

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

UNAUDITED QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2018

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 2017.

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 2017 except for the adoption of the Amendments/Improvements to MFRS and New IC Interpretations that are applicable to the Group effective 1 January 2018. 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 2017 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 31 March 2018

	Hygiene RM'000	Insulation RM'000	Investment holdings RM'000	Elimination RM'000	Total RM'000
Revenue					
External revenue	14,013	8,236	13	-	22,262
Intersegment revenue	-	-	120	(120)	-
Total revenue	14,013	8,236	133	(120)	22,262
Results					
Interest income					24
Finance costs					(129)
Depreciation					(950)
Segment profit	1,058	1,569	1	-	2,628
Taxation	159	(287)	(7)		(135)
Profit net of tax	<u>1,217</u>	<u>1,282</u>	<u>(6)</u>		<u>2,493</u>
Assets					
Segment assets	54,738	43,708	3,623	(5,796)	96,273
Addition to non-current assets other than financial instruments and deferred tax assets	1,041	60	-	-	1,101
Liabilities					
Segment liabilities	16,688	3,749	153	(5,796)	14,794
Major customer	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3</u>

Period Ended 31 March 2017

	Hygiene RM'000	Insulation RM'000	Investment holdings RM'000	Elimination RM'000	Total RM'000
Revenue					
External revenue	13,288	8,631	5	-	21,924
Intersegment revenue	-	-	(120)	(120)	-
Total revenue	13,288	8,631	125	(120)	21,924
Results					
Interest income					15
Finance costs					(257)
Depreciation					(969)
Segment profit	1,052	1,674	(1)		2,725
Taxation	(316)	(388)	(2)		(706)
Profit net of tax	<u>736</u>	<u>1,286</u>	<u>(3)</u>		<u>2,019</u>
Assets					
Segment assets	53,655	50,335	3,615	(7,949)	99,656
Addition to non-current assets other than financial instruments and deferred tax assets	27	7	-	-	34
Liabilities					
Segment liabilities	21,922	8,900	163	(7,949)	23,036
Major customer	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>
Geographical Information					
				Revenue RM'000	Non-current assets RM'000
At 31 March 2018					
Malaysia				8,437	34,578
Indonesia				2,874	19,013
Japan				6,089	-
Thailand				4,337	-
Others				525	-
				<u>22,262</u>	<u>53,591</u>
At 31 March 2017					
Malaysia				8,133	34,887
Indonesia				3,302	23,903
Japan				7,120	-
Thailand				2,527	-
Others				842	-
				<u>21,924</u>	<u>58,790</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 31.03.2018 RM'000	Financial Year Ended 31.12.2017 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 2017.

A14. Amounts Due to Directors

The amounts due to directors of RM120,000 are directors' fee.

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	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	RM'000	RM'000	RM'000	RM'000
Revenue	22,262	21,924	22,262	21,924
Profit for the period attributable to owners of the parent	2,493	2,019	2,493	2,019

The Group's revenue increased 1.5% on quarter-on-quarter and year-on-year basis was mainly due to increase in sales in hygiene division to Thailand and Malaysia market. As for felts division, there was a slight dropped in sales to automotive sector in Malaysia and Indonesia.

The Group recorded a an increase of RM0.474 million in net profit on quarter-on-quarter and year-on-year basis, mainly attributed to lower provision for taxation on unrealised foreign exchange differences and lower finance expenses.

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

	Quarter ended	
	31.03.2018 RM'000	31.12.2017 RM'000
Revenue	22,262	23,299
Profit / (Loss) before taxation	2,628	3,228

The Group recorded a decrease of 4.5% in revenue and a decrease of RM0.600 million in profit before taxation. The felts division recorded an increase in sales to Thailand and Malaysia market. This however, was insufficient to offset the decrease in revenue from hygiene division to Japan market.

The decrease in profit before tax was mainly due to the change in accounting treatment of foreign exchange difference arising from intercompany loan to a subsidiary in Indonesia.

B3. Prospect for Year 2018

Barring unforeseen circumstances, the Directors anticipate the Group's performance for the financial year 2018 to be better than the financial year 2017.

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 31.03.2018 RM'000	Year-to-date period ended 31.12.2018 RM'000
Estimated current tax payable	(244)	(244)
Overprovision/(underprovision)	-	-
Deferred tax	109	109
Taxation expense	(135)	(135)

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 the current year taxable profit being set off against unabsorbed tax losses brought forward 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 31 March 2018 are shown below:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term Borrowings			
Term Loan	1,735	-	1,735
Trade Line	4,317	3,376	7,693
Bank Overdraft	127	-	127
Hire Purchase Payables	223	-	223
	<u>6,402</u>	<u>3,376</u>	<u>9,778</u>
Long Term Borrowings			
Term Loan	1,279	-	1,279
Hire Purchase Payables	22	-	22
	<u>1,301</u>	<u>-</u>	<u>1,301</u>
Total	<u>7,703</u>	<u>3,376</u>	<u>11,079</u>

Group borrowings as at 31 March 2018 denominated in United States Dollars are as follows:-

	USD'000¹
Short Term Borrowing	193
Long Term Borrowing	94
Total	<u>287</u>

Note:

1 These borrowings have been converted into Ringgit Malaysia using the translation rate prevailing as at 31 March 2018.

B9. Off Balance Sheet Financial Instruments

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

B10. 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 30 May 2018, being a date not more than seven (7) days from the date of this report.

B11. Dividends

A single tier dividend of 8% on 223,000,000 ordinary shares amounting to RM1,784,000.00 was recommended, declared and paid on 29 December 2017 (30 December 2016: RM1,561,000.00).

B12. 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 31.03.2018	Preceding Year Corresponding Quarter 31.03.2017	Current Year-To- Date 31.03.2018	Preceding Year Corresponding Period 31.03.2017
Net Profit / (Loss) (RM'000)	2,493	2,019	2,493	2,019
Weighted average number of ordinary shares ('000)	223,000	223,000	223,000	223,000
Basic earnings / (loss) per share (sen)	<u>1.12</u>	<u>0.91</u>	<u>1.12</u>	<u>0.91</u>

▪ Diluted earnings / (loss) per share

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