

OCEANCASH PACIFIC BERHAD

Registration No. 200201022973 (590636-M)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 DECEMBER 2023**

(The figures have not been audited)

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>CURRENT YEAR QUARTER 31.12.2023 RM'000</u>	<u>PRECEDING YEAR CORRESPONDING QUARTER 31.12.2022 RM'000</u>	<u>CURRENT YEAR TO DATE 31.12.2023 RM'000</u>	<u>PRECEDING YEAR CORRESPONDING PERIOD 31.12.2022 RM'000</u>
Revenue	20,039	21,276	78,213	87,169
Other income	664	94	1,303	1,013
EBITDA	3,442	3,651	12,938	15,562
Finance cost	(252)	(162)	(794)	(495)
Depreciation	(1,722)	(1,467)	(6,618)	(6,368)
Profit before taxation	1,468	2,022	5,526	8,699
Taxation	(577)	(387)	(2,498)	(2,124)
Profit for the period	891	1,635	3,028	6,575
Other comprehensive income for the financial period, net of tax				
Foreign currency translation	115	(1,012)	1,700	(587)
Total comprehensive income for the financial period	1,006	623	4,728	5,988
Equity holders of the company	891	1,635	3,028	6,575
Minority interest	-	-	-	-
Profit attributable to owners of the company	891	1,635	3,028	6,575
Total comprehensive income attributable to owners of the company	1,006	623	4,728	5,988
Weighted average number of shares in issue ('000)	260,800	260,800	260,800	260,800
Basic earnings per share (sen)	0.34	0.63	1.16	2.52
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A
Dividend per share (sen)	0.005	0.010	0.005	0.010

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

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UNAUDITED CONDENSED CONSOLIDATED FINANCIAL POSITION**AS AT 31 DECEMBER 2023**

(The figures have not been audited)

	<u>(UNAUDITED)</u>	<u>(AUDITED)</u>
	AS AT 31.12.2023 RM'000	AS AT 31.12.2022 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	90,184	75,765
Deferred tax assets	1,470	1,626
	<u>91,654</u>	<u>77,391</u>
Current assets		
Inventories	11,104	12,545
Trade receivables	16,993	16,793
Other receivables, deposit and prepayments	4,749	3,861
Tax recoverable	-	385
Other investment	12,600	12,924
Cash and bank balances	13,291	12,594
	<u>58,737</u>	<u>59,102</u>
TOTAL ASSETS	<u><u>150,391</u></u>	<u><u>136,493</u></u>
EQUITY AND LIABILITIES		
Share capital	37,007	37,007
Revaluation reserve	18,074	15,403
Currency translation reserve	(726)	(2,496)
Retained profits	68,579	66,695
Equity attributable to equity holders of the parent	<u>122,934</u>	<u>116,609</u>
Total equity	<u>122,934</u>	<u>116,609</u>
Non-current liabilities		
Long term borrowings	6,112	2,883
Provision for retirement benefits	156	145
Deferred taxation	6,543	5,709
Total non-current liabilities	<u>12,811</u>	<u>8,737</u>
Current liabilities		
Trade payables	3,704	2,472
Other payables and accruals	3,413	2,455
Taxation	619	
Amounts due to directors	185	185
Short term borrowings	6,725	6,035
	<u>14,646</u>	<u>11,147</u>
Total liabilities	<u>27,457</u>	<u>19,884</u>
TOTAL EQUITY AND LIABILITIES	<u><u>150,391</u></u>	<u><u>136,493</u></u>
Net assets per ordinary share (sen) attributable to equity holders of the Company	47.14	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 SEPTEMBER 2023**

(The figures have not been audited)

Note	Attributable To Equity Holders Of The Parent				Total	Minority Interest	Total Equity
	<u>Non-distributable</u>		Currency Translation Reserve	<u>Distributable</u>			
	Share Capital	Revaluation Reserve		Retained earnings/ (Accumulated loss)			
	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	-	-	-	-	-	-	-
Gain on revaluation surplus	-	1,519	-	-	1,519	-	1,519
Profit net of tax	-	-	-	6,574	6,574	-	6,574
Total comprehensive income for the financial year	-	1,519	(587)	6,574	7,506	-	7,506
Dividend paid	-	-	-	(2,608)	(2,608)	-	(2,608)
Revaluation surplus transfer during the year	-	(202)	-	202	-	-	-
Balance as at 31.12.2022	37,007	15,403	(2,496)	66,695	116,609	-	116,609
Currency translation reserve	-	-	1,770	-	1,770	-	1,770
Gain on revaluation surplus	-	2,831	-	-	2,831	-	2,831
Profit net of tax	-	-	-	3,028	3,028	-	3,028
Total comprehensive income for the period	-	2,831	1,770	3,028	7,629	-	7,629
Revaluation surplus transfer during the year	-	(160)	-	160	-	-	-
Dividend paid	-	-	-	(1,304)	(1,304)	-	(1,304)
Balance as at 31.12.2023	37,007	18,074	(726)	68,579	122,934	-	122,934

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.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2023
(The figures have not been audited)

	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31.12.2023 RM'000	31.12.2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	5,525	8,699
Adjustment for:-		
Depreciation and prepaid lease payments	6,386	5,482
Amortisation of land use rights	232	886
Loss on disposal of property, plant and equipment	(169)	36
Property, plant and machinery written-off	-	221
Goodwill written-off	12	-
Provision for retirement benefits	1	(25)
Impairment losses on trade receivable	-	9
Remeasurement of liabilities	-	(6)
Unrealised loss/(gain) on foreign exchange	(37)	(109)
Dividend income	(230)	(67)
Interest income	(224)	(96)
Interest expense	794	495
Operating profit before working capital changes	12,290	15,525
Inventories	1,530	(169)
Receivables	(746)	(5,850)
Payables	2,101	(800)
Bills payables	(1,297)	(3,688)
CASH FROM OPERATIONS	13,878	5,018
Interest paid	(205)	(495)
Interest received	224	96
Tax refund	402	276
Tax paid	(1,739)	(1,618)
NET CASH FLOW FROM OPERATING ACTIVITIES	12,560	3,277
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(14,627)	(4,125)
Proceeds from disposal property, plant and equipment	224	84
Purchase of investment	(5)	-
Net disposal of other investments	324	369
Dividend income	230	67
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(13,854)	(3,605)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(589)	-
Dividend paid	(1,304)	(2,608)
Repayment of lease liabilities	(979)	(830)
Proceeds from term loan	6,732	422
Repayments of term loans	(2,296)	(1,628)
Reayment to director	(4)	-
NET CASH FLOWS USED IN FINANCING ACTIVITIES	1,560	(4,644)
Translation differences	81	-
NET CHANGES IN CASH AND CASH EQUIVALENTS	347	(4,972)
Effects of exchange rate changes	350	6
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	12,594	17,560
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	13,291	12,594

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

	RM'000	RM'000
Cash and bank balances	13,291	12,594
Bank overdraft	-	-
	13,291	12,594

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 31 DECEMBER 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

A first and interim single tier dividend of RM0.005 of 260,800,000 ordinary shares amounting to RM1,303,999.91 was recommended and paid on 29 December 2023.

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.

Year Ended 31 December 2023

	Hygiene RM'000	Insulation RM'000	Investment holdings RM'000	Elimination RM'000	Total RM'000
Revenue					
External revenue	37,338	40,527	348	-	78,213
Intersegment revenue	63	-	4,200	(4,263)	-
Total revenue	37,401	40,527	4,548	(4,263)	78,213
Results					
Interest income					224
Finance costs					(794)
Depreciation					(6,618)
Segment profit	(1,841)	7,419	4,276	(4,328)	5,526
Taxation	(173)	(2,291)	(34)		(2,498)
Net profit	<u>(2,014)</u>	<u>5,128</u>	<u>4,242</u>	<u>(4,328)</u>	<u>3,028</u>
Assets					
Segment assets	75,550	66,429	40,938	(36,284)	146,633
Addition to non-current assets other than financial instruments and deferred tax assets	11,075	3,552	-	-	14,627
Liabilities					
Segment liabilities	25,730	12,955	270	(12,667)	26,288
Major customers	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>

Year Ended 31 December 2022

	Hygiene RM'000	Insulation RM'000	Investment holdings RM'000	Elimination RM'000	Total RM'000
Revenue					
External revenue	47,732	39,426	11	-	87,169
Intersegment revenue	-	-	3,070	(3,070)	-
Total revenue	47,732	39,426	3,081	(3,070)	87,169
Results					
Interest income					95
Finance costs					(495)
Depreciation					(6,368)
Segment profit	1,626	7,223	2,965	(3,115)	8,699
Taxation	(142)	(1,978)	(4)		(2,124)
Net profit	<u>1,484</u>	<u>5,245</u>	<u>2,961</u>	<u>(3,115)</u>	<u>6,575</u>
Assets					
Segment assets	69,884	56,820	38,009	(28,220)	136,493
Addition to non-current assets other than financial instruments and deferred tax assets	433	8,296	-	(4,410)	4,319
Liabilities					
Segment liabilities	18,001	6,776	278	(5,172)	19,883
Major customers	<u>2</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>3</u>

Geographical Information

	Revenue RM'000	Non-current assets RM'000
At 31 December 2023		
Malaysia	41,809	59,761
Indonesia	10,249	15,132
Japan	10,577	-
Thailand	12,349	11,885
Others	3,229	-
	<u>78,213</u>	<u>86,778</u>
At 31 December 2022		
Malaysia	38,840	53,906
Indonesia	10,999	14,137
Japan	18,309	-
Thailand	15,513	8,332
Others	3,508	-
	<u>87,169</u>	<u>76,375</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 on 12 January 2024'. The revaluation surplus of RM3.406 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

During the quarter under review, Oceancash Pacific Berhad acquired a dormant company for RM5,194.92.

A12. Capital Commitment

	Quarter Ended 31.12.2023 RM'000	Year-to-date Ended 31.12.2023 RM'000
Approved and contracted for:		
Property, plant and equipment	4,932	4,932

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	
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
Revenue	20,039	21,276	78,213	87,169
Net profit	891	1,635	3,028	6,575

The Group's revenue reduced by 5.8% on quarter-on-quarter was attributed to reduction in sales to Thailand in insulation division. On year-on-year basis, the Group's revenue decreased by 10.3% was due mainly to reduction in export sales to Japan in hygiene division by 42.23% and reduction in export sales to Thailand in insulation division by 18.27%. The drop in sales to Thailand in hygiene division was cushioned by the increase in sales from new motor vehicles market in Malaysia. The reduction in sales in hygiene division was due to weakening of Japanese Yen against US Dollar which has made our export sales price to Japan less competitive.

The Group recorded a decrease in net profit of RM0.744 million on quarter-on-quarter was due mainly to decrease in revenue, higher production and electricity expenses and increase natural gas unit cost. On year-on-year basis, the Group's net profit reduced by RM3,547 million was due mainly to lower revenue in hygiene division. The Group profit margin has been affected negatively by the increase in cost of production in Thailand as well as in Malaysia especially labour expense, natural gas and electricity expenses and dismantling expenses of one the production line.

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

	Quarter ended	
	31.12.2023	30.09.2023
	RM'000	RM'000
Revenue	20,039	19,752
Profit before taxation	1,468	1,591

The Group's revenue increased by 1.5% compared to the preceding quarter was due mainly to increase in sales in insulation division in Malaysia and Thailand. The net profit before tax reduced by RM0.123 million was due mainly to higher cost of production.

B3. Prospect for Year 2024

Barring unforeseen circumstances the Directors anticipate the Group's performance for the financial year 2024 to be challenging.

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
	31.12.2023	31.12.2023
	RM'000	RM'000
Estimated current tax payable	(600)	(2,342)
Overprovision/(underprovision)	(11)	(21)
Deferred tax	34	(135)
Taxation expense	<u>(577)</u>	<u>(2,498)</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 31 December 2023 are shown below:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term Borrowings			
Term Loan	3,477	-	3,477
Trade Line	1,978	475	2,453
Lease liabilities	795	-	795
	<u>6,250</u>	<u>475</u>	<u>6,725</u>
Long Term Borrowings			
Term Loan	5,458	-	5,458
Lease liabilities	654	-	654
	<u>6,112</u>	<u>-</u>	<u>6,112</u>
Total	<u><u>12,362</u></u>	<u><u>475</u></u>	<u><u>12,837</u></u>

Group borrowings as at 31 December 2023 denominated in United States Dollars are as follows:-

	USD'000¹
Short Term Borrowings	425
Long Term Borrowings	-
Total	<u>425</u>

Note:

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

A single tier dividend of RM0.005 on 260,800,000 ordinary shares amounting to RM1,303,999.91 was recommended, declared and paid on 29 December 2023 (31 December 2022: RM2,086,000.00).

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.

	Current Year Quarter 31.12.2023	Preceding Year Corresponding Quarter 31.12.2022	Current Year-To- Date 31.12.2023	Preceding Year Corresponding Period 31.12.2022
Net Profit (RM'000)	891	1,635	3,028	6,575
Weighted average number of ordinary shares ('000)	260,800	260,800	260,800	260,800
Basic earnings / (loss) per share (sen)	0.34	0.63	1.16	2.52

▪ Diluted earnings per share

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