

**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 2024 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 2024 except for the adoption of the following Amendments to MFRS that are effective for financial period beginning on or after 1 January 2024:-

(i) Annual Improvements and Amendments

	Effective Date
Amendments to MFRS 16: Lease liabilities in sale and leaseback	1 January 2024
Amendments to MFRS 101: Non-current liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS7: Supplier Finance Arrangements	1 January 2024

(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 121: Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS7: Amendment to Classification and measurement of Financial Instruments	1 January 2026
MFRS 1: Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026
MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19: Subsidiary without Public Accountability: Disclosures	1 January 2027
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 2024 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)

NOTES TO THE QUARTERLY REPORT

FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2024

A9. Segmental Information

The Group is organised into 3 main business segments as follows:-

- (i) Restaurant segment - involved in the business as restaurant operators.
- (ii) Manufacturing segment - involved in the manufacturing and wholesale of moon cake and other baked products.
- (iii) Trading and investment holding segment - involved in the trading of general and food products and providing corporate services and treasury functions.

Segmental Reporting

	Restaurant	Manufacturing	Others	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
3 months period ended					
30 September 2024					
Revenue from					
External customer	14,473	9,240	17	-	23,730
Inter-segment revenue	-	5,189	175	(5,364)	-
Total revenue	14,473	14,429	192	(5,364)	23,730
Profit/(Loss) before taxation	(1,659)	3,049	163	(50)	1,503
Income Tax					(247)
Profit after taxation					1,256
Other comprehensive expense					(1,480)
Total comprehensive expenses					(224)
6 months period ended					
30 September 2024					
Revenue from					
External customers	28,971	12,618	17	-	41,606
Inter-segment revenue	-	5,541	347	(5,888)	-
Total revenue	28,971	18,159	364	(5,888)	41,606
Profit/(Loss) before taxation	(3,163)	3,709	612	(153)	1,005
Income Tax					(222)
Profit after taxation					783
Other comprehensive expense					(2,354)
Total comprehensive expenses					(1,571)

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NOTES TO THE QUARTERLY REPORT

FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2024

A9. Segmental Information (Cont'd)

Segmental Reporting

	Restaurant	Manufacturing	Others	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
3 months period ended					
30 September 2023					
Revenue from					
External customer	12,631	10,517	24	-	23,172
Inter-segment revenue	34	7,017	145	(7,196)	-
Total revenue	12,665	17,534	169	(7,196)	23,172
Profit/(Loss) before taxation	(1,225)	2,944	(302)	5,109	6,526
Income Tax					(577)
Profit after taxation					5,949
Other comprehensive expense					(2,009)
Total comprehensive income					3,940
6 months period ended					
30 September 2023					
Revenue from					
External customer	24,228	13,650	24	-	37,902
Inter-segment revenue	358	7,021	236	(7,615)	-
Total revenue	24,586	20,671	260	(7,615)	37,902
Profit/(Loss) before taxation	(2,143)	2,980	(412)	5,111	5,536
Income Tax					(554)
Profit after taxation					4,982
Other comprehensive expense					(2,198)
Total comprehensive income					2,784
As at 30 September 2024					
Segmented assets	117,727	43,006	164,892	(163,287)	162,338
Unallocated assets					433
					162,771
As at 30 September 2023					
Segmented assets	136,259	47,641	140,375	(135,382)	188,893
Unallocated assets					223
					189,116

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 30.09.2024 RM'000	Unaudited As at 30.09.2023 RM'000
<u>Corporate guarantees given by the Company to financial institutions for facilities granted to subsidiaries</u>		
- Total facilities granted	408	2,663
- Current Exposure	408	684

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 30.09.2024 RM'000	Current financial period to-date 30.09.2024 RM'000
Rental paid to related parties ⁽¹⁾	297	645

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		
	30.09.2024	30.09.2023	Change	30.09.2024	30.09.2023	Change
	Unaudited	Unaudited		Unaudited	Audited	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	23,730	23,172	2%	41,606	37,902	10%
Profit Before Taxation	1,503	6,526	-77%	1,005	5,536	-82%
Profit After Taxation	1,256	5,949	-79%	783	4,982	-84%
Comprehensive (Expenses)/Income	(224)	3,940	(>100%)	(1,571)	2,784	(>100%)

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

Revenue of the Group increased to RM23.7 million for the current quarter under review as compared to RM23.2 million recorded in the corresponding quarter ended 30 September 2023.

The Group had recorded profit after taxation of RM1.3 million in the current quarter under review as compared to a profit after taxation of RM5.9 million recorded in the corresponding quarter ended 30 September 2023. Included in the previous corresponding quarter profit after taxation is a gain on acquisition of subsidiary company amounting to RM5.4 million.

(ii) Statement of financial position

As at 30 September 2024, total equity attributable to owners of the Company stood at RM135.6 million as compared to RM137.2 million as of 31 March 2024.

Increase in inventories as and trade and other receivables as well as trade and other payables compared to the balances as at 31 March 2024 was mainly due to seasonal sales associated with mooncake.

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 RM5.2 million for the period ended 30 September 2024 against net cash for operations of RM2.9 million for the corresponding period in 2023.

Net cash for investing activities of the Group was RM1.5 million for the period ended 30 September 2024 against net cash for investing of RM25.4 million for the corresponding period in 2023.

Net cash for financing activities was RM4.5 million for period ended 30 September 2024, as compared to net cash from financing activities RM64.9 million for the corresponding period in 2023.

(B) Segmental Analysis

	Individual Quarter			Cumulative Quarter		
	3 Months ended			Period ended		
	30.09.2024	30.09.2023	Change	30.09.2024	30.09.2023	Change
	Unaudited	Unaudited		Unaudited	Unaudited	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue						
Restaurant	14,473	12,631	15%	28,971	24,228	20%
Manufacturing	9,240	10,517	-12%	12,618	13,650	-8%
Others	17	24	-29%	17	24	-29%
Total	23,730	23,172	2%	41,606	37,902	10%
Profit /(Loss) Before Taxation						
Restaurant	(1,671)	(1,375)	-22%	(3,155)	(2,291)	-38%
Manufacturing	2,987	2,944	1%	3,624	2,980	22%
Others	187	4,957	-96%	536	4,847	-89%
Total	1,503	6,526	-77%	1,005	5,536	-82%

For the current quarter ended 30 September 2024, the restaurant segment recorded a revenue of RM14.5 million, an increase of RM1.8 million or 15% as compared to RM12.6 million recorded in the corresponding quarter ended 30 September 2023. The increase in revenue was mainly due to commencement of business of a new outlet in January 2024.

The restaurant segment recorded a loss before taxation of RM1.7 million for the current quarter under review as compared to a loss before taxation of RM1.4 million due to higher operational expenses.

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

	Individual Quarter		
	3 Months ended		
	30.09.2024	30.06.2024	Change
	Unaudited	Unaudited	
	RM'000	RM'000	%
Revenue			
Restaurant	14,473	14,498	0%
Manufacturing	9,240	3,378	>100%
Others	17	-	>100%
Total	23,730	17,876	33%
Profit/(Loss) Before Taxation			
Restaurant	(1,671)	(1,484)	-13%
Manufacturing	2,987	637	>100%
Others	187	349	-46%
Total	1,503	(498)	>100%

Revenue of the Group increase by RM5.9 million or 33% to RM23.7 million for the current quarter under review as compared to RM17.9 million recorded in the immediate preceding quarter ended 30 June 2024.

The Group recorded a profit before taxation of RM1.5 million as compared to a loss before taxation of RM0.5 million for the immediate preceding quarter. The increase was mainly due to the mooncake sales during the quarter under review.

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 to 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 30.09.2024 RM'000	Current financial period to-date 30.09.2024 RM'000
Income tax saving/(expenses):-		
- Deferred tax	344	369
- Current tax	(591)	(591)
	<u>(247)</u>	<u>(222)</u>

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

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

	Current financial quarter ended 30.09.2024 RM'000	Current financial period to-date 30.09.2024 RM'000
Interest income	(86)	(182)
Gain on disposal of short-term investment	(8)	(16)
Dividend income from other investments	(81)	(144)
Other income	(1,781)	(3,599)
Property, plant and equipment written off	4	11
Depreciation and amortisation	3,281	6,613
Impairment loss on:		
- property, plant and equipment	7	7
- trade receivables	107	107
- other receivables	142	142
Reversal of impairment loss on trade and receivables	(174)	(254)
Interest expense on lease liabilities	97	218
Other interest expenses	2	5

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 September 2024.

B7. 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 Placement Shares on 18 November 2021, the Company raised a total proceed of RM19.30 million.

On 15 November 2024, the Company has announced to extend time frame of fund utilisation for Placement Shares for another 12 months period from 18 November 2024 to 17 November 2025 (revised time frame).

The said proceeds have been utilised as follows:-

Utilisation of Proceed	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 48 months	9,000	9,000	-
(ii) Expansion and upgrading of manufacturing facilities	Within 48 months	6,000	3,254	2,746
(iii) Digital transformation	Within 48 months	600	-	600
(iv) Working capital	Within 48 months	3,175	3,175	-
(v) Expenses for the proposals	Immediate	528	528	-
Total		19,303	15,957	3,346

B7. 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 ("Rights Issue with Warrants").

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 raised a total proceed of RM67.98 million.

The said proceed have been utilised as follows:-

Utilisation of Proceed	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	25,772	228
(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 business and/ or assets	Within 24 months	20,000	15,272	4,728
(v) Working capital	Within 24 months	9,304	7,171	2,133
(vi) Expenses for the proposals	Immediate	280	280	-
Total		67,984	48,495	19,489

B8. 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 30 September 2024			
Hire purchase payable	17	5	22
Lease liabilities	2,953	2,079	5,032
Total Borrowing	<u>2,970</u>	<u>2,084</u>	<u>5,054</u>
As at 30 September 2023			
Term Loan	16	159	175
Hire purchase payable	16	20	36
Lease liabilities	4,213	16,126	20,339
Total Borrowing	<u>4,245</u>	<u>16,305</u>	<u>20,550</u>

The decrease in term loan as at 30 September 2024 compared to 30 September 2023 was due to early settlement of loans. The Group's borrowing and debts securities are denominated in RM.

B9. 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.

B10. Dividends

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

OVERSEA ENTERPRISE BERHAD 199401031473 (317155-U)**NOTES TO THE QUARTERLY REPORT****FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2024****B11. Earnings Per Share**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-Date	Preceding Year Corresponding Period
	30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
Profit for the period attributable to owners of the Company	1,256	5,949	783	4,982
Weighted average number of ordinary shares in issue ('000)	2,268,040	1,512,660	2,268,040	1,512,660
Basic Earnings per share (sen)	0.06	0.39	0.03	0.33
Diluted Earnings per share (sen)	0.06	0.39	0.03	0.33

The Company had increased its issued and paid-up ordinary share capital by 1,113,069,933 new ordinary shares through a Rights Issue on 28 August 2023.