

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

**UNAUDITED QUARTERLY REPORT FOR THE QUARTER ENDED 30 JUNE 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 6 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 30 June 2016

	Hygiene RM'000	Insulation RM'000	Investment holdings RM'000	Elimination RM'000	Total RM'000
<b>Revenue</b>					
External revenue	24,358	15,251	6	-	39,615
Intersegment revenue	-	-	240	(240)	-
Total revenue	24,358	15,251	246	(240)	39,615
<b>Results</b>					
Segment profit	3,627	2,003	32		5,662
Interest income					8
Finance costs					(496)
Depreciation					(1,662)
Profit before taxation					3,512
Taxation					317
Profit net of tax					<u>3,829</u>
<b>Assets</b>					
Segment assets	47,550	47,408	3,397	(9,721)	88,634
Addition to non-current assets other than financial instruments and deferred tax assets	362	254	-	-	616
<b>Liabilities</b>					
Segment liabilities	20,794	9,622	8	(9,721)	20,703
<b>Major customer</b>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>

Period Ended 30 June 2015

	Hygiene RMø000	Insulation RMø000	Investment holdings RMø000	Elimination RMø000	Total RMø000
<b>Revenue</b>					
External revenue	27,496	14,766	1	-	42,263
Intersegment revenue	-	-	240	(240)	-
Total revenue	27,496	14,766	241	(240)	42,263
<b>Results</b>					
Segment results	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>
<b>Assets</b>					
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
<b>Liabilities</b>					
Segment liabilities	26,593	7,703	878	(11,171)	24,003
<b>Major customer</b>	2	-	-	-	2

Geographical Information

	Revenue RMø000	Non-current assets RMø000
At 30 June 2016		
Malaysia	12,625	32,159
Indonesia	6,161	23,383
Japan	13,089	-
Thailand	6,255	-
Others	1,485	-
	<u>39,615</u>	<u>55,542</u>
At 30 June 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>

**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 30.06.2016 RM'000</b>	<b>Financial Year Ended 31.12.2015 RM'000</b>
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 RM2,829,120 are unsecured and have no fixed terms of repayment and bears interest at the rate of 6.5% 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**

	<b>Quarter ended</b>		<b>Year-to-date</b>	
	<b>30.06.2016</b>	<b>30.06.2015</b>	<b>30.06.2016</b>	<b>30.06.2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	21,037	21,859	39,615	42,263
Profit for the period attributable to owners of the parent	2,659	2,447	3,829	4,671

The Group registered a drop of 3.76% in revenue on quarter-on-quarter basis and a reduction of 6.27% in revenue on year-on year basis mainly due to decrease in revenue in felts in Malaysia and decrease in revenue in nonwoven division in Thailand and Indonesia market. The felts division in Indonesia recorded an increase in revenue on quarter-on-quarter and year-on-year basis whereas felts division in Malaysia registered a decrease in revenue in automotive sector.

The Group recorded an increase of RM0.212 million in net profit on quarter-on-quarter basis was mainly due to provision of deferred taxation. The reduction of RM0.842 in net profit on year-on-year was mainly attributable to decrease in revenue in nonwoven division in Thailand and Indonesia market and increase in finance expense, increase in depreciation expenses in Indonesia, trial run expenses for new production line and some fixed asset written off during shifting in Indonesia.

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

	Quarter ended	
	30.06.2016 RM'000	31.03.2016 RM'000
Revenue	21,037	18,576
Profit / (Loss) before taxation	2,671	840

The Group recorded an increase of 13.25% in revenue and increase of RM1.831 million in profit before taxation. The increase in revenue came from increase in sales in nonwoven division to Thailand and increase in sales in felts division in Malaysia and in Indonesia. The increase in profit before tax was attributable to increase in revenue and foreign exchange gain in Indonesia. The profit before tax on previous quarter was lower mainly also due to trial run expenses for new production line.

**B3. Prospect for Year 2016**

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 30.06.2016 RM'000	Year-to-date period ended 30.06.2016 RM'000
Estimated current tax payable	(127)	(332)
Overprovision/(underprovision)	-	-
Deferred tax	115	649
<b>Taxation expense</b>	(12)	317

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 timing difference 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 30 June 2016 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	1,331	-	1,331
Trade Line	6,998	2,897	9,895
Bank Overdraft	-	-	-
Hire Purchase Payables	121	-	121
	<b>8,450</b>	<b>2,897</b>	<b>11,347</b>
<b>Long Term Borrowings</b>			
Term Loan	2,800	-	2,800
Hire Purchase Payables	413	-	413
	<b>3,213</b>	<b>-</b>	<b>3,213</b>
<b>Total</b>	<b>11,663</b>	<b>2,897</b>	<b>14,560</b>

**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 30.06.2016 RMø000	As at 31.12.2015 RMø000
Total retained profits of the Company and its subsidiaries:		
- Realised	7,676	34,976
- Unrealised	(3,795)	4,932
	<b>3,881</b>	<b>39,908</b>
Add: Consolidation adjustments	4	(8,714)
Total group retained profits as per consolidated accounts	<b>3,885</b>	<b>31,194</b>

**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 25 August 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 30 June 2016 (30 June 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.

	<b>Current Year Quarter 30.06.2016</b>	<b>Preceding Year Corresponding Quarter 30.06.2015</b>	<b>Current Year-To- Date 30.06.2016</b>	<b>Preceding Year Corresponding Period 30.06.2015</b>
Net Profit / (Loss) (RMø000)	2,659	2,447	3,829	4,671
Weighted average number of ordinary shares (÷000)	223,000	223,000	223,000	223,000
Basic earnings / (loss) per share (sen)	1.19	1.10	1.72	2.09

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

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