

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

UNAUDITED QUARTERLY REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 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:-

		Effective for financial periods beginning on or after
<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 30 September 2012

	Hygiene RM'000	Insulation RM'000	Investment holdings RM'000	Eliminatio n RM'000	Total RM'000
Revenue					
External revenue	23,269	20,023	6	-	43,298
Intersegment revenue	-	-	360	(360)	-
Total revenue	23,269	20,023	366	(360)	43,298
Results					
Segment profit	974	6,049	83	-	7,106
Interest income					10
Finance costs					(820)
Depreciation					<u>(3,051)</u>
Profit before taxation					3,245
Taxation					(1,341)
Profit net of tax					<u>1,904</u>
Assets					
Segment assets	32,557	43,219	4,747	(12,564)	67,959
Addition to non-current assets other than financial instruments and deferred tax assets	149	625	-	-	774
Liabilities					
Segment liabilities	32,550	8,738	2,149	(19,854)	23,583
Major customer	16,187	-	-	-	-

Period Ended 30 September 2011

	Hygiene RM'000	Insulation RM'000	Investment holdings RM'000	Eliminatio n RM'000	Total RM'000
Revenue					
External revenue	26,744	21,063	6	-	42,195
Intersegment revenue	31	-	360	(391)	-
Total revenue	26,775	15,445	366	(391)	42,195
Results					
Segment results	1,615	4,263	85	-	5,963
Interest income					6
Finance costs					(639)
Depreciation					<u>(2,705)</u>
Profit before taxation					2,625
Taxation					(1,033)
Profit net of tax					<u>1,592</u>
Assets					
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
Liabilities					
Segment liabilities	33,388	6,882	2,037	(19,143)	23,164
Major customer	19,261	-	-	-	-

Geographical Information

	Revenue RM'000	Non-current assets RM'000
At 30 September 2012		
Malaysia	18,279	33,448
Indonesia	12,375	6,671
Japan	9,482	
Others	3,162	
	<u>43,298</u>	<u>40,119</u>
At 30 September 2011		
Malaysia	19,027	35,445
Indonesia	13,112	92
Japan	8,296	
Others	1760	
	<u>42,195</u>	<u>35,537</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 30.09.2012 RM'000	Financial Year Ended 31.12.2011 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 2011.

A14. Amounts Due to Directors

The amounts due to a director of RM3,544,206 are unsecured and 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	
	30.09.2012 RM'000	30.09.2011 RM'000	30.09.2012 RM'000	30.09.2011 RM'000
Revenue	14,765	14,544	43,298	42,195
Profit for the period attributable to equity holders of the parent	1,215	528	1,904	1,592

The Group recorded a slight increase of 1.52% in revenue on quarter-on-quarter basis. The revenue for felts division jumped 46% due to increase in new vehicles sales in Malaysia and Indonesia and sales to China . The Group recorded an increase of 2.6% in revenue on year-on-year basis mainly due to increase in export sales and commencement of commercial sales in Indonesia. However, the hygiene division record a reduction in revenue on quarter-on-quarter basis and year-on-year basis .

The Group recorded an increase of RM0.687 million in net profit on quarter-on-quarter basis and an increase of RM0.312 million in net profit on year-on-year basis mainly due to higher revenue in felts division and cost cutting measures

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

	Quarter ended	
	30.09.2012 RM'000	30.06.2012 RM'000
Revenue	14,765	14,588
Profit / (Loss) before taxation	1,773	1,327

The Group's revenue was 1.2% higher and profit before taxation was RM0.446 million higher as compared to the immediate preceding quarter. The increase in profit before taxation was mainly due to increase contribution in Indonesia and cost cutting measures.

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 30.09.2012 RM'000	Year-to-date period ended 30.09.2012 RM'000
Estimated current tax payable	(1,391)	(465)
Overprovision/(underprovision)	(44)	(44)
Deferred tax	94	(49)
Taxation expense	(1,341)	(558)

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 30 September 2012 are shown below:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term Borrowings			
Term Loan	1,406	-	1,406
Trade Line	7,896	598	7,896
Bank Overdraft	679	-	679
Hire Purchase Payables	801	-	801
	<u>10,782</u>	<u>598</u>	<u>11,380</u>
Long Term Borrowings			
Term Loan	3,537	-	3,537
Hire Purchase Payables	1,363	-	1,363
	<u>4,900</u>	<u>-</u>	<u>4,900</u>
Total	<u>15,682</u>	<u>598</u>	<u>16,280</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 30.09.2012 RM'000	As at 31.12.2011 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	2,298	7,173
- Unrealised	(352)	(243)
	<u>1,946</u>	<u>6,930</u>
Add: Consolidation adjustments	(5)	5,708
Total group retained profits as per consolidated accounts	<u>1,941</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 27 November 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 30 September 2012 (30 September 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.

	Current Year Quarter 30.09.2012	Preceding Year Corresponding Quarter 30.09.2011	Current Year-To- Date 30.09.2012	Preceding Year Corresponding Period 30.09.2011
Net Profit / (Loss) (RM'000)	1,215	528	1,904	1,592
Weighted average number of ordinary shares ('000)	223,000	223,000	223,000	223,000
Basic earnings / (loss) per share (sen)	<u>0.54</u>	<u>0.24</u>	<u>0.85</u>	<u>0.71</u>

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

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