

OCEANCASH PACIFIC BERHAD

Registration No. 200201022973 (590636-M)
(Incorporated in Malaysia)

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

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.09.2023 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.09.2022 RM'000	CURRENT YEAR TO DATE 30.09.2023 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.09.2022 RM'000
Revenue	19,752	25,138	58,237	65,893
Other income	231	270	780	595
EBITDA	3,578	5,412	9,492	11,705
Finance cost	(240)	(132)	(542)	(339)
Depreciation	(1,747)	(1,940)	(4,895)	(5,016)
Profit before taxation	1,591	3,340	4,055	6,350
Taxation	(797)	(879)	(1,921)	(1,713)
Profit for the period	794	2,461	2,134	4,637
Other comprehensive income for the financial period, net of tax				
Foreign currency translation	(751)	273	1,655	253
Total comprehensive income for the financial period	43	2,734	3,789	4,890
Equity holders of the company	794	2,461	2,134	4,637
Minority interest	-	-	-	-
Profit attributable to owners of the company	794	2,461	2,134	4,637
Total comprehensive income attributable to owners of the company	43	2,734	3,789	4,890
Weighted average number of shares in issue ('000)	260,800	260,800	260,800	260,800
Basic earnings per share (sen)	0.30	0.94	0.82	1.78
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

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

	(UNAUDITED)	(AUDITED)
	AS AT 30.09.2023 RM'000	AS AT 31.12.2022 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	86,568	75,765
Deferred tax assets	1,472	1,626
	88,040	77,391
Current assets		
Inventories	9,372	12,545
Trade receivables	16,565	16,793
Other receivables, deposit and prepayments	2,625	3,861
Tax recoverable	-	385
Other investment	12,439	12,924
Cash and bank balances	17,246	12,594
	58,247	59,102
TOTAL ASSETS	146,287	136,493
EQUITY AND LIABILITIES		
Share capital	37,007	37,007
Revaluation reserve	15,956	15,403
Currency translation reserve	(841)	(2,496)
Retained profits	69,002	66,695
Equity attributable to equity holders of the parent	121,124	116,609
Total equity	121,124	116,609
Non-current liabilities		
Long term borrowings	6,751	2,883
Provision for retirement benefits	157	145
Deferred taxation	5,765	5,709
Total non-current liabilities	12,673	8,737
Current liabilities		
Trade payables	3,332	2,472
Other payables and accruals	1,678	2,455
Taxation	508	
Amounts due to directors	139	185
Short term borrowings	6,833	6,035
	12,490	11,147
Total liabilities	25,163	19,884
TOTAL EQUITY AND LIABILITIES	146,287	136,493
Net assets per ordinary share (sen) attributable to equity holders of the Company	46.44	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.

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

The figures have not been audited)

Note	Attributable To Equity Holders Of The Parent				Total	Minority Interest	Total Equity
	Non-distributable		Currency Translation Reserve	Distributable Retained earnings/ (Accumulated loss)			
	Share Capital	Revaluation Reserve					
	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	-	-	1,655	-	1,655	-	1,655
Revaluation reserve during the year	-	(173)	-	173	-	-	-
Profit net of tax	-	-	-	2,134	2,134	-	2,134
Total comprehensive income for the period	-	(173)	1,655	2,307	3,789	-	3,789
Gain on revaluation surplus	-	726	-	-	726	-	726
Balance as at 30.09.2023	37,007	15,956	(841)	69,002	121,124	-	121,124

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 SEPTEMBER 2023**

(The figures have not been audited)

	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30.09.2023 RM'000	30.09.2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	4,055	6,350
Adjustment for:-		
Depreciation and prepaid lease payments	4,727	4,882
Amortisation of land use rights	168	134
Loss on disposal of property, plant and equipment	-	36
Goodwill written-off	13	1
Unrealised loss/ (gain) on foreign exchange	104	(94)
Dividend income	(139)	(51)
Interest income	(168)	(77)
Interest expense	542	339
Operating profit before working capital changes	9,302	11,520
Inventories	3,240	546
Receivables	1,879	(9,030)
Payables	(80)	(1,168)
Bills payables	(282)	(523)
CASH FROM OPERATIONS	14,059	1,345
Interest paid	(156)	(133)
Interest received	168	77
Tax refund	401	148
Tax paid	(1,251)	(937)
NET CASH FLOW FROM OPERATING ACTIVITIES	13,221	500
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(13,751)	(3,195)
Purchase of investment	(7)	84
Net disposal of other investments	485	(4,727)
Dividend income	139	51
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(13,134)	(7,787)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(386)	(232)
Repayment of lease liabilities	(642)	(587)
Proceeds from term loan	6,667	-
Repayments of term loans	(1,596)	(812)
NET CASH FLOWS USED IN FINANCING ACTIVITIES	4,043	(1,631)
Translation differences	152	(218)
NET CHANGES IN CASH AND CASH EQUIVALENTS	4,282	(9,136)
Effects of exchange rate changes	370	372
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	12,594	17,560
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	17,246	8,796

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

	RM'000	RM'000
Cash and bank balances	17,246	8,796
Bank overdraft	-	-
	17,246	8,796

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.

UNAUDITED QUARTERLY REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 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 September 2023

	Hygiene RM'000	Insulation RM'000	Investment holdings RM'000	Elimination RM'000	Total RM'000
Revenue					
External revenue	28,028	29,898	311	-	58,237
Intersegment revenue	-	-	-	-	-
Total revenue	28,028	20,398	311	-	58,237
Results					
Interest income					168
Finance costs					(542)
Depreciation					<u>(4,895)</u>
Segment profit	(1,723)	5,815	106	(143)	4,055
Taxation	(38)	(1,869)	(14)		(1,921)
Net profit	<u>(1,761)</u>	<u>3,946</u>	<u>92</u>	<u>(142)</u>	<u>2,134</u>
Assets					
Segment assets	74,951	69,265	15,181	(13,110)	146,287
Addition to non-current assets other than financial instruments and deferred tax assets	10,227	3,524	-	-	13,751
Liabilities					
Segment liabilities	24,718	12,384	1145	(13,084)	25,163
Major customers	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>

Period Ended 30 September 2022

	Hygiene RM'000	Insulation RM'000	Investment holdings RM'000	Elimination RM'000	Total RM'000
Revenue					
External revenue	38,568	27,129	195	-	65,893
Intersegment revenue	-	-	-	-	-
Total revenue	38,568	27,129	195	-	65,893
Results					
Interest income					77
Finance costs					(339)
Depreciation					<u>(5,016)</u>
Segment profit	1,442	4,996	(50)	(38)	6,350
Taxation	171	(1,884)	-	-	(1,713)
Net profit	<u>1,613</u>	<u>3,112</u>	<u>(50)</u>	<u>(38)</u>	<u>4,637</u>
Assets					
Segment assets	71,036	54,056	14,674	(1,475)	138,291
Addition to non-current assets other than financial instruments and deferred tax assets	348	2,847	-	-	3,195
Liabilities					
Segment liabilities	16,452	3,102	139	(1,350)	18,343
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 September 2023		
Malaysia	30,971	59,045
Indonesia	7,606	16,404
Japan	7,993	-
Thailand	9,148	11,119
Others	2,519	-
	<u>58,237</u>	<u>86,568</u>
At 30 September 2022		
Malaysia	30,420	51,047
Indonesia	8,173	13,886
Japan	14,801	-
Thailand	9,830	10,002
Others	2,669	-
	<u>65,893</u>	<u>74,935</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

During the quarter under review, Oceancash Pacific Berhad acquired a dormant company for RM6,694.92.

A12. Capital Commitment

	Quarter Ended 30.09.2023 RM'000	Year-to-date Ended 30.09.2023 RM'000
Approved and contracted for:		
Property, plant and equipment	Nil	Nil

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	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
Revenue	19,752	25,138	58,237	65,893
Net profit	794	2,461	2,134	4,637

The Group's revenue decreased by 21.4% on quarter-on-quarter was attributed to drop in revenue in hygiene division by 19.79% and reduction in sales to Thailand in insulation division. On year-on-year basis, the Group's revenue decreased by 11.6% was due mainly to reduction in revenue in hygiene division by 27.33%. This is despite the increase in revenue in insulation division from new motor vehicles market in Malaysia. 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 RM1.667 million on quarter-on-quarter was due mainly to decrease in revenue in hygiene division and insulation division and higher electricity expenses. On year-on-year basis, the Group's net profit reduced by RM2.503 million was due mainly lower revenue in hygiene division. The Group profit margin has been affected negatively by the increase in cost of production, dismantling expenses and labour expense especially natural gas and electricity expenses.

During the quarter under review, one of the six production lines in hygiene was dismantled and converted into another production line to produce nonwoven cloth for new motor vehicles components. Production is expected to commence next year.

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

	Quarter ended	
	30.09.2023	30.06.2023
	RM'000	RM'000
Revenue	19,752	18,190
Profit before taxation	1,591	720

The Group's revenue increased by 8.6% compared to the preceding quarter was due mainly to increase in sales in insulation division and increase in sales in Malaysia in hygiene division. The net profit before tax increased by RM0.871 million was due mainly to higher revenue.

B3. Prospect for Year 2023

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

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
	30.09.2023	30.09.2023
	RM'000	RM'000
Estimated current tax payable	(604)	(1,742)
Overprovision/(underprovision)	(10)	(10)
Deferred tax	(183)	(169)
Taxation expense	(797)	(1,921)

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 September 2023 are shown below:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term Borrowings			
Term Loan	3,008	-	3,008
Trade Line	2,762	824	3,586
Lease liabilities	239	-	239
	<u>6,009</u>	<u>824</u>	<u>6,833</u>
Long Term Borrowings			
Term Loan	6,381	-	6,381
Lease liabilities	370	-	370
	<u>6,751</u>	<u>-</u>	<u>6,751</u>
Total	<u>12,760</u>	<u>824</u>	<u>13,584</u>

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

	USD'000¹
Short Term Borrowings	304
Long Term Borrowings	189
Total	<u><u>493</u></u>

Note:

1 These borrowings have been converted into Ringgit Malaysia using the translation rate prevailing as at 30 September 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 September 2023 (30 September 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 30.09.2023	Preceding Year Corresponding Quarter 30.09.2022	Current Year-To- Date 30.09.2023	Preceding Year Corresponding Period 30.09.2022
Net Profit (RM'000)	794	2,461	2,134	4,637
Weighted average number of ordinary shares ('000)	260,800	260,800	260,800	260,800
Basic earnings / (loss) per share (sen)	0.30	0.94	0.82	1.78

▪ **Diluted earnings per share**

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