

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

**UNAUDITED QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2012**

**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 MFRS 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 2011.

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 2011.

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>New FRSs</u>		
FRS 9	Financial Instruments	1 January 2013
FRS 10	Consolidated Financial Statements	1 January 2013
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosures of Interests in Other Entities	1 January 2013
FRS 13	Fair Value Measurement	1 January 2013
<u>Revised FRSs</u>		
FRS 119	Employee Benefits	1 January 2013
FRS 127	Separate Financial Statements	1 January 2013
FRS 128	Investments in Associates and Joint Ventures	1 January 2013
<u>Amendments/Improvements to FRSs</u>		
FRS 7	Financial Instruments: Disclosures	1 January 2013
FRS 101	Presentation of Financial Statements	1 July 2012
FRS 132	Financial Instruments: Presentation	1 January 2014
<u>IC Int</u>		
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

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 2011.

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

The auditors' report on the financial statements for the financial year ended 31 December 2011 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 on the basis of geographical segments are based on the geographical location of customers and assets respectively. The amount of non-current assets do not include financial instruments and deferred tax assets.

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 March 2012

	Hygiene RM'000	Insulation RM'000	Investment holdings RM'000	Eliminatio n RM'000	Total RM'000
<b>Revenue</b>					
External revenue	7,972	5,971	2	-	13,945
Intersegment revenue	-	-	120	(120)	-
Total revenue	7,972	5,971	122	(120)	13,945
<b>Results</b>					
Segment profit	(53)	1,473	33	-	1,453
Interest income					6
Finance costs					(296)
Depreciation					<u>(1,017)</u>
Profit before taxation					146
Taxation					(258)
Profit net of tax					<u>(112)</u>
<b>Assets</b>					
Segment assets	33,460	41,577	4,829	(12618)	67,248
Addition to non-current assets other than financial instruments and deferred tax assets	50	87	-	-	137
<b>Liabilities</b>					
Segment liabilities	32,984	9,823	2,212	(19,907)	25,112
<b>Major customer</b>	5,695	-	-	-	-

Period Ended 31 March 2011

	Hygiene RM'000	Insulation RM'000	Investment holdings RM'000	Elimination RM'000	Total RM'000
<b>Revenue</b>					
External revenue	8,415	5,631	2	-	14,048
Intersegment revenue	-	-	120	(120)	-
Total revenue	8,415	5,631	122	(120)	14,048
<b>Results</b>					
Segment results	661	1,563	32	-	2,256
Interest income					-
Finance costs					(214)
Depreciation					<u>(785)</u>
Profit before taxation					1,257
Taxation					(320)
Profit net of tax					<u>937</u>
<b>Assets</b>					
Segment assets	35,072	34,601	5,086	(12,209)	62,550
Addition to non-current assets other than financial instruments and deferred tax assets	1	14	-	-	15
<b>Liabilities</b>					
Segment liabilities	32,967	5,573	2,065	(19,500)	21,105
<b>Major customer</b>	4,080	-	-	-	-

Geographical Information

	Revenue RM'000	Non-current assets RM'000
At 31 March 2012		
Malaysia	5,974	35,026
Indonesia	3,354	6,784
Japan	3,801	
Others	816	12
	<u>13,945</u>	<u>41,822</u>
At 31 March 2011		
Malaysia	7,131	36,976
Indonesia	4,777	
Japan	1,456	
Others	684	
	<u>14,048</u>	<u>36,976</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 31.03.2012 RM'000</b>	<b>Financial Year Ended 31.12.2011 RM'000</b>
Approved and contracted for :		
Property, plant and equipment	278	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 2011.

**A14. Amounts Due to Directors**

The amounts due to directors of RM3,690,619, are unsecured and have no fixed terms of repayment. An amount of RM3,582,619 bears interest at the rate of 6% per annum while the balance RM108,000 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**

	<b>Quarter ended</b>		<b>Year-to-date</b>	
	<b>31.03.2012</b>	<b>31.03.2011</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	13,945	14,048	13,945	14,048
Profit for the period attributable to equity holders of the parent	(112)	937	(112)	937

The Group recorded a slight decrease in revenue on quarter-on-quarter basis and year-on-year basis. The local revenue for felts division was reduced by 12% due to low new vehicles sales. However, the export revenue for felts division was increased by 12%. The reduction in revenue in hygiene division was attributable to lower export sales.

The Group recorded net loss of RM0.112 million on quarter-on-quarter basis and year-on-year basis compared to net profit of RM0.937 million in the preceding year's corresponding quarter and corresponding period. The decrease in net profit is mainly attributable to lower revenue in hygiene division and the felts plant in Indonesia which is in its gestation period.

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

	Quarter ended	
	31.03.2012 RM'000	31.12.2011 RM'000
Revenue	13,945	15,862
Profit / (Loss) before taxation	146	932

The Group's revenue was 12.1% lower and profit before taxation was reduced by RM0.786 as compared to the immediate preceding quarter. The reduction in profit before taxation was mainly due to lower revenue in hygiene 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 31.03.2012 RM'000	Year-to-date period ended 31.03.2012 RM'000
Estimated current tax payable	(373)	(373)
Overprovision/(underprovision)	-	-
Deferred tax	115	115
<b>Taxation expense</b>	<u>(258)</u>	<u>(258)</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. 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 March 2012 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	1,417	-	1,417
Trade Line	6,285	1,455	7,740
Bank Overdraft	395	-	395
Hire Purchase Payables	767	-	767
	<u>8,864</u>	<u>1,455</u>	<u>10,319</u>
<b>Long Term Borrowings</b>			
Term Loan	4,250	-	4,250
Hire Purchase Payables	1,895	-	1,895
	<u>6,145</u>	<u>-</u>	<u>6,145</u>
<b>Total</b>	<u>15,009</u>	<u>1,455</u>	<u>16,464</u>

**B9. Off Balance Sheet Financial Instruments**

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

**B10. Disclosure of Realised and Unrealised Profits**

	Period ended 31.03.2012 RM'000	As at 31.12.2011 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	254	7,173
- Unrealised	(352)	(243)
	<u>(98)</u>	<u>6,930</u>
Add: Consolidation adjustments	(1)	5,708
Total group retained profits as per consolidated accounts	<u>(99)</u>	<u>12,638</u>

**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 30 May 2012, being a date not more than seven (7) days from the date of this report.

**B12. Dividends**

No dividend has been recommended or paid for the financial period ended 31 March 2012 (31 March 2011: 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.

	<b>Current Year Quarter 31.03.2012</b>	<b>Preceding Year Corresponding Quarter 31.03.2011</b>	<b>Current Year-To- Date 31.03.2012</b>	<b>Preceding Year Corresponding Period 31.03.2011</b>
Net Profit / (Loss) (RM'000)	(112)	937	(112)	(937)
Weighted average number of ordinary shares ('000)	223,000	223,000	223,000	223,000
Basic earnings / (loss) per share (sen)	<u>(0.05)</u>	<u>0.42</u>	<u>(0.05)</u>	<u>0.42</u>

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

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