deposits, bank and cash balances	4,715	7,121
	<u>12,614</u>	<u>13,766</u>
<b>TOTAL ASSETS</b>	<b><u>60,790</u></b>	<b><u>63,274</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	50,321	50,321
Reserves	(3,795)	(1,639)
Total equity attributable to owners of the Company	<u>46,526</u>	<u>48,682</u>
Non-controlling interest	-	-
Total equity	<u>46,526</u>	<u>48,682</u>
<b>Non-current liabilities</b>		
Term loans	1,180	1,169
Lease liabilities on right-of-use assets	362	498
Deferred taxation	5,401	5,420
	<u>6,943</u>	<u>7,087</u>
<b>Current Liabilities</b>		
Trade and other payables	5,263	4,557
Provision for tax	2	54
Term loans	58	59
Lease liabilities on right-of-use assets	1,998	2,835
	<u>7,321</u>	<u>7,505</u>
<b>Total liabilities</b>	<u>14,264</u>	<u>14,592</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>60,790</u></b>	<b><u>63,274</u></b>
Net Assets Per Share Attributable to ordinary equity holders of the Company (RM)	0.19	0.20

**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 2020 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 2020**

	Attributable to equity holders of the Company								Total Equity RM'000	
	Share Capital RM'000	Share Premium RM'000	Non-Distributable				Distributable Accumulated Losses RM'000	Total RM'000		Non-Controlling Interest RM'000
			Fair Value Reserve RM'000	Treasury Reserve RM'000	Revaluation Reserve RM'000	Foreign Exchange Translation Reserve RM'000				
<b>The Group</b>										
Balance as at 1 April 2020	50,321	-	(83)	(835)	17,397	(496)	(17,622)	48,682	-	48,682
Loss after taxation	-	-	-	-	-	-	(2,205)	(2,205)	-	(2,205)
Other comprehensive income:										
- fair value changes of equity instruments	-	-	7	-	-	-	-	7	-	7
- Foreign currency translation differences	-	-	-	-	-	42	-	42	-	42
Total other comprehensive expenses	-	-	7	-	-	42	(2,205)	(2,156)	-	(2,156)
Amortisation of revaluation reserve	-	-	-	-	(59)	-	59	-	-	-
<b>Balance as at 30 June 2020</b>	<b>50,321</b>	<b>-</b>	<b>(76)</b>	<b>(835)</b>	<b>17,338</b>	<b>(454)</b>	<b>(19,768)</b>	<b>46,526</b>	<b>-</b>	<b>46,526</b>
<b>Balance as at 1 April 2019</b>	<b>50,321</b>	<b>-</b>	<b>(63)</b>	<b>(835)</b>	<b>17,634</b>	<b>(229)</b>	<b>(12,361)</b>	<b>54,467</b>	<b>-</b>	<b>54,467</b>
Loss after taxation	-	-	-	-	-	-	(5,498)	(5,498)	-	(5,498)
Other comprehensive expense:										
- fair value changes of equity instruments	-	-	(20)	-	-	-	-	(20)	-	(20)
- Foreign currency translation differences	-	-	-	-	-	(267)	-	(267)	-	(267)
Total other comprehensive expenses	-	-	(20)	-	-	(267)	(5,498)	(5,785)	-	(5,785)
Amortisation of revaluation reserve	-	-	-	-	(237)	-	237	-	-	-
<b>Balance as at 31 March 2020</b>	<b>50,321</b>	<b>-</b>	<b>(83)</b>	<b>(835)</b>	<b>17,397</b>	<b>(496)</b>	<b>(17,622)</b>	<b>48,682</b>	<b>-</b>	<b>48,682</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 2020 and the accompanying explanatory notes attached to this interim financial report.

**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020**

	Current Year Ended 30 June 2020 RM'000	Preceding Year to Date Ended 30 June 2019 RM'000
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>		
Loss before taxation	(2,220)	(1,126)
Adjustments for:-		
Amortisation of intangible assets	4	3
Depreciation of:		
- property, plant & equipment	456	791
- right-of-use assets	930	892
Interest expense	85	154
Reversal of impairment loss of property, plant and equipment	(221)	-
Loss on disposal of property, plant and equipment	106	-
Share of loss in associates, net of income tax expense	114	2
Interest income	(35)	(28)
Operating (loss)/profit before working capital changes	(781)	688
Increase in inventories	(560)	(1,190)
Increase in trade and other receivables	(554)	(2,402)
Increase in trade and other payables	708	1,957
<b>CASH FOR OPERATIONS</b>	(1,187)	(947)
Income tax paid	(226)	(354)
<b>NET CASH FOR OPERATING ACTIVITIES</b>	(1,413)	(1,301)
<b>CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES</b>		
Interest received	35	28
Repayment from related parties	28	-
Additional of intangible assets	(13)	-
Purchase of property, plant and equipment	(44)	(218)
Proceeds from disposal of property, plant and equipment	5	-
<b>NET CASH FROM/(FOR) INVESTING ACTIVITIES</b>	11	(190)
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Interest paid	(74)	(154)
Repayment of hire purchase obligations	-	(20)
Repayment of term loans	-	(14)
Repayment of lease liabilities on right-of-use assets	(974)	(845)
<b>NET CASH FOR FINANCING ACTIVITIES</b>	(1,048)	(1,033)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(2,450)	(2,524)
<b>EFFECT OF FOREIGN EXCHANGE TRANSLATION</b>	43	(65)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	6,731	5,550
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	4,324	2,961
<b>CASH AND CASH EQUIVALENTS COMPRISES:-</b>		
Short-term investment with financial institution	28	45
Short term and fixed deposits with licensed banks	2,072	1,489
Cash and bank balances	2,224	2,119
Bank overdrafts	-	(692)
	4,324	2,961

**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 2020 and the accompanying explanatory notes attached to this interim financial report.

**OVERSEA ENTERPRISE BERHAD (317155-U)  
QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2020**

**NOTES TO THE QUARTERLY REPORT**

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

**A1. Basis Of Preparation**

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

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The interim financial statements should be read in conjunction with the audited financial statements for year ended 31 March 2020 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>
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9	Effective immediately
Amendments to MFRS 16: Covid-19-Related Rent Concessions	1 June 2020
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 116: Proceeds Before Intended Use	1 January 2022
Amendments to MFRS137: Onerous Contracts-Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018-2020	1 January 2022

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

**OVERSEA ENTERPRISE BERHAD (317155-U)  
QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2020**

**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 2020 were not subject to any qualification.

**A4. Seasonal Or Cyclical Factors**

For the financial quarter under review, there were no major seasonal nor cyclical factors affecting the Group's business operation.

**A5. Unusual items due to their nature, size and incidence**

There were no unusual items affecting the assets, liabilities, equity, net income or cash flow of the Group in the current financial quarter under review.

**A6. Changes In Estimates**

There were no changes in estimates of amounts reported in prior financial years that have had a material effect in the current financial quarter under review.

**A7. Changes In Debt and Equity Securities**

There were no issuance, repurchases and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial quarter under review.

**A8. Dividend Paid**

No dividend was paid during the current financial quarter under review.

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**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2020**

**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</b>						
<b>30 June 2020</b>						
<b>Revenue from</b>						
External customers	1,723	296	51	-	-	2,070
Inter-segment revenue	43	-	1	5	(49)	-
<b>Total revenue</b>	<b>1,766</b>	<b>296</b>	<b>52</b>	<b>5</b>	<b>(49)</b>	<b>2,070</b>
<b>(Loss)/Profit before taxation</b>	<b>(1,399)</b>	<b>23</b>	<b>(679)</b>	<b>(243)</b>	<b>78</b>	<b>(2,220)</b>
Income tax						15
<b>Loss after taxation</b>						<b>(2,205)</b>
Other comprehensive income						49
<b>Total comprehensive expenses</b>						<b>(2,156)</b>
<b>3 months ended 30 June 2020</b>						
<b>Revenue from</b>						
External customers	1,723	296	51	-	-	2,070
Inter-segment revenue	43	-	1	5	(49)	-
<b>Total revenue</b>	<b>1,766</b>	<b>296</b>	<b>52</b>	<b>5</b>	<b>(49)</b>	<b>2,070</b>
<b>(Loss)/Profit before taxation</b>	<b>(1,399)</b>	<b>23</b>	<b>(679)</b>	<b>(243)</b>	<b>78</b>	<b>(2,220)</b>
Income tax						15
<b>Loss after taxation</b>						<b>(2,205)</b>
Other comprehensive income						49
<b>Total comprehensive expenses</b>						<b>(2,156)</b>

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

OVERSEA ENTERPRISE BERHAD (317155-U)  
 QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2020

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

Segmental Reporting

	Restaurant		Manufacturing	Others	Eliminations	Consolidated
	Malaysia	Foreign*				
	RM' 000	RM' 000				
<b>3 months period ended 31 June 2019</b>						
<b>Revenue from</b>						
External customers	8,620	414	2,023	-	-	11,057
Inter-segment revenue	7	-	232	21	(260)	-
<b>Total revenue</b>	<b>8,627</b>	<b>414</b>	<b>2,255</b>	<b>21</b>	<b>(260)</b>	<b>11,057</b>
<b>(Loss)/Profit before taxation</b>	<b>(1,103)</b>	<b>(110)</b>	<b>(194)</b>	<b>324</b>	<b>(43)</b>	<b>(1,126)</b>
Income tax						(3)
<b>Loss after taxation</b>						<b>(1,129)</b>
Other comprehensive expense						(64)
<b>Total comprehensive expense</b>						<b>(1,193)</b>
<b>3 months ended 30 June 2019</b>						
<b>Revenue from</b>						
External customers	8,620	414	2,023	-	-	11,057
Inter-segment revenue	7	-	232	21	(260)	-
<b>Total revenue</b>	<b>8,627</b>	<b>414</b>	<b>2,255</b>	<b>21</b>	<b>(260)</b>	<b>11,057</b>
<b>(Loss)/Profit before taxation</b>	<b>(1,103)</b>	<b>(110)</b>	<b>(194)</b>	<b>324</b>	<b>(43)</b>	<b>(1,126)</b>
Income tax						(3)
<b>Loss after taxation</b>						<b>(1,129)</b>
Other comprehensive expense						(64)
<b>Total comprehensive expense</b>						<b>(1,193)</b>

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

	Restaurant		Manufacturing	Others	Eliminations	Consolidated
	Malaysia	Foreign*				
	RM' 000	RM' 000				
<b>As at 30 June 2020</b>						
<b>Segmented assets</b>	33,231	266	25,577	1,354	-	60,428
<b>Unallocated assets</b>						362
						60,790
<b>As at 30 June 2019</b>						
<b>Segmented assets</b>	43,210	213	27,261	2,732	-	73,416
<b>Unallocated assets</b>						387
						73,803

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

**OVERSEA ENTERPRISE BERHAD (317155-U)  
QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2020**

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

On 6 August 2020, Datuk Chai Woon Chet ("Offeror") entered into a Shares Sales Agreement ("Offer") with Yu Soo Chye @Yee Soo Chye, Yu Tack Tein, Simple Angel Capital Sdn. Bhd., Lee Lim & Sons Sdn. Bhd. and Khong Yik Kam (collectively referred to as the "Vendors") to acquire an aggregate of 151,258,992 shares of the Company for a total cash consideration of RM45,377,698 or RM0.30 per share.

On 7 August 2020, the Vendors accepted the Offer and ceased to be substantial shareholders of the Company. Following the acquisition, the shareholding of the Offeror will increase from nil to 151,258,992 shares, representing approximately 62.37% equity interest in the Company (excluding treasury shares) and thus becoming a substantial shareholder of the Company.

**A12. Changes In Composition Of The Group**

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

**A13. Contingent Liabilities Or Contingent Assets**

Contingent liabilities of the Group comprise the following:

	<b>As at 30.06.2020 RM'000</b>	<b>Audited 31.03.2020 RM'000</b>
<u>Corporate guarantees given by the Company to financial institutions for facilities granted to subsidiaries</u>		
- Total facilities granted	3,895	3,895
- Current Exposure	1,658	1,647

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**OVERSEA ENTERPRISE BERHAD (317155-U)  
QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2020**

**A14. Significant Related Party Transactions**

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

<b>Transactions</b>	<b>Current financial quarter ended 30.06.2020 RM'000</b>	<b>Current financial year to-date 30.06.2020 RM'000</b>
Rental paid to a Director	14	14
Rental paid to related parties <sup>(1)</sup>	154	154

Note:

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

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

**A15. Capital Commitments**

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

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**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2020**

**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			Cumulative Period ended		
	30.06.2020	30.06.2019	Changes (%)	30.06.2020	30.06.2019	Changes (%)
RM'000	Unaudited	Unaudited		Unaudited	Audited	
Revenue	2,070	11,057	-81.3%	2,070	11,057	-81.3%
Operating Loss	(2,021)	(1,154)	-75.1%	(2,021)	(1,154)	-75.1%
Loss Before Interest and Tax	(2,135)	(972)	->100%	(2,135)	(972)	-119.7%
Loss Before Tax	(2,220)	(1,126)	-97.2%	(2,220)	(1,126)	-97.2%
Loss After tax	(2,205)	(1,129)	-95.3%	(2,205)	(1,129)	-95.3%
Loss Attributable to Ordinary Equity Holders of the Parent	(2,205)	(1,129)	-95.3%	(2,205)	(1,129)	-95.3%

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

The Group recorded revenue of RM2.07 million for the quarter ended 30 June 2020, posted a decrease of RM8.99 million as compared to RM11.06 million in the quarter ended 30 June 2019. Lower revenue for the period under review was due to decrease in revenue for restaurant and manufacturing segment.

Quarter on quarter, the Group's loss before tax ("LBT") was increase by RM1.09 million against the previous year's same quarter. This was mainly attributable to the higher losses incurred by all of the segment, whereby restaurant segment incurred additional losses of RM0.17 million, manufacturing RM0.50 million and other segment RM0.42 million.

Gross margin has decreased from 59.7% in prior year quarter ended 30 June 2019 to 48.7% in current year quarter 30 June 2020.

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**OVERSEA ENTERPRISE BERHAD (317155-U)  
QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2020**

**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 2020, total equity attributable to owners of the Company stood at RM46.53 million, which is 4.4% lower than RM48.68 million as at 31 March 2020.

**(iii) Statement of cash flow**

The net operating cash outflows for operations of the Group was RM1,413,000 for the 3 months ended 30 June 2020 against RM1,301,000 for the corresponding period in 2019.

Net cash from investing activities of the Group was RM11,000 for the 3 months ended 30 June 2020, as compared to outflow of RM190,000 for the 3 months ended 30 June 2019.

Net cash for financing activities was RM1,048,000 for 3 months ended 30 June 2020. In prior year to date 3 months ended 30 June 2019, total net cash for financing activities was RM1,033,000.

Cash and cash equivalent decreases by RM2,450,000 as compared with the opening cash and cash equivalent as at 1 April 2020. The total cash and cash equivalent stood at RM4,324,000 as at 30 June 2020.

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**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2020**

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

**(B) Segmental Analysis**

	Individual Quarter 3 Months ended		Change (%)	Cumulative Period ended		Change (%)
	30.06.2020	30.06.2019		30.06.2020	30.06.2019	
RM'000	Unaudited	Unaudited		Unaudited	Audited	
<b>Revenue</b>						
Restaurant	2,019	9,034	-77.7%	2,019	9,034	-77.7%
Manufacturing	51	2,023	-97.5%	51	2,023	-97.5%
Others	-	-	0.0%	-	-	0.0%
<b>Total</b>	<b>2,070</b>	<b>11,057</b>	<b>-81.3%</b>	<b>2,070</b>	<b>11,057</b>	<b>-81.3%</b>
<b>(Loss)/Profit before tax</b>						
Restaurant	(1,368)	(1,194)	-14.6%	(1,368)	(1,194)	-14.6%
Manufacturing	(690)	(194)	->100%	(690)	(194)	->100%
Others	(162)	262	->100%	(162)	262	->100%
<b>Total</b>	<b>(2,220)</b>	<b>(1,126)</b>	<b>-97.2%</b>	<b>(2,220)</b>	<b>(1,126)</b>	<b>-97.2%</b>

**3-month period (30.06.2020 vs. 30.06.2019)**

**Restaurant segment**

The Group restaurant segment recorded revenue of RM2.0 million for the quarter ended 30 June 2020, which represents a decrease of 77.7% as compared to RM9.03 million in the quarter ended 30 June 2019. The decrease in revenue was mainly due to the implementation of Malaysia Movement Control Order or lockdown from 18 March 2020 to curb the outbreak of COVIC-19. Restaurants segment are badly affected as dine-in is not allowed during this period.

The Group's restaurant segment recorded LBT of RM1.37 million for the quarter ended 30 June 2020. The increase in LBT by RM0.17 million was mainly contributing from lower revenue recorded, however the expenses was reduced as a result of expenditure control and prudence spending during pandemic period.

**Manufacturing segment**

Manufacturing segment recorded revenue of RM51,000 for the quarter ended 30 June 2020, which represents a decrease of RM1.97 million as compared to RM2.02 million in the quarter ended 30 June 2019. The decrease in revenue was mainly due to decrease in the export sales as the worldwide pandemic situation also affected our export customers in the United State and Australia.

Manufacturing segment recorded LBT of RM0.69 million for the quarter ended 30 June 2020, which represents a 256% increase in losses as compared to LBT RM0.19 million in the quarter ended 30 June 2019. The increase in LBT was mainly due to the decreases in sales.

**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2020**

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

	3 Months ended		Change (%)
	30.06.2020	31.03.2020	
RM'000	Unaudited	Unaudited	
Revenue	2,070	10,440	-80.2%
Operating Loss	(2,021)	(5,083)	-60.2%
Loss Before Interest and Tax	(2,135)	(5,169)	-58.7%
Loss Before Tax	(2,220)	(5,298)	-58.1%
Loss After tax	(2,205)	(5,460)	-59.6%
Loss Attributable to Ordinary Equity Holders of the Parent	(2,205)	(5,460)	-59.6%

The Group recorded revenue of RM2.07 million for the quarter ended 30 June 2020, representing a decrease of 80.2% as compared to RM10.44 million in the quarter ended 31 March 2020.

The Group recorded LBT of RM2.22 million for the quarter ended 30 June 2020 compared to LBT of RM5.30 million in the immediate preceding quarter. The significant decrease in LBT was mainly due to the impairment made towards property, plant and equipment in restaurant and other segment amounting to RM3.87 million in quarter ended 31 March 2020.

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**OVERSEA ENTERPRISE BERHAD (317155-U)**  
**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2020**

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

	3 months ended		Change (%)
	30.06.2020	31.03.2020	
<i>RM'000</i>	Unaudited	Unaudited	
<b>Revenue</b>			
<i>Restaurant</i>	2,019	10,358	-80.5%
<i>Manufacturing</i>	51	81	-37.0%
<i>Others</i>	-	1	-100.0%
<b>Total</b>	<b>2,070</b>	<b>10,440</b>	<b>-80.2%</b>
<b>Loss before tax</b>			
<i>Restaurant</i>	(1,368)	(4,357)	-68.6%
<i>Manufacturing</i>	(690)	(717)	-3.8%
<i>Others</i>	(162)	(224)	-27.7%
<b>Total</b>	<b>(2,220)</b>	<b>(5,298)</b>	<b>-58.1%</b>

**3-month period (30.06.2020 vs. 31.03.2020)**

**Restaurant segment**

The restaurant segment posted a decrease of RM8.34 million or 80.5% in revenue as compared to previous corresponding quarter. Meanwhile, the LBT was decrease significantly by RM2.99 million as compared to quarter ended 31 March 2020. The significant decrease was mainly due to impairment made towards property, plant and equipment amounting to RM3.75 million in previous corresponding quarter ended 31 March 2020.

**Manufacturing segment**

The Group's manufacturing segment recorded revenue of RM51,000 in the current quarter and LBT of RM0.69 million, representing a decrease of RM0.03 million in revenue and decrease of RM0.03 million in LBT as compared to previous corresponding quarter.

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**OVERSEA ENTERPRISE BERHAD (317155-U)  
QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2020**

**B3. Prospects**

**Restaurant Operations and Manufacturing**

The Covid-19 pandemic severely impacted the local economies globally and measures taken by the Government of Malaysia to contain the spread of pandemic such as travel bans and closure of non-essential business amongst other things have affected the business performance and operations of the Group. The decline in foreign tourist also disrupted the F&B division. The Group has taken several initiatives to minimize the impact such as promoting take away packages and the provision of door to door delivery services as well as introducing austerity measures to contain costs. During this unprecedented challenging period, the Group will focus on response measures to improve the performance of the Group's operation, mitigating the impact of Covid-19 and cash management. Our Group shall continue to monitor and assess ongoing development and respond accordingly.

Nevertheless, the manufacturing division was able to deliver positive results in the current quarter. The challenging environment is expected to persist as the pandemic continues across the globe. The manufacturing division shall continue to enhance its manufacturing and operational efficiencies and expand its research and development capabilities to explore new avenues to grow the manufacturing business.

**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 30.06.2020 RM'000</b>	<b>Current financial year to-date 30.06.2020 RM'000</b>
Income tax:-		
Current period	(15)	(15)

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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**OVERSEA ENTERPRISE BERHAD (317155-U)  
 QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2020**

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

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

	<b>Current financial quarter ended 30.06.2020 RM'000</b>	<b>Current financial year to-date 30.06.2020 RM'000</b>
Interest income	(35)	(35)
Other income including investment income	(608)	(608)
Reversal of impairment loss of property, plant and equipment	(221)	(221)
Depreciation and amortization	1,390	1,390
Interest expenses	85	85
Loss on disposal of property, plant and equipment	106	106

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 30 June 2020 .

**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 2020</b>			
Term loan	58	1,180	1,238
Lease liabilities on right-of-use assets	1,998	362	2,360
<b>Total Borrowing</b>	<b>2,056</b>	<b>1,542</b>	<b>3,598</b>
<b>as at 30 June 2019</b>			
Term loan	56	1,216	1,272
Hire Purchase	85	222	307
Bank overdraft	692	-	692
Lease liabilities on right-of-use assets	3,360	2,284	5,644
	<b>4,193</b>	<b>3,722</b>	<b>7,915</b>

**OVERSEA ENTERPRISE BERHAD (317155-U)  
 QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2020**

**B8. Group Borrowings And Debts Securities (cont'd)**

The decrease in term loan as at 30 June 2020 compared to 30 June 2019 was due to repayment of facilities. Following the adoption of MFRS16, the hire purchase balances are classified to lease liabilities on right-of-use. The Group's borrowing and debts securities are denominated in RM.

**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. Losses Per Share**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30.06.2020 RM'000	Preceding Year Corresponding Quarter Ended 30.06.2019 RM'000	Current Year to Date Ended 30.06.2020 RM'000	Preceding Year Corresponding Period Ended 30.06.2019 RM'000
<b>LOSSES PER SHARE</b>				
Loss for the period attributable to owners of the company	(2,205)	(1,129)	(2,205)	(1,129)
Weighted average number of ordinary shares in issue ('000)	242,515	242,515	242,515	242,515
Losses per share (sen)	(0.91)	(0.47)	(0.91)	(0.47)

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