

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

**UNAUDITED QUARTERLY REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2011**

**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 ACE Market and should be read in conjunction with the audited statutory financial statements presented for the financial year ended 31 December 2010.

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 2010.

The Group and the Company have not adopted the following New and Revised FRSs, Amendments/Improvements to FRSs and IC Int that have been issued as at the date of authorisation of these financial statements as these are not effective yet for the Group and the Company:-

		<b>Effective for financial periods beginning on or after</b>
<u>IC Int</u>		
IC Int 19	Extinguish Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Int		
IC Int 14	FRS 119- The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 July 2011

The directors do not anticipate that the application of the above new and revised FRSs, amendments/improvements to FRSs, IC Int, and amendments to IC Int, when they are effective, will have a material impact on the results and the financial position of the Group and of the Company.

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 2010.

**A2. Audit Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the financial year ended 31 December 2010 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 cashflow 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 declared, recommended or paid during the financial quarter under review and financial-year-to-date.

**A8. Segmental Information**

Segmental information is presented in respect of the Group's business segment which is based on the internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segments and assess their performance.

Revenue and non-current assets information of geographical segments are based on the geographical location of customers and assets respectively.

Major customers' information are revenues from transactions with a single external customer amount that is ten percent or more of the Group revenue.

Period Ended 30 September 2011

	Hygiene RM'000	Insulation RM'000	Investment holdings RM'000	Eliminatio n RM'000	Total RM'000
<b>Revenue</b>					
External revenue	26,744	15,445	6	-	42,195
Intersegment revenue	31	-	360	(391)	-
Total revenue	26,775	15,445	366	(391)	42,195
<b>Results</b>					
Segment results	(380)	3,559	79	-	3,258
Finance costs					(633)
Profit before taxation					2,625
Taxation					(1,033)
Profit for the year					<u>1,592</u>
<b>Assets</b>					
Segment assets	34,739	37,506	5,047	(11,853)	65,439
Addition to non-current assets other than financial instruments and deferred tax assets	273	279	-	-	552
<b>Liabilities</b>					
Segment liabilities	33,388	6,881	2,037	(19,143)	23,164

<b>Major customer</b>	19,261	-	-	-	-
Period Ended 30 September 2010					
	Hygiene RM'000	Insulation RM'000	Investment holdings RM'000	Eliminatio n RM'000	Total RM'000
<b>Revenue</b>					
External revenue	24,943	16,605	4	-	41,552
Intersegment revenue	-	-	360	(360)	-
Total revenue	24,943	16,605	364	(360)	41,552
<b>Results</b>					
Segment results	(1,230)	4,258	(7)	-	3,021
Finance costs					(651)
Profit before taxation					2,370
Taxation					(1,003)
Profit for the year					<u>1,367</u>
<b>Assets</b>					
Segment assets	32,295	31,756	4,230	(11,420)	56,861
Addition to non-current assets other than financial instruments and deferred tax assets	1,748	483	-	-	2,231
<b>Liabilities</b>					
Segment liabilities	29,761	3,293	1,933	(18,710)	16,277
<b>Major customer</b>	21,417	-	-	-	-

Geographical Information

	Revenue RM'000	Non-current assets RM'000
At 30 September 2011		
Malaysia	19,027	58,776
Indonesia	13,112	6,664
Japan	8,296	
Others	1,760	
	<u>42,195</u>	
At 30 September 2010		
Malaysia	20,917	56,861
Indonesia	13,779	
Japan	4,670	
Others	2,186	
	<u>41,552</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**

	<b>Financial Period Ended 30.09.2011 RM'000</b>	<b>Financial Year Ended 31.12.2010 RM'000</b>
Approved and contracted for :		
Property, plant and equipment	1,200	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 2010.

**A14. Amounts Due to Directors**

The amounts due to directors of RM3,871,010 are unsecured, have no fixed terms of repayment and bears interest at the rate of 6% per annum.

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

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

	Quarter ended		Year-to-date	
	30.09.2011	30.09.2010	30.09.2011	30.09.2010
	RM'000	RM'000	RM'000	RM'000
Revenue	14,544	10,863	42,195	41,552
Profit for the period attributable to equity holders of the parent	528	(77)	1,592	1,367

The Group recorded an increase of 33.9 % in revenue on quarter-on-quarter basis and an increase of 1.5% on year-on-year basis. The increase in revenue was mainly due to increase sales in hygiene division in Japan market.

The Group recorded net profit of RM0.528 million in the third quarter of 2011 (Q3 2011) compared to net loss of RM0.077 million in the preceding year's corresponding quarter (Q3 2010) and an increase of net profit by RM0.225 million on year-on-year basis. The increase in net profit on quarter-on-quarter basis and year-on-year basis was mainly attributable to higher revenue in hygiene division. However, the felts plant in Indonesia has not commenced operation.

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

	Quarter ended	
	30.09.2011	30.06.2011
	RM'000	RM'000
Revenue	14,544	13,603
Profit / (Loss) before taxation	866	502

The Group's revenue improved by 6.9% and profit before taxation increased by 72.5% as compared to the immediate preceding quarter. The improved profit before taxation was mainly due to higher revenue in hygiene division.

**B3. Prospect for Year 2011**

Barring unforeseen circumstances, the Directors anticipate the Group's performance to be better in the financial year 2011 compared to the financial year 2010.

**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 30.09.2011 RM'000	Year-to-date period ended 30.09.2011 RM'000
Estimated current tax payable	(346)	(1,100)
Overprovision/(underprovision)	(20)	(20)

Deferred tax	28	87
<b>Taxation expense</b>	<u>(338)</u>	<u>(1,033)</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 accrual for taxation being made for the current financial year-to-date as the taxable profit of a subsidiary is not allowed to be set off against the loss incurred of another subsidiary.

**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.

**B9. Group Borrowings and Debt Securities**

The Group's borrowings as at 30 September 2011 are shown below:

	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
<b>Short Term Borrowings</b>			
Term Loan	768	-	768
Trade Line	7,535	2,410	9,945
Bank Overdraft	-	-	-
Hire Purchase Payables	833	-	833
	<u>9,136</u>	<u>2,410</u>	<u>11,546</u>
<b>Long Term Borrowings</b>			
Term Loan	3,461	-	3,461
Hire Purchase Payables	1,507	-	1,507
	<u>4,968</u>	<u>-</u>	<u>4,968</u>
<b>Total</b>	<u>14,104</u>	<u>2,410</u>	<u>16,514</u>

**B10. Off Balance Sheet Financial Instruments**

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

**B11. Disclosure of Realised and Unrealised Profits**

	Period ended 30.09.2011 RM'000	As at 31.12.2010 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	1,563	5,540
- Unrealised	72	(331)
	<u>1,635</u>	<u>5,209</u>
Add: Consolidation adjustments	(5)	5,678

Total group retained profits as per consolidated accounts	<u>1,630</u>	<u>10,887</u>
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**B12. 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 22 November 2011, being a date not more than seven (7) days from the date of this report.

**B13. Dividends**

No dividend has been recommended or paid for the financial period ended 30 September 2011 (30 September 2010: Nil).

**B14. 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.

	<b>Current Year Quarter 30.09.2011</b>	<b>Preceding Year Corresponding Quarter 30.09.2010</b>	<b>Current Year-To- Date 30.09.2011</b>	<b>Preceding Year Corresponding Period 30.09.2010</b>
Net Profit / (Loss) (RM'000)	528	(77)	1,592	1,367
Weighted average number of ordinary shares ('000)	<u>223,000</u>	<u>223,000</u>	<u>223,000</u>	<u>223,000</u>
Basic earnings / (loss) per share (sen)	<u>0.24</u>	<u>(0.03)</u>	<u>0.71</u>	<u>0.61</u>

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

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