

OCEANCASH PACIFIC BERHAD
Company No. 590636-M
(Incorporated in Malaysia)

UNAUDITED QUARTERLY REPORT FOR THE QUARTER ENDED 30 JUNE 2017

A. Explanatory Notes in Accordance to Financial Reporting Standards (FRS) 134

A1. Basis of Preparation

The interim financial statements are unaudited and had been prepared in accordance with the MFRS 134 ó Interim Financial Reporting issued by Malaysian Accounting Standards Board (MASB) and Rule 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities) for the ACE Market and should be read in conjunction with the audited statutory financial statements presented for the financial year ended 31 December 2016.

The accounting policies and methods of computation adopted by Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2016 except for the adoption of the Amendments/Improvements to MFRS and New IC Interpretations that are applicable to the Group effective 1 January 2017. The adoption of these MFRS and IC Interpretations does not have any material impact on the Group's results and financial position.

A2. Audit Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2016 was not subjected to any qualification.

A3. Seasonal or Cyclical Factors

There were no seasonal or cyclical factors affecting the results of the Group for the current financial quarter under review and financial year-to-date.

A4. Unusual Items

There were no items which are unusual because of their nature, size or incidence that have affected the assets, liabilities, equity, net income or cashflow of the Group for the financial quarter under review and financial year-to-date.

A5. Material Changes in Estimates

There were no changes in estimates that may have a material effect in the current financial quarter under review and financial year-to-date.

A6. Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities during the current financial quarter under review and financial year-to-date.

A7. Dividend Paid

No dividend was recommended, declared and paid during the financial quarter under review and financial year-to-date.

A8. Operating Segments

Segment information is presented in respect of the Group's business segments which is based on the internal reports that are regularly reviewed by the Group's chief operating decision makers in order to allocate resources to the segments and assess their performance.

Segment profit or loss is measured based on segment profit before tax, interest, depreciation and other non-cash expenses that are regularly reviewed by the Group's chief operating decision maker.

Revenue and non-current assets information on the basis of geographical segments are based on the geographical location of customers and assets respectively. The amount of non-current assets do not include financial instruments and deferred tax assets.

Major customers' information are revenues from transactions with a single external customer, the amount of which is ten percent or more of the Group revenue.

Period Ended 30 June 2017

	Hygiene RM'000	Insulation RM'000	Investment holdings RM'000	Elimination RM'000	Total RM'000
Revenue					
External revenue	28,319	15,713	11	-	44,043
Intersegment revenue	-	-	240	(240)	-
Total revenue	28,319	15,713	251	(240)	44,043
Results					
Interest income					37
Finance costs					(277)
Depreciation					<u>(1,925)</u>
Segment profit	3,021	2,051	42		5,114
Taxation	(156)	(451)	(12)		(619)
Profit net of tax	<u>2,865</u>	<u>1,600</u>	<u>30</u>		<u>4,495</u>
Assets					
Segment assets	54,902	48,757	3,532	(7,849)	99,342
Addition to non-current assets other than financial instruments and deferred tax assets	504	51	-	-	555
Liabilities					
Segment liabilities	21,199	7,068	41	(7,849)	20,459
Major customer	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>

Period Ended 30 June 2016

	Hygiene RMø000	Insulation RMø000	Investment holdings RMø000	Elimination RMø000	Total RMø000
Revenue					
External revenue	24,358	15,251	6	-	39,615
Intersegment revenue	-	-	240	(240)	-
Total revenue	24,358	15,251	246	(240)	39,615
Results					
Interest income					8
Finance costs					(496)
Depreciation					<u>(1,662)</u>
Segment profit	2,582	898	32		3,512
Taxation	530	(213)	-		317
Profit net of tax	3,112	685	32		<u>3,829</u>
Assets					
Segment assets	47,550	47,408	3,397	(9,721)	88,634
Addition to non-current assets other than financial instruments and deferred tax assets	362	254	-	-	616
Liabilities					
Segment liabilities	20,794	9,622	8	(9,721)	20,703
Major customer	2	-	-	-	2
Geographical Information					
				Revenue	Non-current assets
				RMø000	RMø000
At 30 June 2017					
Malaysia				15,717	34,353
Indonesia				5,919	23,230
Japan				14,601	-
Thailand				6,053	-
Others				1,753	-
				<u>44,043</u>	<u>57,583</u>
At 30 June 2016					
Malaysia				12,625	32,159
Indonesia				6,161	23,383
Japan				13,089	-
Thailand				6,255	-
Others				1,485	-
				<u>39,615</u>	<u>55,542</u>

A9. Revaluation of Property, Plant and Equipment

The Group did not undertake any revaluation of its property, plant and equipment for the current financial quarter under review and financial year-to-date.

A10. Material Events Subsequent to the End of the Current Financial Quarter

There was no material event subsequent to the end of the current financial quarter that has not been reflected in the interim financial statements for the current financial quarter under review.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial quarter under review and financial year-to-date.

A12. Capital Commitment

	Financial Period Ended 30.06.2017 RM'000	Financial Year Ended 31.12.2016 RM'000
Approved and contracted for :		
Property, plant and equipment	Nil	Nil

A13. Contingent Liabilities and Contingent Assets

There were no changes in the contingent liabilities or contingent assets since the last financial year ended 31 December 2016.

A14. Amounts Due to Directors

The amounts due to directors of RM1,900,000 are unsecured and have no fixed terms of repayment and bears interest at the rate of 6.5% per annum.

B. Additional Information Required by the Listing Requirements of Bursa Securities for the ACE Market**B1. Review of Performance for the Current Financial Quarter and Financial Year-to-date**

	Quarter ended		Year-to-date	
	30.06.2017 RM'000	30.06.2016 RM'000	30.06.2017 RM'000	30.06.2016 RM'000
Revenue	22,119	21,037	44,043	39,615
Profit for the period attributable to owners of the parent	2,475	2,659	4,495	3,829

The Group's revenue increased by 8.2% on quarter-on-quarter basis was mainly due to increase in sales in hygiene division. On year-on-year basis, the Group's revenue increased by 11.18% was mainly due to increase in sales in hygiene division in Malaysia and Japan, and also increase in sales in felts division in Malaysia, Philippines and Thailand.

The Group recorded a decrease of RM0.184 million in net profit on quarter-on-quarter was mainly attributed to the drop in sales in felts division. On year-on-year basis, the Group recorded an increase of RM0.666 million in net profit was mainly attributed to the increase in revenue in felts division and hygiene division..

B2. Material Change in Profit Before Taxation of Current Quarter in Comparison with Previous Financial Quarter's Results

	Quarter ended	
	31.03.2017 RM'000	31.12.2016 RM'000
Revenue	22,119	21,924
Profit / (Loss) before taxation	2,388	2,725

The Group recorded a decrease of 0.09 in revenue and decrease of RM0.337 million in profit before taxation. The decrease in profit before tax was mainly due to reduction in revenue in felts division and provision of foreign exchange.

B3. Prospect for Year 2017

Barring unforeseen circumstances, the Directors anticipate the Group's performance for the financial year 2017 to be better than the financial year 2016.

B4. Variance of Profit Forecast or Profit Guarantee

Not applicable as OPB has not provided any profit forecast or profit guarantee in a public document.

B5. Taxation

The taxation charges for the current financial quarter and financial year-to-date include the following:

	Current Quarter 30.06.2017 RM'000	Year-to-date period ended 30.06.2017 RM'000
Estimated current tax payable	(114)	(521)
Overprovision/(underprovision)	-	-
Deferred tax	201	(98)
Taxation expense	<u>87</u>	<u>(619)</u>

The effective tax rate is disproportionate to the statutory tax rate for the Group for the current financial quarter and financial year-to-date mainly due to unabsorbed tax losses set off against the current year taxable profit and timing difference of unrealised foreign exchange.

B6. Purchase and Disposal of Quoted Securities

There were no purchases or disposals of quoted securities during the current financial quarter and financial year-to-date.

B7. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the date of issue of this report.

B8. Group Borrowings and Debt Securities

The Group's borrowings as at 30 June 2017 are shown below:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term Borrowings			
Term Loan	1,882	-	1,882
Trade Line	6,711	3,049	9,760
Bank Overdraft	-	-	-
Hire Purchase Payables	238	-	238
	<u>8,831</u>	<u>3,049</u>	<u>11,880</u>
Long Term Borrowings			
Term Loan	3,069	-	3,069
Hire Purchase Payables	173	-	173
	<u>3,242</u>	<u>-</u>	<u>3,242</u>
Total	<u>12,073</u>	<u>3,049</u>	<u>15,122</u>

Group borrowings as at 30 June 2017 denominated in United States Dollars are as follows:-

	USD'000 ¹
Short Term Borrowing	191
Long Term Borrowing	255
Total	<u>446</u>

Note:

1 These borrowings have been converted into Ringgit Malaysia using the translation rate prevailing as at 30 June 2017.

B9. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at the date of issue of this report.

B10. Disclosure of Realised and Unrealised Profits

	Period ended 30.06.2017 RMø000	As at 31.12.2016 RMø000
Total retained profits of the Company and its subsidiaries:		
- Realised	5,192	46,185
- Unrealised	(645)	2,454
	<u>4,547</u>	<u>48,639</u>
Add: Consolidation adjustments	4	(8,706)
Total group retained profits as per consolidated accounts	<u>4,551</u>	<u>39,933</u>

B11. Material Litigation

The Group is not engaged in any material litigation either as plaintiff or defendant and the directors do not have any knowledge of any proceedings pending or threatened against the Group as at 24 August 2017, being a date not more than seven (7) days from the date of this report.

B12. Dividends

No dividend was recommended, declared and paid for the financial period ended 30 June 2017 (30 June 2016: Nil)

B13. Earnings / (loss) per Share**▪ Basic earnings / (loss) per share**

The basic earnings / (loss) per share of the Group is calculated by dividing the Net Profit / (Loss) by the weighted average number of ordinary shares in issue during the period.

	Current Year Quarter 30.06.2017	Preceding Year Corresponding Quarter 30.06.2016	Current Year-To- Date 30.06.2017	Preceding Year Corresponding Period 30.06.2016
Net Profit / (Loss) (RM'000)	2,475	2,659	4,495	3,829
Weighted average number of ordinary shares ('000)	223,000	223,000	223,000	223,000
Basic earnings / (loss) per share (sen)	1.11	1.19	2.02	1.72

▪ Diluted earnings / (loss) per share

The Group does not have any convertible securities and accordingly, there is no dilution of earnings per share.