

OCEANCASH PACIFIC BERHAD

Registration No. 200201022973 (590636-M)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2023**

(The figures have not been audited)

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>CURRENT YEAR QUARTER 30.06.2023 RM'000</u>	<u>PRECEDING YEAR CORRESPONDING QUARTER 30.06.2022 RM'000</u>	<u>CURRENT YEAR TO DATE 30.06.2023 RM'000</u>	<u>PRECEDING YEAR CORRESPONDING PERIOD 30.06.2022 RM'000</u>
Revenue	18,190	19,707	38,485	40,660
Other income	548	191	784	471
EBITDA	2,466	1,687	5,915	6,292
Finance cost	(162)	(103)	(302)	(207)
Depreciation	(1,584)	(1,554)	(3,149)	(3,076)
Profit before taxation	720	30	2,464	3,009
Taxation	(532)	463	(1,125)	(833)
Profit for the period	188	493	1,339	2,176
Other comprehensive income for the financial period, net of tax				
Foreign currency translation	1,388	(283)	2,406	20
Total comprehensive income for the financial period	1,576	210	3,745	2,196
Equity holders of the company	188	493	1,339	2,176
Minority interest	-	-	-	-
Profit attributable to owners of the company	188	493	1,339	2,176
Total comprehensive income attributable to owners of the company	1,576	210	3,745	2,196
Weighted average number of shares in issue ('000)	260,800	260,800	260,800	260,800
Basic earnings per share (sen)	0.07	0.19	0.51	0.83
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A
Dividend per share (sen)	-	-	-	-

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the notes to the quarterly report and the audited financial statements for the financial year ended 31 December 2022.

Note:

N/A Not applicable

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL POSITION
AS AT 30 JUNE 2023
(The figures have not been audited)

	<u>(UNAUDITED)</u>	<u>(AUDITED)</u>
	AS AT 30.06.2023 RM'000	AS AT 31.12.2022 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	75,726	75,765
Deferred tax assets	1,656	1,626
	<u>77,382</u>	<u>77,391</u>
Current assets		
Inventories	10,015	12,545
Trade receivables	16,004	16,793
Other receivables, deposit and prepayments	6,816	3,861
Tax recoverable	89	385
Other investment	13,695	12,924
Cash and bank balances	19,220	12,594
	<u>65,839</u>	<u>59,102</u>
TOTAL ASSETS	<u>143,221</u>	<u>136,493</u>
EQUITY AND LIABILITIES		
Share capital	37,007	37,007
Revaluation reserve	16,076	15,403
Currency translation reserve	(90)	(2,496)
Retained profits	68,151	66,695
Equity attributable to equity holders of the parent	<u>121,144</u>	<u>116,609</u>
Total equity	<u>121,144</u>	<u>116,609</u>
Non-current liabilities		
Long term borrowings	4,831	2,883
Provision for retirement benefits	161	145
Deferred taxation	5,774	5,709
Total non-current liabilities	<u>10,766</u>	<u>8,737</u>
Current liabilities		
Trade payables	2,296	2,472
Other payables and accruals	1,699	2,455
Amounts due to directors	90	185
Short term borrowings	7,226	6,035
	<u>11,311</u>	<u>11,147</u>
Total liabilities	<u>22,077</u>	<u>19,884</u>
TOTAL EQUITY AND LIABILITIES	<u>143,221</u>	<u>136,493</u>
Net assets per ordinary share (sen) attributable to equity holders of the Company	46.45	44.71

The Unaudited Condensed Consolidated Financial Position should be read in conjunction with the notes to the quarterly report and the audited financial statements for the financial year ended 31 December 2022.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**
(The figures have not been audited)

Note	Attributable To Equity Holders Of The Parent					Total	Minority Interest	Total Equity
	<u>Non-distributable</u>		Fair value Reserve	Currency Translation Reserve	<u>Distributable</u> Retained earnings/ (Accumulated loss)			
	Share Capital	Revaluation Reserve						
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance as at 01.01.22	37,007	14,086	-	(1,909)	62,527	111,711	-	111,711
Currency translation reserve	-	-	-	(587)	-	(587)	-	(587)
Revaluation surplus	-	-	-	-	-	-	-	-
Revaluation reserve during the year	-	(202)	-	-	202	-	-	-
Profit net of tax	-	-	-	-	6,574	6,574	-	6,574
Total comprehensive income for the financial year	-	(202)	-	(587)	6,776	5,987	-	5,987
Dividend paid	-	-	-	-	(2,608)	(2,608)	-	(2,608)
Gain on revaluation surplus	-	1,519	-	-	-	1,519	-	1,519
Balance as at 31.12.2022	37,007	15,403	-	(2,496)	66,695	116,609	-	116,609
Currency translation reserve	-	-	-	2,406	-	2,406	-	2,406
Revaluation reserve during the year	-	(117)	-	-	117	-	-	-
Profit net of tax	-	-	-	-	1,339	1,339	-	1,339
Total comprehensive income for the period	-	(117)	-	2,406	1,456	3,745	-	3,745
Gain on revaluation surplus	-	790	-	-	-	790	-	790
Balance as at 30.06.2023	37,007	16,076	-	(90)	68,151	121,144	-	121,144

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the notes to the quarterly report and the audited financial statements for the financial year ended 31 December 2022.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2023**

(The figures have not been audited)

	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30.06.2023 RM'000	30.06.2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,464	3,009
Adjustment for:-		
Depreciation and prepaid lease payments	3,099	2,817
Amortisation of land use rights	50	259
Loss on disposal of property, plant and equipment	-	36
Property, plant and equipment written-off	-	90
Unrealised gain/loss on foreign exchange	131	52
Dividend income	(74)	(152)
Interest income	(102)	(65)
Interest expense	266	207
Operating profit before working capital changes	5,834	6,253
Inventories	2,631	342
Receivables	(1,562)	(3,988)
Payables	(1,155)	(1,929)
Bills payables	298	454
CASH FROM OPERATIONS	6,046	1,132
Interest paid	(55)	(75)
Interest received	102	65
Tax refund	-	419
Tax paid	(838)	(897)
NET CASH FLOW FROM OPERATING ACTIVITIES	5,255	644
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(543)	(2,889)
Proceeds from disposal of property, plant and equipment	-	84
Net disposal of other investments	(771)	(3,621)
Dividend income	74	152
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(1,240)	(6,274)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(211)	(152)
Repayment of lease liabilities	(429)	(378)
Proceeds from term loan	3,561	-
Repayments of term loans	(984)	(409)
NET CASH FLOWS USED IN FINANCING ACTIVITIES	1,937	(939)
Translation differences	255	(161)
NET CHANGES IN CASH AND CASH EQUIVALENTS	6,207	(6,730)
Effects of exchange rate changes	419	219
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	12,594	17,560
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	19,220	11,049

Cash and cash equivalents included in the cash flow statements comprise the following: -

	RM'000	RM'000
Cash and bank balances	16,229	11,049
Bank overdraft	-	-
	16,229	11,049

The unaudited Condensed Consolidated Cashflow Statement should be read in conjunction with the notes to the quarterly report and the audited financial statements for the financial year ended 31 December 2022.

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UNAUDITED QUARTERLY REPORT FOR THE QUARTER ENDED 30 JUNE 2023

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 2022.

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 2022 except the Amendments to MFRS that are applicable to the Group effective 1 January 2023. 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 2022 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 total of segment assets and liabilities are measured based on all assets and liabilities of a segment.

Major customers refer to customers whose purchases amount to ten percent (10%) or more of the Group's revenue.

Period Ended 30 June 2023

	Hygiene RM'000	Insulation RM'000	Investment holdings RM'000	Elimination RM'000	Total RM'000
Revenue					
External revenue	17,871	20,397	217	-	38,485
Intersegment revenue	-	-	-	-	-
Total revenue	17,871	20,397	217	-	38,485
Results					
Interest income					102
Finance costs					(302)
Depreciation					<u>(3,149)</u>
Segment profit	(1,304)	3,852	46	(130)	2,464
Taxation	149	(1,268)	(6)		(1,125)
Net profit	<u>(1,155)</u>	<u>2,584</u>	<u>40</u>	<u>(130)</u>	<u>1,339</u>
Assets					
Segment assets	68,181	65,116	37,893	(27,969)	143,221
Addition to non-current assets other than financial instruments and deferred tax assets	41	552	-	-	593
Liabilities					
Segment liabilities	17,419	9,292	122	(4,756)	22,077
Major customers	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>

Period Ended 30 June 2022

	Hygiene RM'000	Insulation RM'000	Investment holdings RM'000	Elimination RM'000	Total RM'000
Revenue					
External revenue	25,906	14,635	119	-	40,660
Intersegment revenue	-	-	-	-	-
Total revenue	25,906	14,635	119	-	40,660
Results					
Interest income					66
Finance costs					(207)
Depreciation					<u>(3,076)</u>
Segment profit	987	2,111	(67)	(22)	3,009
Taxation	117	(950)	-	-	(833)
Net profit	<u>1,104</u>	<u>1,161</u>	<u>(67)</u>	<u>(22)</u>	<u>2,176</u>
Assets					
Segment assets	71,848	50,949	14,610	(1,862)	135,545
Addition to non-current assets other than financial instruments and deferred tax assets	98	445	-	-	543
Liabilities					
Segment liabilities	17,716	2,813	90	(1,754)	18,865
Major customers	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>

Geographical Information

	Revenue RM'000	Non-current assets RM'000
At 30 June 2023		
Malaysia	19,839	50,070
Indonesia	4,945	14,183
Japan	5,403	-
Thailand	6,609	11,473
Others	1,689	-
	<u>38,485</u>	<u>75,726</u>
At 30 June 2022		
Malaysia	19,326	52,476
Indonesia	4,886	13,745
Japan	10,372	-
Thailand	4,338	10,087
Others	1,738	-
	<u>40,660</u>	<u>76,308</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 30.06.2023 RM'000	Year-to-date Ended 30.06.2023 RM'000
Approved and contracted for:		
Property, plant and equipment	9,920	9,920

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 2022.

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	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
Revenue	18,190	19,707	38,485	40,660
Net profit	188	493	1,339	2,176

The Group's revenue decreased by 7.7% on quarter-on-quarter and 5.3% on year-on-year basis. The decreased in revenue was due mainly to drop in revenue in Malaysia and Japan market in hygiene division despite the increase in revenue in insulation division from new motor vehicles market in Malaysia and Thailand. The reduction in sales in hygiene division was due to weakening of Japanese Yen against US Dollar had made our export sales price to Japan less competitive.

The Group recorded a decrease in net profit of RM0.305 million on quarter-on-quarter and RM0.837 million year-on-year basis was due mainly to decrease in revenue in hygiene division. The Group profit margin has been affected negatively by the increase in cost of production and labour expense especially natural gas and electricity expenses.

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

	Quarter ended	
	30.06.2023	31.03.2023
	RM'000	RM'000
Revenue	18,190	20,293
Profit before taxation	720	1,746

The Group's revenue decreased by 10.4% compared to the preceding quarter was due mainly to reduction in sales to Thailand in insulation division and air-conditioner sector in Malaysia. The net profit before tax decreased by RM1.026 million was due mainly to reduction in sales. The Group registered favourable foreign exchange gain during the 2nd quarter compared to 1st quarter.

B3. Prospect for Year 2023

Barring unforeseen circumstances the Directors anticipate the Group's performance for the financial year 2023 to maintain.

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
	30.06.2023	30.06.2023
	RM'000	RM'000
Estimated current tax payable	(519)	(1,138)
Overprovision/(underprovision)	-	-
Deferred tax	(13)	12
Taxation expense	<u>(532)</u>	<u>(1,125)</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 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 2023 are shown below:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term Borrowings			
Term Loan	2,486	-	2,486
Trade Line	2,631	1,636	4,267
Lease liabilities	472	-	472
	<u>5,589</u>	<u>1,636</u>	<u>7,225</u>
Long Term Borrowings			
Term Loan	4,482	-	4,482
Lease liabilities	349	-	349
	<u>4,831</u>	<u>-</u>	<u>4,831</u>
Total	<u><u>10,420</u></u>	<u><u>1,636</u></u>	<u><u>12,056</u></u>

Group borrowings as at 30 June 2023 denominated in United States Dollars are as follows:-

	USD'000¹
Short Term Borrowings	302
Long Term Borrowings	257
Total	<u><u>579</u></u>

Note:

1 These borrowings have been converted into Ringgit Malaysia using the translation rate prevailing as at 30 June 2023.

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 30 June 2023 (30 June 2022: 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 30.06.2023	Preceding Year Corresponding Quarter 30.06.2022	Current Year-To- Date 30.06.2023	Preceding Year Corresponding Period 30.06.2022
Net Profit (RM'000)	188	493	1,339	2,176
Weighted average number of ordinary shares ('000)	260,800	260,800	260,800	260,800
Basic earnings / (loss) per share (sen)	0.07	0.19	0.51	0.83

▪ Diluted earnings per share

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