

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

UNAUDITED QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2016

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 2015.

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 2015 except for the adoption of the Amendments/Improvements to MFRS and New IC Interpretations that are applicable to the Group effective 1 January 2016. 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 2015 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 31 March 2016

	Hygiene RM'000	Insulation RM'000	Investment holdings RM'000	Elimination RM'000	Total RM'000
Revenue					
External revenue	11,615	6,959	2	-	18,576
Intersegment revenue	-	-	120	(120)	-
Total revenue	11,615	6,959	122	(120)	18,576
Results					
Segment profit	1,845	62	(3)	(134)	1,904
Interest income					5
Finance costs					(245)
Depreciation					(824)
Profit before taxation					840
Taxation					330
Profit net of tax					<u>1,170</u>
Assets					
Segment assets	45,742	46,957	3,506	(9,678)	86,527
Addition to non-current assets other than financial instruments and deferred tax assets	1,617	1,240	-	-	2,857
Liabilities					
Segment liabilities	20,254	10,425	146	(9,678)	21,146
Major customer	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>

Period Ended 31 March 2015

	Hygiene RMø000	Insulation RMø000	Investment holdings RMø000	Elimination RMø000	Total RMø000
Revenue					
External revenue	13,045	7,358	1	-	20,404
Intersegment revenue	-	-	120	(120)	-
Total revenue	13,045	7,358	121	(120)	20,404
Results					
Segment results	1,516	2,183	(30)	(137)	3,532
Interest income					5
Finance costs					(198)
Depreciation					<u>(665)</u>
Profit before taxation					2,674
Taxation					(450)
Profit net of tax					<u>2,224</u>
Assets					
Segment assets	47,549	45,305	3,663	(10,806)	85,711
Addition to non-current assets other than financial instruments and deferred tax assets	113	4	-	-	117
Liabilities					
Segment liabilities	27,374	7,161	882	(11,213)	20,204
Major customer	2	-	-	-	2

Geographical Information

	Revenue RMø000	Non-current assets RMø000
At 31 March 2016		
Malaysia	6,234	26,849
Indonesia	2,524	22,767
Japan	6,714	-
Thailand	2,442	-
Others	662	-
	<u>18,576</u>	<u>49,616</u>
At 31 March 2015		
Malaysia	6,345	34,122
Indonesia	4,164	12,365
Japan	5,432	-
Thailand	3,767	-
Others	696	1
	<u>20,404</u>	<u>46,488</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 31.03.2016 RM'000	Financial Year Ended 31.12.2015 RM'000
Approved and contracted for :		
Property, plant and equipment	2,315	2,315

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 2015.

A14. Amounts Due to Directors

The amounts due to directors of RM3,041,224 are unsecured and have no fixed terms of repayment. An amount of RM2,919,224 bears interest at the rate of 6.5% per annum while the balance RM122,000 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	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	RM'000	RM'000	RM'000	RM'000
Revenue	18,576	20,404	18,576	20,404
Profit for the period attributable to owners of the parent	1,170	2,224	1,170	2,224

The Group registered a drop of 8.962% in revenue on quarter-on-quarter basis and year-on-year basis mainly due to decrease in revenue in felts in Malaysia and Indonesia automotive market and decrease in revenue in nonwoven division in Thailand and Indonesia market.

The Group recorded reduction of RM1.054 million in net profit on quarter-on-quarter basis and cumulative year-on-year basis mainly attributable to decrease in revenue as mentioned above, increase in finance

expense and increase in depreciation expenses in Indonesia, trial run expenses for new production line in Indonesia and foreign exchange losses.

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

	Quarter ended	
	31.03.2016 RM'000	31.12.2015 RM'000
Revenue	18,576	17,700
Profit / (Loss) before taxation	840	1,822

The Group recorded an increase of 4.95% in revenue and decrease of RM0.982 million in profit before taxation due to foreign exchange loss, increase in finance expenses and depreciation expenses in Indonesia and trial run expenses for new production line in Indonesia.

B3. Prospect for Year 20165

Barring unforeseen circumstances, the Directors anticipate the Group's performance for the financial year 2016 to be better than the financial year 2015.

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 31.03.2016 RM'000	Year-to-date period ended 31.03.2016 RM'000
Estimated current tax payable	(204)	(204)
Overprovision/(underprovision)	-	-
Deferred tax	534	534
Taxation expense	330	330

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 and provision of unrealised foreign exchange.

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 2016 are shown below:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term Borrowings			
Term Loan	1,486	-	1,486
Trade Line	8,277	986	9,263
Bank Overdraft	-	-	-
Hire Purchase Payables	178	-	178
	<u>9,941</u>	<u>986</u>	<u>10,927</u>
Long Term Borrowings			
Term Loan	2,925	-	2,925
Hire Purchase Payables	404	-	404
	<u>3,329</u>	<u>-</u>	<u>3,329</u>
Total	<u>13,270</u>	<u>986</u>	<u>14,256</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 31.03.2016 RMø000	As at 31.12.2015 RMø000
Total retained profits of the Company and its subsidiaries:		
- Realised	5,071	34,976
- Unrealised	(3,875)	4,932
	<u>1,196</u>	<u>39,908</u>
Add: Consolidation adjustments	2	(8,714)
Total group retained profits as per consolidated accounts	<u>1,198</u>	<u>31,194</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 24 May 2016, 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 31 March 2016 (31 March 2015: 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 31.03.2016	Preceding Year Corresponding Quarter 31.03.2015	Current Year-To- Date 31.03.2016	Preceding Year Corresponding Period 31.03.2015
Net Profit / (Loss) (RMø000)	1,170	2,224	1,170	2,224
Weighted average number of ordinary shares (ø000)	223,000	223,000	223,000	223,000
Basic earnings / (loss) per share (sen)	0.52	1.00	0.52	1.00

▪ Diluted earnings / (loss) per share

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