

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

**UNAUDITED QUARTERLY REPORT FOR THE QUARTER ENDED 30 JUNE 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 30 June 2018

	Hygiene RM'000	Insulation RM'000	Investment holdings RM'000	Elimination RM'000	Total RM'000
<b>Revenue</b>					
External revenue	27,002	15,462	29	-	42,493
Intersegment revenue	-	-	240	(240)	-
Total revenue	27,002	15,462	269	(240)	42,493
<b>Results</b>					
Interest income					37
Finance costs					(246)
Depreciation					<u>(1,869)</u>
Segment profit	1,555	2,844	(349)	-	4,050
Taxation	268	(503)	(5)		(240)
Profit net of tax	<u>1,823</u>	<u>2,341</u>	<u>(354)</u>		<u>3,810</u>
<b>Assets</b>					
Segment assets	56,987	45,051	3,298	(5,496)	99,840
Addition to non-current assets other than financial instruments and deferred tax assets	1,047	111	-	-	1,158
<b>Liabilities</b>					
Segment liabilities	18,442	3,782	182	(5,496)	16,910
<b>Major customer</b>	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>

Period Ended 30 June 2017

	Hygiene RM'000	Insulation RM'000	Investment holdings RM'000	Elimination RM'000	Total RM'000
<b>Revenue</b>					
External revenue	28,319	15,713	11	-	44,043
Intersegment revenue	-	-	240	(240)	-
Total revenue	28,319	15,713	251	(240)	44,043
<b>Results</b>					
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>
<b>Assets</b>					
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
<b>Liabilities</b>					
Segment liabilities	21,199	7,068	41	(7,849)	20,459
<b>Major customer</b>	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>
<b>Geographical Information</b>					
				Revenue	Non-current assets
				RM'000	RM'000
At 30 June 2018					
Malaysia				16,181	34,054
Indonesia				5,522	18,644
Japan				12,257	-
Thailand				7,593	-
Others				940	-
				<u>42,493</u>	<u>52,698</u>
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>

**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**

	<b>Financial Period Ended 30.06.2018 RM'000</b>	<b>Financial Year Ended 31.12.2017 RM'000</b>
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**

	<b>Quarter ended</b>		<b>Year-to-date</b>	
	<b>30.06.2018</b>	<b>30.06.2017</b>	<b>30.06.2018</b>	<b>30.06.2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	20,231	22,119	42,493	44,043
Profit for the period attributable to owners of the parent	1,317	2,475	3,810	4,495

The Group's revenue decreased by 8.5% on quarter-on-quarter basis was mainly due to lower sales to Japan and Thailand market. At insulation division, the Group recorded an increase of 3.0% in revenue in local automotive and local air-conditioners market. On year-on-year basis, the Group's revenue decreased by

3.5% was mainly due to lower sales to Japan and Korea market for hygiene division and Indonesia market for insulation division.

The Group recorded a decrease of RM1.158 million in net profit on quarter-on-quarter was mainly attributed to the drop in sales, loss in foreign exchange and increase in production expenses in hygiene division and transfer listing expenses of RM0.342 million. On year-on-year basis, the Group recorded a reduction of RM0.685 million in net profit was mainly due to the decrease in revenue and increase in production expenses in hygiene division, drop in sales in insulation division in Indonesia and transfer listing expenses of RM0.345 million.

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

	Quarter ended	
	30.06.2018 RM'000	31.03.2018 RM'000
Revenue	20,231	22,262
Profit / (Loss) before taxation	1,422	2,628

The Group recorded a decrease of 9.12% in revenue and a decrease of RM1.206 million in profit before taxation. The Group registered a decrease in sales in both hygiene and insulation divisions. The drop in sales in insulation division was mainly due to reduce working days in June 2018 because of Hari Raya public holidays. The reduction of profit before tax was attributed to reduction in revenue and transfer listing expenses of RM0.342 million.

**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 30.06.2018 RM'000	Year-to-date period ended 31.12.2018 RM'000
Estimated current tax payable	(179)	(424)
Overprovision/(underprovision)	-	-
Deferred tax	74	184
<b>Taxation expense</b>	<u>(105)</u>	<u>(240)</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 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 30 June 2018 are shown below:

	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
<b>Short Term Borrowings</b>			
Term Loan	2,103	-	2,103
Trade Line	8,061	2,094	10,155
Bank Overdraft	-	-	-
Hire Purchase Payables	162	-	162
	<u>10,326</u>	<u>2,094</u>	<u>12,420</u>
<b>Long Term Borrowings</b>			
Term Loan	775	-	775
Hire Purchase Payables	28	-	28
	<u>803</u>	<u>-</u>	<u>803</u>
<b>Total</b>	<u>11,129</u>	<u>2,094</u>	<u>13,223</u>

Group borrowings as at 30 June 2018 denominated in United States Dollars are as follows:-

	<b>USD'000<sup>1</sup></b>
Short Term Borrowing	207
Long Term Borrowing	31
<b>Total</b>	<u>238</u>

**Note:**

1 These borrowings have been converted into Ringgit Malaysia using the translation rate prevailing as at 30 June 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 13 August 2018, being a date not more than seven (7) days from the date of this report.

**B11. Dividends**

No dividend was recommended, declared and paid for the financial period ended 30 June 2018 (30 June 2017: Nil)

**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.

	<b>Current Year Quarter 30.06.2018</b>	<b>Preceding Year Corresponding Quarter 30.06.2017</b>	<b>Current Year-To- Date 30.06.2018</b>	<b>Preceding Year Corresponding Period 30.06.2017</b>
Net Profit / (Loss) (RM'000)	1,317	2,475	3,810	4,495
Weighted average number of ordinary shares ('000)	223,000	223,000	223,000	223,000
Basic earnings / (loss) per share (sen)	<u>0.59</u>	<u>1.11</u>	<u>1.71</u>	<u>2.02</u>

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

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