

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

**UNAUDITED QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2013**

**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 2012.

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 2012.

The Group and the Company have not adopted the following New and Revised MFRSs, Amendments/Improvements to MFRSs 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 MFRSs</u>                        |   |  |
| MFRS 9                                  | Financial Instruments                     | 1 January 2015   |
| <u>Amendments/Improvements to MFRSs</u> |   |  |
| MFRS 10                                 | Consolidated Financial Statements         |  |
| MFRS 12                                 | Disclosure of Interests in Other Entities | 1 January 2014   |
| MFRS 127                                | Separate Financial Statements             | 1 January 2014   |
| MFRS 132                                | Financial Instruments: Presentation       | 1 January 2014   |

The directors do not anticipate that the application of the above new and revised MFRSs, amendments/improvements to MFRSs 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 2012.

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

The auditors' report on the financial statements for the financial year ended 31 December 2012 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 recommended, declared and paid during the financial quarter under review and financial-year-to-date.

## A8. Operating Segments

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

Segment profit or loss is measured based on segment profit before tax, interest, depreciation and other non-cash expenses that are regularly reviewed by the Group's chief operating decision maker.

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.

Year Ended 31 March 2013

|   | Hygiene<br>RM'000 | Insulation<br>RM'000 | Investment<br>holdings<br>RM'000 | Eliminatio<br>n<br>RM'000 | Total<br>RM'000 |
|---|-------------------|----------------------|----------------------------------|---------------------------|-----------------|
| <b>Revenue</b>  |                   |                      |                                  |                           |                 |
| External revenue  | 8,245             | 6,428                | 4                                | -                         | 14,677          |
| Intersegment revenue  |                   | 148                  | 120                              | (268)                     | -               |
| Total revenue   | 8,245             | 6,576                | 124                              | (268)                     | 14,677          |
| <b>Results</b>  |                   |                      |                                  |                           |                 |
| Segment profit  | 613               | 1,902                | 19                               | -                         | 2,534           |
| Interest income   |                   |                      |                                  |                           | 5               |
| Finance costs   |                   |                      |                                  |                           | (207)           |
| Depreciation  |                   |                      |                                  |                           | <u>(1,020)</u>  |
| Profit before taxation  |                   |                      |                                  |                           | 1,312           |
| Taxation  |                   |                      |                                  |                           | (317)           |
| Profit net of tax   |                   |                      |                                  |                           | <u>995</u>      |
| <b>Assets</b>   |                   |                      |                                  |                           |                 |
| Segment assets  | 30,880            | 42,423               | 5,003                            | (12,568)                  | 65,738          |
| Addition to non-current assets other than financial instruments and deferred tax assets | 50                | 184                  | -                                | -                         | 234             |
| <b>Liabilities</b>  |                   |                      |                                  |                           |                 |
| Segment liabilities   | 31,288            | 7,270                | 2,329                            | (19,858)                  | 21,029          |
| <b>Major customer</b>   | <u>2</u>          | <u>-</u>             | <u>-</u>                         | <u>-</u>                  | <u>2</u>        |

Year Ended 31 March 2012

|   | Hygiene<br>RM'000 | Insulation<br>RM'000 | Investment<br>holdings<br>RM'000 | Eliminatio<br>n<br>RM'000 | Total<br>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 results   | (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                            | (12,618)                  | 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>   | <u>2</u>          | <u>-</u>             | <u>-</u>                         | <u>-</u>                  | <u>2</u>        |

Geographical Information

|                  | Revenue<br>RM'000 | Non-current<br>assets<br>RM'000 |
|------------------|-------------------|---------------------------------|
| At 31 March 2013 |                   |                                 |
| Malaysia         | 5,454             | 32,011                          |
| Indonesia        | 5,237             | 6,329                           |
| Japan            | 2,508             |                                 |
| Others           | 1,478             | 7                               |
|                  | <u>14,677</u>     | <u>38,347</u>                   |
| 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>                   |

**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<br/>Ended 31.03.2013<br/>RM'000</b> | <b>Financial Year<br/>Ended 31.12.2012<br/>RM'000</b> |
|-------------------------------|---|---|
| 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 2012.

**A14. Amounts Due to Directors**

The amounts due to directors of RM3,113,030 are unsecured and have no fixed terms of repayment . An amount of RM3,005,030 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>31.03.2013</b>    | <b>31.03.2012</b> | <b>31.03.2013</b>   | <b>31.03.2012</b> |
|  | <b>RM'000</b>        | <b>RM'000</b>     | <b>RM'000</b>       | <b>RM'000</b>     |
| Revenue  | 14,677               | 13,945            | 14,677              | 13,945            |
| Profit for the period attributable to equity holders of the parent | 995                  | (112)             | 995                 | (112)             |

The Group registered an increase of 5.25% in revenue on quarter-on-quarter basis and on cumulative year on year basis due to the increased revenue in hygiene and felts divisions. In hygiene division, nonwoven product revenue recorded an increase of 16.5% and polyethylene film revenue recorded a decrease of 98.76%. The

Company had scaled down the operation of PE film due to its weak demand and competitive pricing in the market. The increased revenue in felts division was mainly due to increased revenue in Indonesia.

The Group chalked up a RM1.107 million increase in net profit on quarter-on-quarter basis and cumulative year on year basis mainly due to the stronger Indonesia rupiah, higher revenue in both felts division and nonwoven cloth and a much reduced revenue from PE film which has very low profit margin.

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

|                                 | Quarter ended |            |
|---------------------------------|---------------|------------|
|                                 | 31.03.2013    | 31.12.2012 |
|                                 | RM'000        | RM'000     |
| Revenue                         | 14,677        | 15,575     |
| Profit / (Loss) before taxation | 1,312         | 1,118      |

The Group's revenue was 5.77% lower but profit before taxation was RM0.194 million higher as compared to the immediate preceding quarter. The improved profit before taxation was mainly due to increase in revenue from felts division and the stronger Indonesia rupiah .

**B3. Prospect for Year 2013**

Barring unforeseen circumstances, the Directors anticipate the Group's performance to be better in the financial year 2013 compared to the financial year 2012.

**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<br>31.03.2013<br>RM'000 | Year-to-date period<br>ended 31.03.2013<br>RM'000 |
|--------------------------------|---|---|
| Estimated current tax payable  | (298)                                   | (298)   |
| Overprovision/(underprovision) | -                                       | -   |
| Deferred tax                   | (19)                                    | (19)  |
| <b>Taxation expense</b>        | <b>(317)</b>                            | <b>(317)</b>                                      |

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 2013 are shown below:

|                              | <b>Secured<br/>RM'000</b> | <b>Unsecured<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|------------------------------|---------------------------|-----------------------------|-------------------------|
| <b>Short Term Borrowings</b> |                           |                             |                         |
| Term Loan                    | 1,411                     | -                           | 1,411                   |
| Trade Line                   | 6,456                     | 1,496                       | 7,952                   |
| Bank Overdraft               | 375                       | -                           | 375                     |
| Hire Purchase Payables       | 781                       | -                           | 781                     |
|                              | <u>9,023</u>              | <u>1,496</u>                | <u>10,519</u>           |
| <b>Long Term Borrowings</b>  |                           |                             |                         |
| Term Loan                    | 2,928                     | -                           | 2,928                   |
| Hire Purchase Payables       | 906                       | -                           | 906                     |
|                              | <u>3,834</u>              | <u>-</u>                    | <u>3,834</u>            |
| <b>Total</b>                 | <u>12,857</u>             | <u>1,496</u>                | <u>14,353</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<br>31.03.2013<br>RM'000 | As at<br>31.12.2012<br>RM'000 |
|---|--------------------------------------|-------------------------------|
| Total retained profits of the Company and its subsidiaries: |                                      |                               |
| - Realised  | 712                                  | 9,194                         |
| - Unrealised  | 297                                  | (257)                         |
|   | <u>1,009</u>                         | <u>8,937</u>                  |
| Add: Consolidation adjustments                              | (1)                                  | 5,702                         |
| Total group retained profits as per consolidated accounts   | <u>1,008</u>                         | <u>14,639</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 23 May 2013, being a date not more than seven (7) days from the date of this report.

**B12. Dividends**

No dividend has been recommended, declared and paid for the financial period ended 31 March 2013 (31 March 2012: 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<br/>Year<br/>Quarter<br/>31.03.2013</b> | <b>Preceding Year<br/>Corresponding<br/>Quarter<br/>31.03.2012</b> | <b>Current<br/>Year-To-<br/>Date<br/>31.03.2013</b> | <b>Preceding Year<br/>Corresponding<br/>Period<br/>31.03.2012</b> |
|---|--|--|---|---|
| Net Profit /<br>(Loss)<br>(RM'000)                            | 995  | (112)  | 995   | (112)   |
| Weighted<br>average<br>number of<br>ordinary<br>shares ('000) | 223,000  | 223,000  | 223,000   | 223,000   |
| Basic earnings<br>/ (loss) per<br>share (sen)                 | 0.45   | (0.05)   | 0.45  | (0.05)  |

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

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