

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

UNAUDITED QUARTERLY REPORT FOR THE QUARTER ENDED 30 JUNE 2015

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 2014.

The accounting policies and methods of computation adopted by Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2014 except for the adoption of the Amendments/Improvements to MFRS and New IC Interpretations that are applicable to the Group effective 1 January 2015. The adoption of these MFRS and IC Interpretations does not have any material impact on the Group's results and financial position.

A2. Audit Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2014 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.

Period Ended 30 June 2015

	Hygiene RM'000	Insulation RM'000	Investment holdings RM'000	Elimination RM'000	Total RM'000
Revenue					
External revenue	27,496	14,766	1	-	42,263
Intersegment revenue	-	-	240	(240)	-
Total revenue	27,496	14,766	241	(240)	42,263
Results					
Segment profit	3,548	3,924	13	(272)	7,213
Interest income					23
Finance costs					(472)
Depreciation					<u>(1,341)</u>
Profit before taxation					5,423
Taxation					(752)
Profit net of tax					<u>4,671</u>
Assets					
Segment assets	48,241	45,871	3,715	(10,763)	87,064
Addition to non-current assets other than financial instruments and deferred tax assets	1,738	2,386	-	-	4,124
Liabilities					
Segment liabilities	26,593	7,703	878	(11,171)	24,003
Major customer	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>

Period Ended 30 June 2014

	Hygiene RMø000	Insulation RMø000	Investment holdings RMø000	Elimination RMø000	Total RMø000
Revenue					
External revenue	22,203	15,048	12	-	37,263
Intersegment revenue	398	75	240	(713)	-
Total revenue	22,601	15,123	242	(713)	37,263
Results					
Segment results	1,980	4,832	50	(281)	6,581
Interest income					35
Finance costs					(278)
Depreciation					<u>(1,861)</u>
Profit before taxation					4,477
Taxation					(879)
Profit net of tax					<u>3,598</u>
Assets					
Segment assets	39,546	40,969	4,329	(10,963)	73,881
Addition to non-current assets other than financial instruments and deferred tax assets	445	644	-	-	1,089
Liabilities					
Segment liabilities	25,889	5,366	1,614	(11,370)	21,499
Major customer	1	-	-	-	1

Geographical Information

	Revenue RMø000	Non-current assets RMø000
At 31 March 2015		
Malaysia	12,728	33,707
Indonesia	7,828	13,360
Japan	11,573	-
Thailand	7,972	-
Others	2,162	-
	<u>42,263</u>	<u>47,067</u>
At 30 June 2014		
Malaysia	12,518	28,952
Indonesia	10,802	4,759
Japan	9,647	-
Others	4,296	6
	<u>37,263</u>	<u>33,717</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 30.06.2015 RM'000	Financial Year Ended 31.12.2014 RM'000
Approved and contracted for :		
Property, plant and equipment	200	7,342

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 2014.

A14. Amounts Due to Directors

The amounts due to directors of RM867,343 are unsecured and have no fixed terms of repayment. An amount of RM759,343 bears interest at the rate of 6.5% per annum while the balance RM108,000 are directors' fee.

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	
	30.06.2015 RM'000	30.06.2014 RM'000	30.06.2015 RM'000	30.06.2014 RM'000
Revenue	21,859	19,856	42,263	37,263
Profit for the period attributable to owners of the parent	2,447	1,806	4,671	3,598

The Group registered an increase of 10.09% in revenue on quarter-on-quarter basis and 13.42% on year-on-year basis mainly due to increase in sales to Thailand and Japan in nonwoven division. Felts division in Malaysia suffered a slight drop in sales in automotive market on year-on-year basis. However, the revenue from air condition market has recorded a slight increase on year-on-year basis. Felts division in Indonesia showed a decrease of 5.94% and 1.88% in revenue on quarter-on-quarter basis and year-on-year basis respectively due to the slowdown in new automotive sales.

The Group recorded RM0.641 million increase in net profit on quarter-on-quarter basis and RM1.073 million in net profit cumulative year-on-year basis mainly attributable to increase in revenue as mentioned above and lower depreciation charged as a result of the disposal of PE Modular machine in the third (3rd) quarter of preceding year.

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

	Quarter ended	
	30.06.2015 RM'000	31.03.2015 RM'000
Revenue	21,859	20,404
Profit / (Loss) before taxation	2,749	2,674

The Group recorded an increase of 7.13% in revenue and an increase of RM0.075 million in profit before taxation due to increase in revenue to Thailand and Japan in nonwoven division. The interest expenses in Indonesia has increased due the loan financing for second (2nd) production line as compared to the first quarter 2015 and it has reduced the profit before tax.

B3. Prospect for Year 2015

Barring unforeseen circumstances, the Directors anticipate the Group's performance for the financial year 2015 to be better than the financial year 2014.

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 30.06.2015 RM'000	Year-to-date period ended 30.06.2015 RM'000
Estimated current tax payable	(301)	(741)
Overprovision/(underprovision)	-	-
Deferred tax	(1)	(11)
Taxation expense	<u>(302)</u>	<u>(752)</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 unabsorbed tax losses set off against the current year taxable profit.

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 June 2015 are shown below:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term Borrowings			
Term Loan	540	-	540
Trade Line	9010	2,718	11,728
Bank Overdraft	695	-	695
Hire Purchase Payables	113	-	113
	<u>10,358</u>	<u>2,718</u>	<u>13,076</u>
Long Term Borrowings			
Term Loan	4,797	-	4,797
Hire Purchase Payables	625	-	625
	<u>5,422</u>	<u>-</u>	<u>5,422</u>
Total	<u>15,780</u>	<u>2,718</u>	<u>18,498</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 30.06.2015 RM'000	As at 31.12.2014 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	4,113	30,467
- Unrealised	611	1,767
	<u>4,723</u>	<u>32,234</u>
Add: Consolidation adjustments	4	(8,315)
Total group retained profits as per consolidated accounts	<u>4,727</u>	<u>23,919</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 26 Aug 2015, being a date not more than seven (7) days from the date of this report.

B12. Dividends

No dividend was recommended, declared and paid for the financial period 30 June 2015 (30 June 2014: 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 30.06.2015	Preceding Year Corresponding Quarter 30.06.2014	Current Year-To- Date 30.06.2015	Preceding Year Corresponding Period 30.06.2014
Net Profit / (Loss) (RMø000)	2,447	1,806	4,671	3,598
Weighted average number of ordinary shares (ø000)	223,000	223,000	223,000	223,000
Basic earnings / (loss) per share (sen)	<u>1.10</u>	<u>0.81</u>	<u>2.09</u>	<u>1.61</u>

▪ Diluted earnings / (loss) per share

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