

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

UNAUDITED QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2022

A. Explanatory Notes in Accordance to Malaysian 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 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 2021.

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 2021 except the Amendments to MFRS that are applicable to the Group effective 1 January 2022. The amendments of these MFRSs 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 2021 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.

Year Ended 31 March 2022

	Hygiene RM'000	Insulation RM'000	Investment holdings RM'000	Elimination RM'000	Total RM'000
Revenue					
External revenue	13,214	7,681	58	-	20,953
Intersegment revenue	-	-	-	-	-
Total revenue	13,214	7,681	58	-	20,953
Results					
Interest income					38
Finance costs					(104)
Depreciation					<u>(1,522)</u>
Segment profit	921	2,086	(18)	(9)	2,980
Taxation	14	(1,311)	-	-	(1,297)
Net profit	<u>935</u>	<u>775</u>	<u>(18)</u>	<u>(9)</u>	<u>1,683</u>
Assets					
Segment assets	70,824	51,312	14,823	(3,170)	133,789
Addition to non-current assets other than financial instruments and deferred tax assets	122	5	-	-	127
Liabilities					
Segment liabilities	16,753	2,738	255	(3,092)	16,654
Major customers	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>

Period Ended 31 March 2021

	Hygiene RM'000	Insulation RM'000	Investment holdings RM'000	Elimination RM'000	Total RM'000
Revenue					
External revenue	11,543	7,381	53	-	18,977
Intersegment revenue	-	-	-	-	-

Total revenue	11,543	7,381	53	-	18,977
Results					
Interest income					41
Finance costs					(102)
Depreciation					<u>(1,602)</u>
Segment profit	19	1,851	(63)	5	1,812
Taxation	33	(527)	-		(494)
Net profit	<u>52</u>	<u>1,324</u>	<u>(63)</u>	5	<u>1,318</u>
Assets					
Segment assets	74,665	50,508	14,772	(5,329)	134,616
Addition to non-current assets other than financial instruments and deferred tax assets	83	6	-	-	89
Liabilities					
Segment liabilities	22,850	4,393	345	(5,251)	22,337
Major customers	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>

Geographical Information

	Revenue	Non-current assets
	RM'000	RM'000
At 31 March 2022		
Malaysia	10,026	52,167
Indonesia	2,747	12,427
Japan	4,959	-
Thailand	2,124	8,372
Others	1,097	-
	<u>20,953</u>	<u>72,966</u>
At 31 March 2021		
Malaysia	8,540	56,649
Indonesia	2,360	14,889
Japan	4,480	-
Thailand	2,193	8,926
Others	1,404	-
	<u>18,977</u>	<u>80,464</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

	Quarter Ended 31.03.2022 RM'000	Year-to-date Ended 31.12.2022 RM'000
Approved and contracted for:		
Property, plant and equipment	677	677

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 2021.

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	
	31.03.2022 RM'000	31.03.2021 RM'000	31.03.2022 RM'000	31.03.2021 RM'000
Revenue	20,953	18,977	20,953	18,977
Net profit	1,683	1,318	1,683	1,318

The Group's revenue increased by 10.4% on quarter-on-quarter basis was due mainly to improved sales in Malaysia market at hygiene division and air-conditioner sector in Malaysia at insulation division.

The Group recorded an increase in net profit of RM0.365 million on quarter-on-quarter due mainly to one-off gain on disposal of machineries and improved sales in all the divisions.

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

	Quarter ended	
	31.03.2022 RM'000	31.12.2021 RM'000
Revenue	20,953	19,262
Profit before taxation	2,980	1,340

The Group's revenue increase by 8.78% compared to the preceding quarter was due mainly to improved sales in Malaysia at hygiene division and improve sales in Thailand at insulation division.

The Group recorded an increase in profit before tax of RM1.64 million on quarter-on-quarter due mainly to one-off gain on disposal of machineries and improved sales in all the divisions.

B3. Prospect for Year 2022

Barring unforeseen circumstances and assuming global pandemic of Covid-19 does not worsen, the Directors anticipate the Group's performance for the financial year 2022 to perform better.

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
	31.03.2022	31.03.2022
	RM'000	RM'000
Estimated current tax payable	(1,104)	(1,104)
Overprovision/(underprovision)	-	-
Deferred tax	(193)	(193)
Taxation expense	<u>1,297</u>	<u>1,297</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, reversal of deferred tax asset and capital allowance on disposal of fixed asset, 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 2022 are shown below:

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Short Term Borrowings			
Term Loan	1,658	-	1,658
Trade Line	6,516	-	6,516
Lease liabilities	818	-	818
	<u>8,992</u>	<u>-</u>	<u>8,992</u>
Long Term Borrowings			
Term Loan	3,213	-	3,213
Lease liabilities	151	-	151
	<u>3,364</u>	<u>-</u>	<u>3,364</u>
Total	<u>12,365</u>	<u>-</u>	<u>12,365</u>

Group borrowings as at 31 March 2022 denominated in United States Dollars are as follows:-

	USD'000¹
Short Term Borrowings	296
Long Term Borrowings	505
Total	<u>801</u>

Note:

1 These borrowings have been converted into Ringgit Malaysia using the translation rate prevailing as at 31 March 2022.

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.

B11. Dividends

No dividend was recommended, declared and paid for the financial period ended 31 March 2022 (31 March 2021: 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 31.03.2022	Preceding Year Corresponding Quarter 31.03.2021	Current Year-To- Date 31.03.2022	Preceding Year Corresponding Period 31.03.2021
Net Profit (RM'000)	1,683	1,318	1,683	1,318
Weighted average number of ordinary shares ('000)	260,800	260,800	260,800	260,800
Basic earnings / (loss) per share (sen)	<u>0.65</u>	<u>0.51</u>	<u>0.65</u>	<u>0.51</u>

- **Diluted earnings per share**

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