

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

UNAUDITED QUARTERLY REPORT FOR THE QUARTER ENDED 31 DECEMBER 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.

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

A first and final tax exempt dividend of 2% on 223,000,000 ordinary share amounting to RM446,000.00 was recommended, declared and paid on 30 December 2011.

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 the amount of which is ten percent or more of the Group revenue.

Period Ended 31 December 2011

	Hygiene RM'000	Insulation RM'000	Investment holdings RM'000	Eliminatio n RM'000	Total RM'000
Revenue					
External revenue	36,986	21,063	8	-	58,057
Intersegment revenue	31	-	665	(696)	-
Total revenue	37,017	21,063	673	(696)	58,057
Results					
Segment results	(321)	4,725	33	-	4,437
Finance costs					(887)
Profit before taxation					3,550
Taxation					(1,368)
Profit for the year					<u>2,182</u>
Assets					
Segment assets	34,243	40,972	4,803	(9,990)	70,028
Addition to non-current assets other than financial instruments and deferred tax assets	842	7,303	-	-	8,145
Liabilities					
Segment liabilities	32,951	9,855	2,150	(17,279)	27,677
Major customer	22,804	-	-	-	22,804

Period Ended 31 December 2010

	Hygiene RM'000	Insulation RM'000	Investment holdings RM'000	Eliminatio n RM'000	Total RM'000
Revenue					
External revenue	33,318	22,479	5	-	55,802
Intersegment revenue	-	-	1,726	(1,726)	-
Total revenue	33,318	22,479	1,731	(1,726)	55,802
Results					
Segment results	(1,442)	5,542	(18)	-	4,082
Finance costs					(870)
Profit before taxation					3,212
Taxation					(1,403)
Profit for the year					<u>1,809</u>
Assets					
Segment assets	32,986	33,121	5,062	(8,752)	62,417
Addition to non-current assets other than financial instruments and deferred tax assets	1,388	3,767	-	-	5,155
Liabilities					
Segment liabilities	30,837	5,067	2,041	(16,041)	21,904
Major customer	<u>16,360</u>	<u>5,736</u>	<u>-</u>	<u>-</u>	<u>22,096</u>

Geographical Information

Revenue and non-current assets information on the basis of geographical segments information are based on the geographical location of customers and assets respectively. The amounts of non-current assets do not include financial instruments and deferred tax assets.

	Revenue RM'000	Non-current assets RM'000
At 31 December 2011		
Malaysia	24,676	62,044
Indonesia	17,825	7,983
Japan	12,743	
Others	2,813	
	<u>58,057</u>	
At 31 December 2010		
Malaysia	27,683	62,417
Indonesia	18,898	
Japan	6,362	
Others	2,859	
	<u>55,802</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

	Financial Period Ended 31.12.2011 RM'000	Financial Year Ended 31.12.2010 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 2010.

A14. Amounts Due to Directors

The amounts due to directors of RM3,840,187, are unsecured and have no fixed terms of repayment. An amount of RM3,768,187 bears interest at the rate of 6% per annum while the balance RM72,000 are directors' fees.

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	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	RM'000	RM'000	RM'000	RM'000
Revenue	15,862	14,250	58,057	55,802
Profit for the period attributable to equity holders of the parent	597	462	2,182	1,809

The Group recorded an increase of 11.3 % in revenue on quarter-on-quarter basis and an increase of 4.04% on year-on-year basis. The increase in revenue was mainly due to increase sales of 11.1% on year-on-year basis in hygiene division in Japan market. The felts division revenue dropped 6.55% on year-on-year basis in tandem with the slowdown in local new vehicles sales.

The Group recorded an increase of net profit RM0.135 million in the fourth quarter of 2011 (Q4 2011) compared to the preceding year's corresponding quarter (Q4 2010) and an increase of net profit by RM0.373 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 in Japan market.

The felts plant in Indonesia has commenced operation in December and incurred a pre-operation loss of RM0.766 million.

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

	Quarter ended	
	31.12.2011	30.09.2011
	RM'000	RM'000
Revenue	15,862	14,544
Profit / (Loss) before taxation	932	866

The Group's revenue improved by 9.06% and profit before taxation increased by 7.62% as compared to the immediate preceding quarter. The improved profit before taxation was mainly due to higher revenue in hygiene division and improved export sales in felts division.

B3. Prospect for Year 2012

Barring unforeseen circumstances, the Directors anticipate the Group's performance to be better in the financial year 2012 compared to the financial year 2011.

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 31.12.2011 RM'000	Year-to-date period ended 31.12.2011 RM'000
Estimated current tax payable	(322)	(1,422)
Overprovision/(underprovision)	-	(20)
Deferred tax	(13)	74
Taxation expense	(335)	(1,368)

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. Status of Corporate Proposals

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

B7. Group Borrowings and Debt Securities

The Group's borrowings as at 31 December 2011 are shown below:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term Borrowings			
Term Loan	1,453	-	1,453
Trade Line	7,819	1,493	9,312
Bank Overdraft	1,017	-	1,017
Hire Purchase Payables	815	-	815
	11,104	1,493	12,597
Long Term Borrowings			
Term Loan	4,355	-	4,355
Hire Purchase Payables	1,721	-	1,721
	6,076	-	6,076
Total	17,180	1,493	18,673

B8. Off Balance Sheet Financial Instruments

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

B9. Disclosure of Realised and Unrealised Profits

Period ended As at

	31.12.2011 RM'000	31.12.2010 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	1,749	5,540
- Unrealised	45	(331)
	<hr/>	<hr/>
Add: Consolidation adjustments	1,784 (6)	5,209 5,678
	<hr/>	<hr/>
Total group retained profits as per consolidated accounts	<u>1,788</u>	<u>10,887</u>

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 as at 27 February 2012, being a date not more than seven (7) days from the date of this report.

B11. Dividends

A tax exempt dividend of 2% on 223,000,000 ordinary shares amounting to RM446,000.00 was recommended, declared and paid on 30 December 2011. (31 December 2010: RM446,000.00).

B12. 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 31.12.2011	Preceding Year Corresponding Quarter 31.12.2010	Current Year-To- Date 31.12.2011	Preceding Year Corresponding Period 31.12.2010
Net Profit / (Loss) (RM'000)	597	462	2,182	1,809
Weighted average number of ordinary shares ('000)	<hr/> 223,000	<hr/> 223,000	<hr/> 223,000	<hr/> 223,000
Basic earnings / (loss) per share (sen)	<hr/> 0.27	<hr/> 0.21	<hr/> 0.98	<hr/> 0.81

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

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