

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

**UNAUDITED QUARTERLY REPORT FOR THE QUARTER ENDED 31 DECEMBER 2018**

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

**A1. Basis of Preparation**

The interim financial statements are unaudited and have 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 Main Market of Bursa Securities 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 the 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**

A first and interim single tier dividend of 10% of 223,000,000 ordinary shares amounting to RM2,230,000.00 was recommended and paid on 29 December 2018.

## 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, after 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.

Year Ended 31 December 2018

	Hygiene RM'000	Insulation RM'000	Investment holdings RM'000	Elimination RM'000	Total RM'000
<b>Revenue</b>					
External revenue	53,096	32,022	60	-	85,178
Intersegment revenue	-	-	3,511	(3,511)	-
Total revenue	53,096	32,022	3,571	(3,511)	85,178
<b>Results</b>					
Interest income					99
Finance costs					(522)
Depreciation					<u>(3,848)</u>
Segment profit	2,730	5,519	2,390	(3,031)	7,608
Taxation	(371)	(1,062)	(97)		(1,530)
Profit net of tax	<u>2,359</u>	<u>4,457</u>	<u>2,293</u>	(3,031)	<u>6,078</u>
<b>Assets</b>					
Segment assets	54,157	46,448	3,837	(4,747)	99,695
Addition to non-current assets other than financial instruments and deferred tax assets	2,250	401	-	-	2,651
<b>Liabilities</b>					
Segment liabilities	15,742	4,353	220	(4,747)	15,568
<b>Major customer</b>	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>

Year Ended 31 December 2017

	Hygiene RMø000	Insulation RMø000	Investment holdings RMø000	Elimination RMø000	Total RMø000
<b>Revenue</b>					
External revenue	59,275	30,430	25	-	89,730
Intersegment revenue	-	1	2,511	(2,512)	-
Total revenue	59,275	30,431	2,536	(2,512)	89,730
<b>Results</b>					
Interest income					114
Finance costs					(778)
Depreciation					(3,838)
Segment profit	6,616	4,431	1,814	(2,031)	10,830
Taxation	(150)	(851)	(11)		(1,012)
Profit net of tax	6,466	3,580	1,803	(2,031)	9,818
<b>Assets</b>					
Segment assets	58,162	44,956	3,639	(6,014)	100,743
Addition to non-current assets other than financial instruments and deferred tax assets	914	417	-	-	1,331
<b>Liabilities</b>					
Segment liabilities	21,169	4,887	167	(6,014)	20,209
<b>Major customer</b>	2	-	-	-	2
<b>Geographical Information</b>					
				Revenue	Non-current assets
				RMø000	RMø000
At 31 December 2018					
Malaysia				33,483	34,087
Indonesia				11,812	18,446
Japan				26,487	-
Thailand				11,788	-
Others				1,608	-
				85,178	52,533
At 31 December 2017					
Malaysia				31,978	33,125
Indonesia				11,582	20,675
Japan				29,209	-
Thailand				13,766	-
Others				3,195	-
				89,730	54,800

**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 Year Ended 31.12.2018 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.

**B. Additional Information Required by the Listing Requirements of Bursa Securities for the Main Market of Bursa Securities**

**B1. Review of Performance for the Current Financial Quarter and Financial Year-to-date**

	<b>Quarter ended</b>		<b>Year-to-date</b>	
	<b>31.12.2018</b>	<b>31.12.2017</b>	<b>31.12.2018</b>	<b>31.12.2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	19,893	22,393	85,178	89,730
Profit for the period attributable to owners of the parent	33	2,315	6,078	9,818

The Group's revenue decreased by 11.2% on quarter-on-quarter basis was mainly due to lower sales at hygiene division to Thailand and Japan market. On year-on-year basis, the Group's revenue decreased by 5.1% was mainly due to lower sales to Japan, Thailand, China and Korea market for hygiene division. At insulation division, the Group recorded an increase of 5.2% in revenue in local and Indonesia automotive market and also in local air-conditioners market.

The Group recorded a decrease of RM2.28 million in net profit on quarter-on-quarter was mainly attributed to the drop in sales in hygiene division, provision of doubtful debts and employees' benefits amounting to RM0.44 million at insulation division in Indonesia, transfer listing expenses of RM0.23 million and reversal of deferred tax asset of RM0.57 million. On year-on-year basis, the Group recorded a reduction of RM3.74 million in net profit was mainly due to the decrease in revenue, changes in products mix and

increase in production expenses in hygiene division, provision of doubtful debts and employees' benefits amounting to RM0.44 million at insulation division in Indonesia, transfer listing expenses of RM0.58 million and reversal of deferred tax asset of RM0.57 million.

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

	Quarter ended	
	31.12.2018	30.09.2018
	RM'000	RM'000
Revenue	19,893	22,792
Profit before taxation	840	2,718

The Group recorded a decrease of 12.7% in revenue and a reduction of RM1.88 million in profit before taxation. The reduction in profit before tax was due to decrease in sales in both hygiene and insulation divisions for automotive as well as air-conditioners market, provision of doubtful debts and employees' benefits amounting to RM0.44 million at insulation division in Indonesia and transfer listing expenses of RM0.23 million.

**B3. Prospect for Year 2019**

Barring unforeseen circumstances, the Directors anticipate the Group's performance for the financial year 2019 to be better than the financial year 2018.

**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	Year-to-date ended
	31.12.2018	31.12.2018
	RM'000	RM'000
Estimated current tax payable	(307)	(1,219)
Overprovision/(underprovision)	-	23
Deferred tax	(500)	(334)
<b>Taxation expense</b>	<b>(807)</b>	<b>(1,530)</b>

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 December 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	1,664	-	1,664
Trade Line	6,640	1,565	8,205
Bank Overdraft	782	-	782
Hire Purchase Payables	68	-	68
	<u>9,154</u>	<u>1,565</u>	<u>10,719</u>
<b>Long Term Borrowings</b>			
Term Loan	99	-	99
Hire Purchase Payables	14	-	14
	<u>113</u>	<u>-</u>	<u>113</u>
<b>Total</b>	<u>9,267</u>	<u>1,565</u>	<u>10,832</u>

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

	<b>USD'000<sup>1</sup></b>
Short Term Borrowing	137
Long Term Borrowing	-
<b>Total</b>	<u>137</u>

**Note:**

1 These borrowings have been converted into Ringgit Malaysia using the translation rate prevailing as at 31 December 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 6 March 2019, being a date not more than seven (7) days from the date of this report.

**B11. Dividends**

A single tier dividend of 10% on 223,000,000 ordinary shares amounting to RM2,230,000.00 was recommended, declared and paid on 29 December 2018 (30 December 2017: RM1,784,000.00).

**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.

	<b>Current Year Quarter 31.12.2018</b>	<b>Preceding Year Corresponding Quarter 31.12.2017</b>	<b>Current Year-To- Date 31.12.2018</b>	<b>Preceding Year Corresponding Period 31.12.2017</b>
Net Profit / (Loss) (RM'000)	33	2,315	6,078	9,818
Weighted average number of ordinary shares (-'000)	223,000	223,000	223,000	223,000
Basic earnings / (loss) per share (sen)	<u>0.01</u>	<u>1.04</u>	<u>2.73</u>	<u>4.40</u>

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

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