

**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 2023 and the accompanying explanatory notes attached to the interim financial report.

A2. Accounting Policies

The accounting policies and methods of computation used in the preparation of the interim financial statement are consistent with those used in preparation of the audited financial statements for the financial year ended 31 March 2023 except for the adoption of the following Amendments to MFRS that are effective for financial period beginning on or after 1 January 2023:-

(i) Annual Improvements and Amendments

	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - comparative information	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

A2. Accounting Policies

- (ii) Annual Improvements and Amendments issued but not yet effective

At the date of authorisation of these interim financial statements, the followings Amendments were issued but not yet effective and have not been applied by the Group:

	Effective Date
Amendments to MFRS 16: Lease liabilities in sale and leaseback	1 January 2024
Amendments to MFRS 101: Non-current liabilities with Convenants	1 January 2024
Amendments to MFRS 107 and MFRS7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 10 and MFRS 128: Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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 2023 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.

OVERSEA ENTERPRISE BERHAD 199401031473 (317155-U)**NOTE TO THE QUARTERLY REPORT****FOR THE THIRD QUARTER ENDED 31 DECEMBER 2023****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
<u>3 months period ended</u>					
<u>31 December 2023</u>					
Revenue from					
External customers	12,762	563	(4)	-	13,321
Inter-segment revenue	6	(267)	164	97	-
Total revenue	12,768	296	160	97	13,321
(Loss)/ Profit before taxation	(819)	(1,356)	400	285	(1,490)
Income Tax					(232)
Loss after taxation					(1,722)
Other comprehensive expense					(5,848)
Total comprehensive expense					(7,570)
<u>9 months period ended</u>					
<u>31 December 2023</u>					
Revenue from					
External customers	36,990	14,213	20	-	51,223
Inter-segment revenue	364	6,754	400	(7,518)	-
Total revenue	37,354	20,967	420	(7,518)	51,223
(Loss)/ Profit before taxation	(2,962)	2,124	(12)	4,896	4,046
Income Tax					(786)
Profit after taxation					3,260
Other comprehensive expense					(8,046)
Total comprehensive expense					(4,786)

OVERSEA ENTERPRISE BERHAD 199401031473 (317155-U)

NOTE TO THE QUARTERLY REPORT

FOR THE THIRD QUARTER ENDED 31 DECEMBER 2023

A9. Segmental Information (Cont'd)

Segmental Reporting

	Restaurant	Manufacturing	Oth\$ers	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
3 monthH\$s period ended					
31 December 2022					
Revenue from					
External customers	9,193	(31)	-	-	9,162
Inter-segment revenue	145	(10)	28	(163)	-
Total revenue	9,338	(41)	28	(163)	9,162
(Loss)/ Profit before taxation	(877)	(1,663)	7	-	(2,533)
Income Tax					76
Loss after taxation					(2,457)
Oth\$er compreH\$ensive expense					4
Total compreH\$ensive expenses					(2,453)
9 monthH\$s period ended					
31 December 2022					
Revenue from					
External customers	25,219	14,914	16	-	40,149
Inter-segment revenue	513	6,533	33	(7,079)	-
Total revenue	25,732	21,447	49	(7,079)	40,149
(Loss)/ Profit before taxation	(2,141)	2,181	133	-	173
Income Tax					(147)
Profit after taxation					26
Other comprehensive expense					3
Total comprehensive income					29

A9. Segmental Information (Cont'd)

Segmental Reporting

	Restaurant	Manufacturing	Others	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 31 December 2023					
Segmented assets	124,793	34,630	154,630	(136,918)	177,135
Unallocated assets					232
					177,367
As at 31 December 2022					
Segmented assets	90,972	34,329	54,695	(75,020)	104,976
Unallocated assets					231
					105,207

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 31.12.2023 RM'000	Unaudited As at 31.12.2022 RM'000
<u>Corporate guarantees given by the Company to financial institutions for facilities granted to subsidiaries</u>		
- Total facilities granted	2,663	3,895
- Current Exposure	617	1,524

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 31.12.2023 RM'000	Current financial year to-date 31.12.2023 RM'000
Rental paid to related parties ⁽¹⁾	335	937

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.

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		
	31.12.2023	31.12.2022	Change	31.12.2023	31.12.2022	Change
	Unaudited	Unaudited		Unaudited	Unaudited	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	13,321	9,162	45%	51,223	40,149	28%
Operating (Loss)/Profit	(1,149)	(2,212)	-48%	5,135	1,190	>100%
(Loss)/Profit Before Tax	(1,490)	(2,533)	-41%	4,046	173	>100%
(Loss)/Profit After Tax	(1,722)	(2,457)	-30%	3,260	26	>100%
(Loss)/Profit Attributable to Owners of the Company	(1,722)	(2,457)	-30%	3,260	26	>100%

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

Revenue of the Group increased to RM13.3 million for the current quarter under review as compared to RM9.2 million recorded in the preceding quarter ended 31 December 2022.

The Group had recorded loss after tax of RM 1.7 million in the current quarter to 31 December 2023 as compared to a loss after tax of RM2.5 million for the quarter ended 31 December 2022.

(ii) Statement of financial position

As at 31 December 2023, total equity attributable to owners of the Company stood at RM138.6 million compared to RM75.4 million as of 31 March 2023.

Share capital increased from RM87.1 million to RM155.1 million due to the right issue exercise with the issuance of 1,133,069,933 new share.

The increase in property, plant and equipment is mainly due to acquisition of new wholly own subsidiary company, Nexus Excellent Sdn Bhd.

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 for operations of the Group was RM4.3 million for the period ended 31 December 2023 against net cash for operations of RM1.1 million for the corresponding period in 2022.

Net cash for investing activities of the Group was RM27.5 million for the period ended 31 December 2023 against net cash for investing of approximately RM12.5 million due to capital expenditure for existing and new restaurants, increase in investment and acquisition of subsidiary.

Net cash from financing activities was RM63.4 million for period ended 31 December 2023, as compared to net cash for financing activities RM2.8 million for the corresponding period ended in 2022 due to the right issue exercise.

(B) Segmental Analysis

	Individual Quarter			Cumulative Quarter		
	3 Months ended			Period ended		
	31.12.2023	31.12.2022	Change	31.12.2023	31.12.2022	Change
	Unaudited	Unaudited		Unaudited	Unaudited	
RM'000	RM'000	%	RM'000	RM'000	%	
Revenue						
Restaurant	12,762	9,193	39%	36,990	25,219	47%
Manufacturing	563	(31)	(>100%)	14,213	14,914	-5%
Others	(4)	-	(>100%)	20	16	25%
Total	13,321	9,162	45%	51,223	40,149	28%
(Loss)/ Profit before Tax						
Restaurant	(870)	(877)	-1%	(3,161)	(2,141)	48%
Manufacturing	(855)	(1,663)	-49%	2,125	2,181	-3%
Others	235	7	>100%	5,082	133	>100%
Total	(1,490)	(2,533)	(>100%)	4,046	173	>100%

The Group recorded revenue of RM13.3 million for the quarter ended 31 December 2023 as compared to RM9.2 million in the quarter ended 31 December 2022 mainly due to higher overall sales volume achieved in the current quarter under restaurant segment.

The Group had recorded loss before tax of RM1.5 million due to the increase in depreciation, rental expenses and manpower cost in the quarter ended 31 December 2023.

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

	Individual Quarter		
	3 Months ended		
	31.12.2023	30.09.2023	Change
	Unaudited	Unaudited	
	RM'000	RM'000	%
Revenue			
Restaurant	12,762	12,631	1%
Manufacturing	563	10,517	-95%
Others	(4)	24	(>100%)
Total	13,321	23,172	-43%
(Loss)/ Profit before Tax			
Restaurant	(870)	(1,375)	-37%
Manufacturing	(855)	2,944	(>100%)
Others	235	4,957	-95%
Total	(1,490)	6,526	(>100%)

Revenue of the Group decrease by 43% to RM13.3 million for the current quarter under review as compared to RM23.2 million recorded in the immediate preceding quarter ended 30 September 2023.

The decrease in revenue was mainly due to the decrease in moon cake sales in prior quarter.

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.

The Group remains committed to focus on the business growth and bearing any unforeseen circumstances, we are cautiously optimistic to deliver positive earnings in the future. The Group will continue manage the cost during its expansionary exercise.

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 31.12.2023 RM'000	Current financial year to-date 31.12.2022 RM'000
Income tax expenses:-		
- Current period	(232)	(786)

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 unutilised reinvestment allowances, which will largely affect its provisional amount.

B6. Notes To The Statement of Comprehensive Income

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

	Current financial quarter ended 31.12.2023 RM'000	Current financial year to-date 31.12.2023 RM'000
Interest income	(48)	(102)
Other income including investment income	(1,697)	(3,576)
Gain on acquisition of subsidiary company	108	(5,302)
Gain on disposal of investment properties	-	(240)
Gain on disposal of property, plant and equipment	(3)	(86)
Depreciation and amortization	2,727	7,171
Interest expenses	341	1,089
Inventory written off	-	7

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

On 28 July 2021, the Company undertook 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") which was completed on 18 November 2021.
- (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.

The proposed renounceable right issue was completed on 28 August 2023.

B8. Status Of Utilisation of Proceeds**(A) 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.

On 30 November 2023, The Company has announced to extend time frame of fund utilisation for Private Placement 30% for another 12 months period from 18 November 2023 (original expiry date) to 17 November 2024 (Revised Time Frame).

The said proceeds have been utilised as follows:-

Utilisation of proceeds	Intended timeframe for utilisation from 18 November 2021	Actual proceeds raised RM'000	Amount utilised as at the LPD RM'000	Balance unutilised RM'000
(i) Expansion of new restaurants	Within 36 months	9,000	9,000	-
(ii) Expansion and upgrading of manufacturing facilities	Within 36 months	6,000	3,010	2,990
(iii) Digital transformation	Within 36 months	600	-	600
(iv) Working capital	Within 36 months	3,175	3,175	-
(v) Expenses for the proposals	Immediate	528	528	-
Total		19,303	15,713	3,590

B8. Status Of Utilisation of Proceeds (Cont'd)**(B) Right Issue**

On 28 July 2023, the Company had circulated the Abridged Prospectus in relation to the proposed renounceable right issue of up to 1,583,196,991 new ordinary shares at an issue price of RM0.06 each together with up to 527,732,330 free detachable warrant B for every 3 existing shares held by the entitled shareholders.

The Rights Issue with Warrants has been completed following the listing and quotation of 1,133,069,933 Rights Shares, 377,689,939 Warrants B and 159,330,537 additional Warrants A on the ACE Market of Bursa Securities on 28 August 2023.

With the completion of the Rights Issue with Warrants following the listing and quotation of 1,133,069,933 Rights Shares, 377,689,939 Warrants B and 159,330,537 additional Warrants A on the ACE Market of Bursa Securities on 28 August 2023, the Company has raised a total proceed of RM 67.98 million.

The said proceed have been utilised as follows:-

Utilisation of proceeds	Intended timeframe for utilisation from 28 August 2023	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	26,000	22,901	3,099
(ii) Expansion and upgrading of manufacturing facilities	Within 24 months	9,000	-	9,000
(iii) Digital transformation	Within 24 months	3,400	-	3,400
(iv) Acquisition and/ or investment in other complementary businesses and/ or assets	Within 24 months	20,000	11,500	8,500
(iv) Working capital	Within 24 months	9,304	3,009	6,295
(v) Expenses for the proposals	Immediate	280	280	-
Total		67,984	37,690	30,294

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 December 2023			
Term Loan	16	155	171
Hire purchase payable	17	16	33
Lease liabilities	4,116	15,184	19,300
Total Borrowing	4,149	15,355	19,504
As at 31 December 2022			
Term Loan	76	1,011	1,106
Hire purchase payable	37	32	82
Lease liabilities	2,252	15,865	19,272
Total Borrowing	2,365	16,908	20,460

The decrease in term loan as at 31 December 2023 compared to 31 December 2022 was due to early settlement of loans in relation to disposal of investment properties. 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. Earnings Per Share

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-Date	Preceding Year Corresponding Period
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
(Loss)/Profit for the period attributable to owners of the company	(1,722)	(2,457)	3,260	26
Weighted average number of ordinary shares in issue ('000)	1,765,369	1,134,970	1,765,369	1,134,970
Basic (Losses)/Earnings per share (sen)	(0.10)	(0.22)	0.18	0.00
Diluted (Losses)/Earnings per share (sen)	(0.10)	(0.22)	0.18	0.00