

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

UNAUDITED QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2020

A. Explanatory Notes in Accordance to Malaysia Financial Reporting Standards (“MFRS”) 134

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134 – Interim Financial Reporting issued by Malaysian Accounting Standards Board (“MASB”) and paragraph Rule 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and should be read in conjunction with the audited statutory financial statements presented for the financial year ended 31 December 2019 which will be published on 30 June 2020.

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 2018 except for the adoption of the new MFRSs, Amendments/Improvements to MFRS and New IC Interpretations that are applicable to the Group effective 1 January 2020. The adoption of these MFRSs and IC Interpretations do 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 2019 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 cash flow 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, 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 refer to customers whose purchases amount to ten percent (10%) or more of the Group's revenue.

Period Ended 31 March 2020

	Hygiene RM'000	Insulation RM'000	Investment holdings RM'000	Elimination RM'000	Total RM'000
Revenue					
External revenue	13,073	7,570	8	-	20,651
Intersegment revenue	-	-	-	-	-
Total revenue	13,073	7,570	8	-	20,651
Results					
Interest income					351
Finance costs					(77)
Depreciation					(1,297)
Segment profit	204	1,802	(30)	17	1,993
Taxation	(35)	(315)	-		(350)
Net profit	<u>169</u>	<u>1,487</u>	<u>(30)</u>	17	<u>1,643</u>
Assets					
Segment assets	54,389	52,039	3,731	(7,435)	102,724
Addition to non-current assets other than financial instruments and deferred tax assets	512	2,626	-	-	3,138
Liabilities					
Segment liabilities	13,536	7,160	158	(7,458)	13,396
Major customers	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>

Period Ended 31 March 2019

	Hygiene RM'000	Insulation RM'000	Investment holdings RM'000	Elimination RM'000	Total RM'000
Revenue					
External revenue	13,119	8,078	20	-	21,217
Intersegment revenue	-	-	-	-	-
Total revenue	13,119	8,078	20	-	21,217
Results					
Interest income					34
Finance costs					(107)
Depreciation					(1,007)
Segment profit	500	1,126	(9)	-	1,617
Taxation	(54)	(219)	-	-	(273)
Profit net of tax	446	907	(9)	-	1,344
Assets					
Segment assets	56,465	47,286	3,778	(4,453)	103,076
Addition to non-current assets other than financial instruments and deferred tax assets	1,687	258	-	-	1,945
Liabilities					
Segment liabilities	17,552	4,090	180	(4,453)	17,369
Major customers	2	-	-	-	2

Geographical Information

	Revenue RM'000	Non-current assets RM'000
At 31 March 2020		
Malaysia	8,286	38,914
Indonesia	2,903	15,211
Japan	6,080	-
Thailand	2,513	7,173
Others	869	-
	20,651	61,298
At 31 March 2019		
Malaysia	8,901	35,427
Indonesia	2,766	18,060
Japan	7,120	-
Thailand	1,960	-
Others	470	-
	21,217	53,487

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

	Quarter Ended 31.03.2020 RM'000	Year-to-date Ended 31.03.2020 RM'000
Approved and contracted for:		
Property, plant and equipment	8,500	8,500

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 2019.

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

	Quarter ended		Year-to-date	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
Revenue	20,651	21,217	20,651	21,217
Net profit	1,643	1,344	1,643	1,344

The Group's revenue decreased by 2.67% quarter-on-quarter and year-on-year basis due mainly to lower sales in automotive market in Malaysia at insulation division. On the other hand, sales in automotive market in Indonesia increased by 14.1%. At hygiene division, sales to Japan was reduced whereas sales to China, Thailand and Australia were increased.

The Group recorded an increase in net profit of RM0.30 million quarter-on-quarter and year-on-year basis due mainly to better product mix and foreign exchange.

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

	Quarter ended	
	31.03.2020	31.12.2019
	RM'000	RM'000
Revenue	20,651	22,209
Profit before taxation	1,993	1,828

The Group recorded a decrease of 7.0% in revenue due mainly to lower sales in Malaysia market in hygiene division and decrease in sales to automotive market in Malaysia. The Group profit before tax improved by RM0.16 million due mainly to better product mix and foreign exchange.

B3. Prospect for Year 2020

Barring unforeseen circumstances and assuming global pandemic of Covid-19 does not worsen, the Directors anticipate the Group's performance for the financial year 2020 to perform fairly under these circumstances.

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
	31.12.2020	31.12.2019
	RM'000	RM'000
Estimated current tax payable	(256)	(256)
Overprovision/(underprovision)	-	-
Deferred tax	(94)	(94)
Taxation expense	(350)	(350)

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 2020 are shown below:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term Borrowings			
Term Loan	-	-	-
Trade Line	5,025	2,926	7,951
Bank Overdraft	164	-	164
Lease liabilities	606	-	606
	<u>5,795</u>	<u>2,926</u>	<u>8,721</u>
Long Term Borrowings			
Term Loan	-	-	-
Lease liabilities	691	-	691
	<u>691</u>	<u>-</u>	<u>691</u>
Total	<u>6,486</u>	<u>2,926</u>	<u>9,412</u>

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 2 June 2020, 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 31 March 2020 (31 March 2019: Nil)

B12. Earnings per Share**▪ Basic earnings per share**

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

	Current Year Quarter 31.03.2020	Preceding Year Corresponding Quarter 31.03.2019	Current Year-To- Date 31.03.2020	Preceding Year Corresponding Period 31.03.2019
Net Profit (RM'000)	1,643	1,344	1,643	1,344
Weighted average number of ordinary shares ('000)	245,300	245,300	245,300	245,300
Basic earnings / (loss) per share (sen)	0.67	055	0.67	055

▪ Diluted earnings per share

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