

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 2022 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:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
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 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

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 2022 was not subject to any qualification.

A4. Seasonal Or Cyclical Factors

For the financial quarter under review, there were no major seasonal nor cyclical factors affecting the Group'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 was 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, other than as disclosed.

A8. Dividend Paid

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

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A9. Segmental Information

The Group is organized into the following operating segment:-

- a) Restaurant
- b) Manufacturing and wholesale of baked products ("Manufacturing")
- c) Others refers to 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
	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000
3 months ended					
31 March 2023					
Revenue from					
External customers	15,632	274	(1)	-	15,905
Inter-segment revenue	116	149	-	(265)	-
Total revenue	15,748	423	(1)	(265)	15,905
(Loss)/Profit before taxation	57	(1,199)	(65)	(265)	(1,472)
Income tax					(708)
Loss after taxation					(2,180)
Other comprehensive expense					(511)
Total comprehensive expense					(2,691)
12 months ended					
31 March 2023					
Revenue from					
External customers	40,852	15,188	15	-	56,055
Inter-segment revenue	629	6,682	52	(7,363)	-
Total revenue	41,481	21,870	67	(7,363)	56,055
(Loss)/Profit before taxation	(2,084)	982	68	(265)	(1,299)
Income tax					(854)
Loss after taxation					(2,153)
Other comprehensive expense					(508)
Total comprehensive expense					(2,661)

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A9. Segmental Information (Cont'd)

Segmental Reporting

	Restaurant	Manufacturing	Others	Eliminations	Consolidated
	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000
3 months ended					
31 March 2022					
Revenue from					
External customers	8,044	137	11	-	8,192
Inter-segment revenue	151	111	3	(265)	-
Total revenue	8,195	248	14	(265)	8,192
Loss before taxation	(3,534)	(1,852)	(779)	1,517	(4,648)
Income tax					177
Loss after taxation					(4,471)
Other comprehensive income					2
Total comprehensive expense					(4,469)
12 months ended					
31 March 2022					
Revenue from					
External customers	16,276	13,457	11	-	29,744
Inter-segment revenue	377	7,524	33	(7,934)	-
Total revenue	16,653	20,981	44	(7,934)	29,744
Loss before taxation	(7,060)	(529)	(1,579)	1,517	(7,651)
Income tax					84
Loss after taxation					(7,567)
Other comprehensive income					173
Total comprehensive expense					(7,394)

	Restaurant	Manufacturing	Others	Eliminations	Consolidated
	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000
As at 31 March 2023					
Segmented assets	73,669	32,717	3,890	-	110,276
Unallocated assets					369
					110,645
As at 31 March 2022					
Segmented assets	50,786	30,548	27,177	-	108,511
Unallocated assets					332
					108,843

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A10. Valuation Of Property, Plant and Equipment

There were no changes to valuation of the property, plant and equipment during the current financial quarter under review.

A11. 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.

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:

	Unaudited As at 31.03.2023 RM'000	Audited As at 31.03.2022 RM'000
<u>Corporate guarantees given by the Company to financial institutions for facilities granted to subsidiaries</u>		
- Total facilities granted	1,895	3,895
- Current Exposure	619	1,580

A14. Significant Related Party Transactions

The Group had entered into the following transactions during the current financial quarter with related parties in which certain director of the Company is a connected person:-

Transactions	Current financial quarter ended 31.03.2023 RM'000	Current financial year to-date 31.03.2023 RM'000
Rental paid to related parties ⁽¹⁾	261	1,040
Rental paid to a Director	23	92

Note:

(1) These parties are related to a director of Oversea Enterprise Berhad subsidiaries.

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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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			Cumulative Quarter		
	3 Months ended			Period ended		
	31.03.2023	31.03.2022	Change	31.03.2023	31.03.2022	Change
	Unaudited	Unaudited		Unaudited	Audited	
	RM'000	RM'000	(%)	RM'000	RM'000	(%)
Revenue	15,905	8,192	94%	56,055	29,744	89%
Operating (Loss)/Profit	(928)	(3,820)	(76%)	262	(6,718)	(>100%)
Loss Before Tax	(1,472)	(4,648)	(68%)	(1,299)	(7,651)	(83%)
Loss After Tax	(2,180)	(4,471)	(51%)	(2,153)	(7,567)	(72%)
Loss Attributable to Owners of the Company	(2,691)	(4,469)	(40%)	(2,661)	(7,394)	(64%)

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

Revenue of the Group increased to RM15.9 million for the current quarter under review as compared to RM8.2 million recorded in the preceding quarter ended 31 March 2022.

Cumulatively, the Group had recorded loss after tax of RM 2.2 million in the current period to 31 March 2023 as compared to a loss after tax of RM7.6 million for the period ended 31 March 2022. The decrease in net loss after tax was mainly attributable to a higher sales volume.

(ii) Statement of financial position

As at 31 March 2023, the total equity attributable to owners of the Company stood at RM72.6 million compared to RM75.3 million as of 31 March 2022.

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

(A) Overall Review of Group's Financial Performance (Cont'd)

(iii) Statement of cash flow

Net cash from operations of the Group was RM5.4 million for the period ended 31 March 2023 against net cash for operations of RM5.4 million for the corresponding period in 2022.

Net cash for investing activities of the Group was RM21.7 million for the period ended 31 March 2022 against net cash for investing of approximately RM1.2 million due to capital expenditure for existing and new restaurants.

Net cash for financing activities was RM6.3 million for period ended 31 March 2023, as compared to net cash from financing activities RM17.3 million for the corresponding period ended in 2022.

(B) Segmental Analysis

	Individual Quarter			Change (%)	Cumulative		Change (%)
	3 Months ended				Period ended		
	31.03.2023	31.03.2022			31.3.2023	31.03.2022	
	Unaudited	Unaudited			Unaudited	Audited	
	RM'000	RM'000			RM'000	RM'000	
Revenue							
Restaurant	15,632	8,044	94%	40,852	16,276	>100%	
Manufacturing	274	137	100%	15,188	13,457	13%	
Others	(1)	11	(>100%)	15	11	36%	
Total	15,905	8,192	94%	56,055	29,744	88%	
(Loss)/Profit before tax							
Restaurant	(7)	(2,516)	(99%)	(2,148)	(6,042)	(64%)	
Manufacturing	(1,399)	(1,681)	(17%)	782	(358)	(>100%)	
Others	(66)	(451)	(85%)	67	(1,251)	(>100%)	
Total	(1,472)	(4,648)	(68%)	(1,299)	(7,651)	(83%)	

The Group recorded revenue of RM15.9 million for the quarter ended 31 March 2023 as compared to RM8.2 million in the quarter ended 31 March 2022 mainly due to higher overall sales volume achieved in the current quarter under restaurant segment. The Group recorded an improvement in loss before tax of RM1.5 million for the current quarter ended 31 March 2023 as compared to loss before tax of RM4.7 million in the quarter ended 31 March 2022.

The Group cumulative losses before tax for the period ended 31 March 2023 was recorded at RM1.3 million as compared to a loss before tax of RM7.6 million for the period ended 31 March 2022. This improvement in net loss before tax due to higher sales volume achieved during the year.

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

	3 Months ended		Change (%)
	31.03.2023	31.12.2022	
	Unaudited	Unaudited	
	RM'000	RM'000	
Revenue			
Restaurant	15,632	9,193	70%
Manufacturing	274	(31)	(>100%)
Others	(1)	-	-
Total	15,905	9,162	74%
(Loss)/Profit Before Tax			
Restaurant	(7)	(877)	(99%)
Manufacturing	(1,399)	(1,663)	(16%)
Others	(66)	7	(>100%)
Total	(1,472)	(2,533)	(42%)

Revenue of the Group increase by 74% to RM15.9 million for the current quarter under review as compared to RM9.2 million recorded in the immediate preceding quarter ended 31 December 2023 mainly attributable to higher sales volume due to Chinese New Year festival in current quarter and also new outlets.

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B3. Prospects

The Group remain focused in upgrading its restaurant facilities as well as new expansions of outlets by incorporating technological advancements to improve the Group's competitiveness as well as to meet different needs of the customers.

With current rebound of the macro economy and the Group's commitment to focus on the business growth, barring unforeseen circumstances, we are confident to deliver positive earnings for next financial year. The Group will continue to exercise prudence in its cost expansion.

B4. Profit Forecast And Profit Estimate

The Group has not issued any profit forecast or profit estimate for the current financial quarter under review or in any public documents.

B5. Taxation

	Current financial quarter ended 31.03.2023 RM'000	Current financial year to-date 31.03.2023 RM'000
Income tax:-		
Current period	(708)	(854)

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):-

	Current financial quarter ended 31.03.2023 RM'000	Current financial year to-date 31.03.2023 RM'000
Interest income	(56)	(353)
Other income including investment income	(1,570)	(4,517)
Gain on disposal of property, plant & equipment	(862)	(902)
Depreciation and amortisation	3,039	6,765
Interest expenses	544	1,561
Inventories written off	42	42
Reversal of provision for doubtful debt	(168)	(183)
Property, plant and equipment written off	212	212

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 2023.

B7. Status Of Corporate Proposals Announced But Not Yet Completed

On 28 July 2021, the Company proposed to undertake the following:-

- (i) Proposed Private Placement of up to 396,384,000 new ordinary shares, representing thirty percent (30%) of the total number of issued shares of the Company ("Placement Shares").
- (ii) Proposed renounceable rights issue of up to 1,717,664,991 new Shares ("Rights Shares") together with up to 572,554,997 free detachable warrants in the Company ("Warrants B") on the basis of 3 Rights Shares together with 1 free Warrants B for every 3 existing Shares held by the entitled shareholders on an entitlement date to be determined.

Further to the Company's announcement on 28 July 2021, the Company announced on 8 October 2021 that the Company has obtained written approval from Bursa Securities on the multiple proposals. The Company obtained shareholders' approval to proceed with the multiple proposals at an Extraordinary General Meeting held on 1 November 2021.

The Company had on 11 November 2021 ("Price Fixing Date") fixed the issue price for the placement of 261,916,000 Placement Shares, being the first and final tranche of the Private Placement, at RM0.0737 per Placement Share ("Issue Price"). The Issue Price represents a discount of 19.98% to the 5-day VWAP of the Shares up to and including 10 November 2021 of RM0.0921, being the last market day immediately preceding the Price-fixing Date.

On 18 November 2021, the Company has allotted 261,916,000 shares to Mr. Lim Kon Lian at RM0.0737 per share and that the shares were listed on Bursa Securities on 19 November 2021. Following the listing of placement shares, total unit of ordinary shares of the Company increase to 1,146,670,000 units. With that, marks the completion of the private placement proposal.

B7. Status Of Corporate Proposals Announced But Not Yet Completed (Cont'd)

On 16 March 2022, the Company has submitted an application to seek Bursa Securities' approval for an extension of time of 6 months for the Company to complete the Right Issues with Warrants. On 31 March 2022, the Company obtained Bursa Securities' approval on the application for an extension of time until 5 October 2022 for the Company to complete the implementation of the Rights Issue with Warrants.

On 26 September 2022, Bursa Securities had approved the Company's application for the extension of time until 5 April 2023 for the Company to complete the implementation of the Rights Issue With Warrants.

On 20 March 2023, the Company has submitted an application to seek Bursa Securities approval for an extension of time of 6 months for the Company to complete the Rights Issue with Warrants.

As at the date of the report, the Company has yet to complete the proposed right issue exercise.

B8. Status Of Utilisation of Proceeds

Private Placement – 30%

On 28 July 2021, the Company proposed to undertake the following:-

(i) Proposed Private Placement of up to 396,384,000 new ordinary shares, representing thirty percent (30%) of the total number of issued shares of the Company ("Placement Shares").

(ii) Proposed renounceable rights issue of up to 1,717,664,991 new Shares ("Rights Shares") together with up to 572,554,997 free detachable warrants in the Company ("Warrants B") on the basis of 3 Rights Shares together with 1 free Warrants B for every 3 existing Shares held by the entitled shareholders on an entitlement date to be determined.

With the completion of the Private Placement 30% on 18 November 2021, the Company raised a total proceed of RM19.30 million.

The said proceeds have been utilised as follows:-

Utilisation of proceeds	Intended timeframe for utilisation from completion of the Proposals	Actual proceeds raised RM'000	Amount utilised as at the LPD RM'000	Balance unutilised RM'000
(i) Expansion of new restaurants	Within 24 months	9,000	9,000	-
(ii) Expansion and upgrading of manufacturing facilities	Within 24 months	6,000	4,351	1,649
(iii) Digital transformation	Within 24 months	600	-	600
(iv) Working capital	Within 24 months	3,175	3,175	-
(v) Expenses for the proposals	Immediate	528	528	-
Total		19,303	17,054	2,249

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B9. Group Borrowings And Debts Securities

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

	Short Term (Secured) RM'000	Long Term (Secured) RM'000	Total (Secured) RM'000
As at 31 March 2023			
Term loan	15	168	183
Lease liabilities	4,125	17,714	21,839
Total Borrowing	4,140	17,882	22,022
As at 31 March 2022			
Term loan	70	1,077	1,147
Lease liabilities	2,277	17,665	19,942
Total Borrowing	2,347	18,742	21,089

The decrease in term loan as at 31 March 2023 compared to 31 March 2022 was due to early settlement of loans related to an investment properties and repayment of facilities. Following the adoption of MFRS16, the hire purchase balances are classified to lease liabilities. The increase in lease liabilities was due to recognition of lease liabilities during the current period ended 31 March 2023. The Group's borrowing and debts securities are denominated in RM.

B10. Material Litigation

There was no material litigation for the current quarter under review, which might materially and adversely affect the position or business of the Company or its subsidiaries.

B11. Dividends

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

B12. Losses Per Share

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2023 RM'000	Preceding Year Corresponding Quarter 31.03.2022 RM'000	Current Year To-Date 31.03.2023 RM'000	Preceding Year Corresponding Period 31.03.2022 RM'000
LOSSES PER SHARE				
Loss for the period attributable to owners of the company	(2,180)	(4,471)	(2,153)	(7,567)
Weighted average number of ordinary shares in issue ('000)	1,134,970	981,408	1,134,970	981,408
Basic Losses per share (sen)	(0.19)	(0.46)	(0.19)	(0.77)
Diluted Losses per share (sen)	(0.19)	(0.46)	(0.19)	(0.77)