

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

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

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 2019 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

Save as disclosed below, there was no other corporate proposal announced but not completed as at the date of this report:

On 1 September 2020, the Company proposed to undertake the placement of up to 24,500,000 new ordinary shares in Oceancash (“**Placement Shares**”), representing approximately 10% of the total number of issued shares of the Company (“**Proposed Placement**”) pursuant to Sections 75 and 76 of the Companies Act 2016.

As at the date of this report, the Company has placed 15,500,000 new Placement Shares raising RM10,953,750.

## A7. Dividend Paid

A first and interim single tier dividend of 8% of 260,800,000 ordinary shares amounting to RM2,086,400.00 was recommended and paid on 31 December 2020.

## 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.

Year Ended 31 December 2020

	Hygiene RM’000	Insulation RM’000	Investment holdings RM’000	Elimination RM’000	Total RM’000
<b>Revenue</b>					
External revenue	57,126	22,975	68	-	80,169
Intersegment revenue	1	-	2,623	(2,624)	-
Total revenue	57,127	22,975	2,691	(2,624)	80,169
<b>Results</b>					
Interest income					211
Finance costs					(408)
Depreciation					<u>(5,187)</u>
Segment profit	3,099	2,102	2,217	(2,575)	4,843
Taxation	(49)	(480)	-		(529)
Net profit	<u>3,050</u>	<u>1,622</u>	<u>2,217</u>	<u>(2,575)</u>	<u>4,314</u>

<b>Assets</b>					
Segment assets	72,911	50,661	14,853	(6,798)	131,627
Addition to non-current assets other than financial instruments and deferred tax assets	11,625	4,548	-	-	16,173
<b>Liabilities</b>					
Segment liabilities	21,115	6,173	360	(6,715)	20,933
<b>Major customers</b>	2	-	-	-	2

Year Ended 31 December 2019

	Hygiene RM'000	Insulation RM'000	Investment holdings RM'000	Elimination RM'000	Total RM'000
<b>Revenue</b>					
External revenue	55,690	33,577	2,907	(2,830)	89,344
Intersegment revenue	-	-	-	-	-
Total revenue	55,690	33,577	2,907	(2,830)	89,344
<b>Results</b>					
Interest income					179
Finance costs					(458)
Depreciation					<u>(4,293)</u>
Segment profit	3,341	5,977	2,534	(2,824)	9,028
Taxation	(595)	(1,328)	-		(1,923)
Net profit	<u>2,746</u>	<u>4,649</u>	<u>2,534</u>	<u>(2,824)</u>	<u>7,105</u>
<b>Assets</b>					
Segment assets	56,539	52,132	3,782	(6,084)	106,369
Addition to non-current assets other than financial instruments and deferred tax assets	5,199	5,255	-	-	10,454
<b>Liabilities</b>					
Segment liabilities	15,888	5,955	179	(6,090)	15,932
<b>Major customers</b>	2	-	-	-	2

## Geographical Information

	Revenue	Non-current assets
	RM'000	RM'000
At 31 December 2020		
Malaysia	33,855	57,709
Indonesia	6,952	15,168
Japan	24,688	-
Thailand	8,117	9,112
Others	6,557	-
	<u>80,169</u>	<u>81,989</u>
At 31 December 2019		
Malaysia	38,883	39,038
Indonesia	12,833	17,389
Japan	28,191	-
Thailand	7,087	4,712
Others	2,350	-
	<u>89,344</u>	<u>61,139</u>

### A9. Revaluation of Property, Plant and Equipment

The Group had revalued its landed properties based on a valuation carried out by a registered valuer with an independent firm of professional valuers, using the 'Comparison Method of Valuation'. The revaluation surplus of RM8.79 million has been recognised as revaluation surplus in the Balance Sheet.

### 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 31.12.2020 RM'000	Year-to-date Ended 31.12.2020 RM'000
Approved and contracted for:		
Property, plant and equipment	-	-

### 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	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Revenue	21,290	22,209	80,169	89,344
Net profit	1,500	1,435	4,314	7,105

The Group's revenue decreased by 4.14% and 10.27% on quarter-on-quarter and year-on-year basis respectively. This was due mainly to the insulation division in Malaysia not in operation for two (2) months when the Movement Control Order ("MCO") was imposed resulting in lower sales and the new motor vehicles sales in Indonesia market was badly affected by the pandemic. Fortunately, insulation division in Malaysia had resumed production operations since June 2020 and new car sales in Malaysia market had increased since July. During the 4<sup>th</sup> Quarter, the insulation division in Malaysia was back to pre-pandemic level. Hygiene division recorded an increase in sales to Thailand, China, Bangladesh and Australia market during the quarter-on-quarter and year-on-year under review.

The Group recorded an increase in net profit of RM0.065 million on quarter-on-quarter basis. On year-on-year basis, the Group's net profit reduced by RM2.791 million due to the abovementioned reasons. During the lockdown, hygiene division manpower supply was disrupted which resulted in higher production expenses and lower efficiency. The decrease in net profit was also mainly due to increase in production expenses at hygiene division and decrease in revenue at felts division.

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

	Quarter ended	
	31.12.2020	30.09.2020
	RM'000	RM'000
Revenue	21,290	21,107
Profit before taxation	1,748	994

The Group's revenue was consistent on quarter-to-quarter basis. During this quarter, insulation division in Malaysia and Indonesia recorded an increase of 9.39% and 73.19% in revenue respectively. However, hygiene division revenue dropped by 8%. The increase in profit before tax was due mainly to higher sales in insulation division and better cost control in hygiene division.

**B3. Prospect for Year 2021**

Barring unforeseen circumstances and assuming global pandemic of Covid-19 does not worsen, the Directors anticipate the Group's performance for the financial year 2021 to perform better 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:

	<b>Current Quarter 31.12.2020 RM'000</b>	<b>Year-to-date ended 31.12.2020 RM'000</b>
Estimated current tax payable	(187)	(511)
Overprovision/(underprovision)	(12)	(12)
Deferred tax	(49)	(6)
<b>Taxation expense</b>	<u>(248)</u>	<u>(529)</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**

Save as disclosed below, there was no other corporate proposal announced but not completed as at the date of this report:

On 1 September 2020, the Company proposed to undertake the placement of up to 24,500,000 new ordinary shares in Oceancash (“**Placement Shares**”), representing approximately 10% of the total number of issued shares of the Company (“**Proposed Placement**”) pursuant to Sections 75 and 76 of the Companies Act 2016.

On 4 September 2020, Bursa Malaysia Securities Berhad had approved the listing and quotation of the Placement Shares.

As at the date of this report, the Company has placed 15,500,000 new Placement Shares raising RM10,953,750. The status of the utilisation of proceeds raised is as follows:

	Proceeds raised RM'000	Proceeds utilised RM'000	Estimated timeframe for utilisation upon listing
Purchase of machinery	10,654	Nil	Within 18 months
Working capital	Nil	Nil	Within 12 months
Estimated expenses	300	195	Within 12 month

## B8. Group Borrowings and Debt Securities

The Group's borrowings as at 31 December 2020 are shown below:

	Secured RM'000	Unsecured RM'000	Total RM'000
<b>Short Term Borrowings</b>			
Term Loan	1,151	-	1,151
Trade Line	4,919	1,875	6,794
Lease liabilities	702	-	702
	<u>6,772</u>	<u>1,875</u>	<u>8,647</u>
<b>Long Term Borrowings</b>			
Term Loan	3,508	-	3,508
Lease liabilities	1,210	-	1,210
	<u>4,718</u>	<u>-</u>	<u>4,718</u>
<b>Total</b>	<u>11,490</u>	<u>1,875</u>	<u>13,365</u>

Group borrowings as at 31 December 2020 denominated in United States Dollars are as follows:-

	USD'000 <sup>1</sup>
Short Term Borrowings	286
Long Term Borrowings	874
Total	<u>1,160</u>

### Note:

1 These borrowings have been converted into Ringgit Malaysia using the translation rate prevailing as at 31 December 2020.

## 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, being a date not more than seven (7) days from the date of this report.

## B11. Dividends

A single tier dividend of 8% on 260,800,000 ordinary shares amounting to RM2,086,400.00 was recommended, declared and paid on 31 December 2020 (27 December 2019: RM2,453,000.00).

**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.

	<b>Current Year Quarter 31.12.2020</b>	<b>Preceding Year Corresponding Quarter 31.12.2019</b>	<b>Current Year-To- Date 31.12.2020</b>	<b>Preceding Year Corresponding Period 31.12.2019</b>
Net Profit (RM'000)	1,500	1,435	4,314	7,105
Weighted average number of ordinary shares ('000)	258,770	245,300	248,746	245,300
Basic earnings / (loss) per share (sen)	0.58	0.58	1.73	2.90

**▪ Diluted earnings per share**

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