

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

UNAUDITED QUARTERLY REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 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 – 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 September 2017

	Hygiene RM'000	Insulation RM'000	Investment holdings RM'000	Elimination RM'000	Total RM'000
Revenue					
External revenue	44,180	23,146	17	-	67,343
Intersegment revenue	-	-	360	(360)	-
Total revenue	44,180	23,146	377	(360)	67,343
Results					
Interest income					71
Finance costs					(640)
Depreciation					(2,881)
Segment profit	5,347	2,912	83		8,342
Taxation	(144)	(668)	(16)		(828)
Profit net of tax	<u>5,203</u>	<u>2,244</u>	<u>67</u>		<u>7,514</u>
Assets					
Segment assets	54,985	48,486	3,539	(7,273)	99,737
Addition to non-current assets other than financial instruments and deferred tax assets	553	336	-	-	889
Liabilities					
Segment liabilities	18,959	6,391	10	(7,273)	18,087
Major customer	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>

Period Ended 30 September 2016

	Hygiene RM'000	Insulation RM'000	Investment holdings RM'000	Elimination RM'000	Total RM'000
Revenue					
External revenue	37,588	22,656	9	-	60,253
Intersegment revenue	-	-	360	(360)	-
Total revenue	37,588	22,656	369	(360)	60,253
Results					
Interest income					13
Finance costs					(736)
Depreciation					<u>(2,558)</u>
Segment profit	4,550	2,296	52		6,898
Taxation	529	(494)	(1)		34
Profit net of tax	<u>5,079</u>	<u>1,802</u>	<u>51</u>		<u>6,932</u>
Assets					
Segment assets	53,180	49,194	3,414	(9,440)	96,348
Addition to non-current assets other than financial instruments and deferred tax assets	4,033	276	-	-	4,309
Liabilities					
Segment liabilities	24,455	10,075	9	(9,440)	25,099
Major customer	1	-	-	-	1
Geographical Information					
				Revenue	Non-current assets
				RM'000	RM'000
At 30 September 2017					
Malaysia				23,125	34,363
Indonesia				8,744	22,012
Japan				22,040	-
Thailand				10,770	-
Others				2,664	-
				<u>67,343</u>	<u>56,375</u>
At 30 September 2016					
Malaysia				20,172	35,375
Indonesia				9,001	24,050
Japan				18,895	-
Thailand				10,032	-
Others				2,153	-
				<u>60,253</u>	<u>59,425</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 30.09.2017 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 RM1,600,000 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	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
	RM'000	RM'000	RM'000	RM'000
Revenue	23,299	20,639	67,343	60,253
Profit for the period attributable to owners of the parent	3,019	3,104	7,514	6,932

The Group's revenue increased by 12.9% on quarter-on-quarter basis mainly due to increase in sales in hygiene division in Malaysia, Japan and Thailand. On year-on-year basis, the Group's revenue increased by 11.8%, mainly due to increase in sales in hygiene division in Malaysia and Japan, and also increase in sales in felts division in Philippines and Thailand.

The Group recorded a decrease of RM0.085 million in net profit on quarter-on-quarter basis, mainly attributed to weakening of Indonesia rupiah and the drop in sales in felts division. On year-on-year basis, the Group recorded an increase of RM0.582 million in net profit, mainly due to the increase in revenue in

felts division and hygiene division. In the same period, there was a substantial provision for foreign exchange loss due weakening of Indonesia rupiah.

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

	Quarter ended	
	30.09.2017 RM'000	30.06.2017 RM'000
Revenue	23,299	22,119
Profit / (Loss) before taxation	3,228	2,388

The Group recorded an increase of 5.3% in revenue and increase of RM0.840 million in profit before taxation. The increase in profit before tax was mainly due to higher revenue in felts and hygiene division and provision for 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 30.09.2017 RM'000	Year-to-date period ended 30.09.2017 RM'000
Estimated current tax payable	(182)	(703)
Overprovision/(underprovision)	(39)	(39)
Deferred tax	12	(86)
Taxation expense	<u>(209)</u>	<u>(828)</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 being 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 September 2017 are shown below:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term Borrowings			
Term Loan	2,226	-	2,226
Trade Line	3,584	4,290	7,874
Bank Overdraft	-	-	-
Hire Purchase Payables	238	-	238
	<u>6,048</u>	<u>4,290</u>	<u>10,338</u>
Long Term Borrowings			
Term Loan	2,301	-	2,301
Hire Purchase Payables	118	-	118
	<u>2,419</u>	<u>-</u>	<u>2,419</u>
Total	<u>8,467</u>	<u>4,290</u>	<u>12,757</u>

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

	USD'000¹
Short Term Borrowing	210
Long Term Borrowing	174
Total	<u>384</u>

Note:

- 1 These borrowings have been converted into Ringgit Malaysia using the translation rate prevailing as at 30 September 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 30.09.2017 RM'000	As at 31.12.2016 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	8,651	46,185
- Unrealised	(1,059)	2,454
	<u>7,592</u>	<u>48,639</u>
Add: Consolidation adjustments	6	(8,706)

Total group retained profits as per consolidated accounts	<u>7,598</u>	<u>39,933</u>
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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 23 November 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 September 2017 (30 September 2016: Nil) during the financial period under review.

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 30.09.2017	Preceding Year Corresponding Quarter 30.09.2016	Current Year-To- Date 30.09.2017	Preceding Year Corresponding Period 30.09.2016
Net Profit / (Loss) (RM'000)	3,019	3,104	7,514	6,932
Weighted average number of ordinary shares ('000)	223,000	223,000	223,000	223,000
Basic earnings / (loss) per share (sen)	<u>1.35</u>	<u>1.39</u>	<u>3.37</u>	<u>3.11</u>

▪ **Diluted earnings / (loss) per share**

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