OCEANCASH PACIFIC BERHAD

(Company No : 590636-M)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER ENDED 31 DECEMBER 2007

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.12.2007 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2006 RM'000	CURRENT YEAR TO DATE 31.12.2007 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.12.2006 RM'000
Revenue	8,900	8,239	32,087	33,360
Other income	81	99	207	302
EBITDA	1,066	355	2,782	2,976
Finance cost	(279)	(347)	(1,100)	(1,133)
Depreciation	(815)	(1,025)	(3,175)	(3,488)
Profit / (Loss) before taxation	(28)	(1,017)	(1,493)	(1,645)
Taxation	829	1,134	396	1,142
Profit / (Loss) for the period	801	117	(1,097)	(503)
Attributable to:-				
Equity holders of the parent	801	117	(1,097)	(503)
Minority interest	-	-	-	-
	801	117	(1,097)	(503)
Weighted average number of shares in issue ('000)	223,000	223,000	223,000	223,000
Basic earnings / (loss) per share (sen)	0.36	0.05	(0.49)	(0.23)
Diluted earnings / (loss) per share (sen)	N/A	N/A	N/A	N/A
Dividend per share (sen)	N/A	N/A	N/A	N/A

The unaudited Condensed Consolidated Income 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 2006.

Note:
N/A Not applicable

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

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2007
(The figures have not been audited)

	(UNAUDITED)	(AUDITED)
	AS AT 31.12.2007 RM'000	AS AT 31.12.2006 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	30,445	32,688
Prepaid lease payments	6,186	6,253
Deferred tax assets	634	
Current assets		
Inventories	4,980	6,025
Trade receivables	8,937	8,861
Other receivables, deposit and prepayments	564	612
Tax recoverable	544	740
Short term investment	134	130
Cash and bank balances	1,248	2,062
	16,407	18,430
TOTAL ASSETS	53,672	57,371
EQUITY AND LIABILITIES		
Share capital	22,300	22,300
Share premium	3,949	3,949
Retained profits	5,725	6,822
Equity attributable to equity holders of the parent	31,974	33,071
Total equity	31,974	33,071
Non-current liabilities		
Long term borrowings	4,738	6,941
Deferred taxation	-	386
	4,738	7,327
Current liabilities		
Trade payables	2,399	2,111
Other payables and accruals	659	914
Amounts due to directors	4,555	3,253
Short term borrowings	8,515	9,591
Bank overdrafts- secured	832	1,104
	16,960	16,973
Total liabilities	21,698	24,300
TOTAL EQUITY AND LIABILITIES	53,672	57,371
Net assets per ordinary share (sen) attributable to equity holders of the Company	14.34	14.83

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the notes to the quarterly report and the audited financial statements for the financial year ended 31 December 2006.

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 DECEMBER 2007

(The figures have not been audited)

	Note	Attributable To Equity Holder Of The Parent					Minority Interest	Total Equity
			Non-distributable		Distributable			
		Share Capital	Share Premium	Reserve On Consolidation	Retained earnings/ (Accumulated loss)	Total		
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 01.01.2006		22,300	3,949	4,292	3,033	33,574	-	33,574
Changes in accounting policy		-	-	(4,292)	4,292	-	-	-
Net loss for the year		-	-	-	(503)	(503)	-	(503)
Balance as at 31.12.2006		22,300	3,949	-	6,822	33,071	-	33,071
Net loss for the year		-	-	-	(1,097)	(1,097)	-	(1,097)
Balance as at 31.12.2007		22,300	3,949	-	5,725	31,974	-	31,974

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 2006.

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

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER ENDED 31 DECEMBER 2007

(The figures have not been audited)

	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31.12.2007	31.12.2006
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	(1,493)	(1,645)
Adjustment for:-		
Depreciation and prepaid lease payments	3,242	3,555
Loss on disposal of property, plant and equipment	33	(21)
Non-operating item	-	(70)
Unrealised gain on foreign exchange	(183)	(185)
Dividend income	(24)	(26)
Interest income	(4)	(10)
Interest expense	1,104	1,143
Operating profit before working capital changes	2,675	2,741
Net changes in current assets	1,016	(2,618)
Net changes in current liabilities	33	1,149
Net changes in bankers' acceptances/trust receipts	337	2,975
CASH FROM OPERATIONS	4,061	4,247
Interest paid	(309)	(309)
Interest received	4	10
Tax refund	153	71
Tax paid	(581)	(222)
NET CASHFLOW FROM OPERATING ACTIVITIES	3,328	3,797
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(450)	(1,407)
Proceeds from disposal of property, plant and equipment	195	21
(Purchase)/withdrawal of investment	(4)	115
Insurance claim	-	70
Dividend income	24	26
NET CASH FROM INVESTING ACTIVITIES	(235)	(1,175)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(795)	(834)
Net changes in hire purchase	(142)	(70)
Repayments of term loans	(4,000)	(3,561)
Amount owing to directors	1,302	1,759
NET CASH FROM FINANCING ACTIVITIES	(3,635)	(2,706)
NET CHANGES IN CASH AND CASH EQUIVALENTS	(542)	(84)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	958	1,042
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	416	958

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

	RM'000	RM'000
Cash and bank balances	1,248	2,062
Bank overdraft	(832)	(1,104)
	416	958

The unaudited Condensed Consolidated Cashflow Statement should be read in conjunction with the notes to the qua report and the audited financial statements for the financial year ended 31 December 2006.

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

UNAUDITED QUARTERLY REPORT FOR THE YEAR ENDED 31 DECEMBER 2007

A. Explanatory Notes in Accordance to Financial Reporting Standards (FRS) 134

A1. Basis of Preparation

The interim financial statements are unaudited and had been prepared in accordance with the FRS 134 – Interim Financial Reporting issued by Malaysian Accounting Standards Board (MASB) and Rule 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities) for the MESDAQ Market and should be read in conjunction with the audited statutory financial statements presented for the financial year ended 31 December 2006.

The accounting policies and methods of computation adopted by Oceancash Pacific Berhad (OPB), and its subsidiaries (the Group) for the interim financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2006, except for the adoption of the following new and revised financial reporting standard ("**FRS**") which are effective for the financial period beginning on or after 1 October 2006:

FRS 119: Employee Benefits

FRS 119 does not result in a change in accounting policies of the Group.

These attached explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2006.

A2. Audit Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2006 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 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 cashflow of the Group for the financial quarter under review and financial year-to-date.

A5. Material Changes in Estimates

Save as disclosed below, there were no changes in estimates that had a material effect in the current financial quarter results.

The revised FRS 116: Property, Plant and Equipment requires the review of the residual value and remaining useful life of an item of property, plant and equipment at least at each financial year end. The Group revised the residual value of certain plant and machineries with effect from 1 January 2007. The revisions were accounted for as a change in accounting estimates and as a result, the depreciation charges of the Group for the current quarter and current financial year ended 31 December 2007 have been reduced by RM0.230 million and RM0.922 million, respectively.

A6. Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities during the current financial quarter and financial year-to-date.

A7. Dividend Paid

No dividend was declared, recommended or paid during the financial quarter under review.

A8. Segmental Information

Segmental information is not presented as the Group's turnover and losses are solely from a single business activity, i.e., manufacturing and trading of non-woven products and felts and the business of the Group is carried out entirely in Malaysia.

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 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.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial quarter and financial year-to-date.

A12. Capital Commitment

There were no capital commitments in the interim financial statements as at 31 December 2007.

A13. Contingent Liabilities and Contingent Assets

There were no changes in the contingent liabilities or contingent assets since the last financial year as at 31 December 2006.

A14. Amounts Due to Directors

The amounts due to directors of RM4,554,613 are unsecured and have no fixed terms of repayment whereby an amount of RM4,482,613 bears interest at the rate of 6% per annum while the balance RM72,000 are directors' fees.

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

UNAUDITED QUARTERLY REPORT FOR THE YEAR ENDED 31 DECEMBER 2007

B. Additional Information Required by the Listing Requirements of Bursa Securities for the MESDAQ Market

B1. Review of Performance for the Current Financial Quarter and Financial Year-to-date

	Quarter ended		Year-to-date	
	31.12.2007 RM'000	31.12.2006 RM'000	31.12.2007 RM'000	31.12.2006 RM'000
Revenue	8,900	8,239	32,087	33,360
Profit / (Loss) for the period attributable to equity holders of the parent (Net Profit / (Loss))	801	117	(1,097)	(503)

The Group registered revenue of RM8.900 million for the current quarter under review as compared to RM8.239 million in the preceding year's corresponding quarter. The increase of 8.0% in the revenue of the Group on a quarter-on-quarter basis was mainly due to the improved performance of the felts division.

The Group registered a net profit of RM0.801 million compared to a net profit of RM0.117 million on quarter-on-quarter basis. The improvement in the Group's profitability during the current financial quarter was mainly due to improved performance of the felts division, reduction in depreciation charges of certain plant and machineries as disclosed in Note A5 as well as lower expenses incurred for the trial run of its Polyethlene (P.E.) film machine as trial was successful and commercial sale will commence pending customer's approval.

As for the financial year to date, the Group registered revenue of RM32.087 million as compared to RM33.360 million in the preceding year's corresponding period, a decrease of 3.8%.

The Group's lower revenue for the FYE 31 December 2007 as compared to the preceding year's similar period was due to price competition from competitors in the Group's hygiene division and decrease in revenue in the Group's felts division which is a secondary effect of the lower sales performance of the Group's customers in the automotive sector during the first half of the financial year. The above lower revenue contributed to a loss before taxation of RM1.493 million for the FYE 31 December 2007. However, the greater net loss for the FYE 31 December 2007 was also due to a lower recognition of deferred tax assets for unabsorbed losses and unutilised capital allowances which can be utilised by the Group's loss-making subsidiary.

B2. Comparison with Previous Financial Quarter's Results

The Group's revenue improved by 5.7% from RM8.419 million recorded for the quarter ended 30 September 2007 to RM8.900 million for the current quarter ended 31 December 2007. However, the Group showed a loss before tax of RM0.028 million for the quarter ended 31 December 2007 as compared to the profit before tax for the quarter ended 30 September 2007 of RM0.401 million. The higher profit before tax for the nine (9) months ended 30 September 2007 was mainly due to cumulative positive adjustment in depreciation charges of certain plant and machineries (as disclosed in Note A5) for three (3) financial quarters during the third quarter ended 30 September 2007 amounting to RM0.692 million.

B3. Prospect for Current Year 2007

The Group's felts products are primarily used in the automotive industry. As such, the Group's markets are similarly dependent on this industry.

Automotive industry

Malaysia's automotive industry continued to grow strongly in the fourth quarter of 2007, but the Malaysian Institute of Economic Research (MIER) cautioned about a bumpy road ahead due to slower economic growth and the threat of higher inflation.

The MIER said on 17 January 2008, the fourth quarterly (4Q 2007) auto index of 2007 surged to 136.5 points, the second successive quarter the index is above the 100-point threshold after two (2) years of below-par performance.

"However, the upturn will face challenges such as cloudier economic prospects, a less upbeat consumer confidence and the threat of higher inflation which may affect sales negatively," it said in its automotive industry survey report.

The revival in the auto sector in 4Q was due to higher public sector salaries, launch of new models at affordable prices, consumers' acceptance of lower trade-in prices and also the festivities in the quarter.

The private sector think-tank said the return of buying interest in the new models of national cars had brought new life to the industry.

MIER executive director Prof Dr Mohamed Ariff Kareem said: "The automotive sector has performed surprisingly well. This sector is showing some life, despite high oil prices."

The improvement was due to the release of a "pent-up demand" by consumers who withheld from purchasing new cars a few years ago.

(Source : Article entitled "Automotive industry on recovery path" dated 18 January 2008, The Edge Daily)

Malaysia's vehicle market began to recover in mid-2007 after a poor first half, to finish the year marginally lower at 487,176 units. The upturn reflects a pickup in domestic economic growth, with fiscal measures such as high pay awards to civil servants helping to drive private consumption. A relaxation in lending conditions following a period of tightening also helped the market's recovery.

Replacement demand has been building up following the sharp market decline in 2006 and the availability of new models, particularly at budget end, are helping to drive volumes higher. Even Proton has managed to make small market share gains in recent months following the launch of the Persona sub-compact car last August.

The Malaysian Automotive Association is upbeat about the prospects for the vehicle market in 2008, despite growing uncertainty overseas. It expects the positive sales momentum to continue well into 2008, with full-year volumes rising by 4.7% to 510,000 units. The business sector and the government remain confident that the economy will grow at a strong pace in 2008, at around 5.5% compared with an estimated 6% in 2007, with a slowdown in exports having only a moderate effect on the overall economy.

(Source : Article entitled "Emerging Markets Analysis: Asean sales expected to grow in 2008" dated 12 February 2008, http://www.just-auto.com/article.aspx?id=93863&lk=s)

Non-woven Industry

The management is of the view that the demand trend for non-woven fabrics in the United States would represent the general trend of the global non-woven sector as the United States is a major market for non-woven products.

Non-woven Fabric Demand (USD millions) in the United States

Item	2001	2006	2011	2001-06	2006-11
All Non-woven	3,655	4,685	5,830	5.1	4.5
Disposables	2,375	3,180	3,990	6	4.6
Consumer	895	1,135	1,360	4.9	3.7
Filtration	495	780	1,050	9.5	6.1
Medical	985	1,285	1,580	5.1	4.5
Non-disposables	1,280	1,505	1,840	3.3	4.1
Consumer	260	315	430	3.9	6.4
Medical	1,020	1,190	1,410	3.1	3.5

Demand for non-woven roll goods is projected to increase by 4.5% per year to USD5.8 billion in 2011, driven by healthy gains in key markets such as filtration, construction and wipes, according to a new study conducted by the Freedonia Group. Further growth will derive from increased market penetration in many applications, including industrial wipes and roofing membranes, as new technologies improve the functionality of non-woven materials. However, gains will be limited by intense price competition in consumer markets, where some converted product manufacturers will seek to cut costs by reducing the amount of non-woven material in their products.

Spunbonded non-wovens will remain the dominant product, accounting for roughly half of total volume in 2011, owing to its position as the material of choice in major markets such as baby diapers. Gains in spunbonded non-wovens will be driven by performance advantages, the development of new applications and increasing demand for composite non-wovens featuring spunbonded webs. Although carded and wetlaid non-wovens are expected to see the slowest gains, certain segments of these product types will have more favourable prospects.

(Source: Nonwovens Demand to Reach USD5.8 billion, Nonwovens Industry, January 2008 issue)

Although the outlook for the automotive and non-woven industries appear optimistic, the Group faces price competition from its competitors. Barring all unforeseen circumstances, the Board of Directors is cautiously optimistic of better performance in the coming year 2008.

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 31.12.2007 RM'000	Financial Year-to-date 31.12.2007 RM'000
Estimated current tax payable	(99)	(630)
Deferred tax	928	1,019
Overprovision of tax	-	7
Taxation expense	829	396

The effective tax rate is disproportionate to the statutory tax rate for the Group for the current financial quarter and financial year-to-date due to the following factors:

(a) Accrual for taxation was made for the current financial year-to-date despite the Group's loss position due principally to the fact that the loss incurred by a subsidiary is not allowed to be set off against the taxable profit of another subsidiary; and

(b) Recognition of deferred tax assets for all unabsorbed losses and unutilised capital allowances which can be utilised by the loss-making subsidiary when it records taxable profits in the future.

B6. Profit on Sale of Unquoted Investments and/or Properties

There were no sale of unquoted investments and/or properties during the current financial quarter and financial year-to-date.

B7. 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.

B8. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the date of issue of this report.

Status of Utilisation of Proceeds

As at 31 December 2007, the Company has fully utilised all proceeds raised from all its fund raising activities and has not undertaken any corporate proposal to raise any proceeds during the current financial quarter and financial year-to-date.

B9. Group Borrowings and Debt Securities

The Group's borrowings as at 31 December 2007 are shown below:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term Borrowings			
Term Loan	1,435	734[1]	2,169
Trade Line	3,210	2,923	6,133
Bank Overdraft	832	-	832
Hire Purchase Payables	213	-	213
	5,690	**3,657**	**9,347**
Long Term Borrowings			
Term Loan	2,664	1,450[1]	4,114
Hire Purchase Payables	624	-	624
	3,288	**1,450**	**4,738**
Total	**8,978**	**5,107**	**14,085**

Note:

1 The unsecured term loan of the Group denominated in United States Dollars is as follows:

	USD'000
Short Term Borrowing	*213*
Long Term Borrowing	*421*
Total	*634*

The foreign borrowings of the Group have been translated into Ringgit Malaysia using the translation rate prevailing as at 31 December 2007.

As at the reporting date, the Group had not issued any debt securities.

B10. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at the date of issue of this report.

B11. 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 as at the date of issue of this report.

B12. Dividends

No dividend has been declared, recommended or paid for the financial period ended 31 December 2007 (31 December 2006: Nil).

B13. Earnings / (loss) per Share

- **Basic earnings / (loss) per share**

The basic earnings / (loss) per share of the Group is calculated by dividing the Net Profit / (Loss) by the weighted average number of ordinary shares in issue during the period.

	Current Year Quarter 31.12.2007	**Preceding Year Corresponding Quarter 31.12.2006**	**Current Year To Date 31.12.2007**	**Preceding Year Corresponding Period 31.12.2006**
Net Profit / (Loss) (RM'000)	801	117	(1,097)	(503)
Weighted average number of ordinary shares ('000)	223,000	223,000	223,000	223,000
Basic earnings / (loss) per share (sen)	0.36	0.05	(0.49)	(0.23)

- **Diluted earnings / (loss) per share**

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