

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

UNAUDITED QUARTERLY REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 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 ó 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 September 2016

	Hygiene RM'000	Insulation RM'000	Investment holdings RM'000	Elimination RM'000	Total RM'000
Revenue					
External revenue	37,588	22,656	9	-	60,253
Intersegment revenue	-	-	360	(360)	-
Total revenue	37,588	22,656	369	(360)	60,253
Results					
Segment profit	6,146	3,981	52		10,179
Interest income					13
Finance costs					(736)
Depreciation					<u>(2,558)</u>
Profit before taxation					6,898
Taxation					34
Profit net of tax					<u>6,932</u>
Assets					
Segment assets	53,180	49,194	3,414	(9,440)	96,348
Addition to non-current assets other than financial instruments and deferred tax assets	4,033	276	-	-	4,309
Liabilities					
Segment liabilities	24,455	10,075	9	(9,440)	25,099
Major customer	1	-	-	-	1

Period Ended 30 September 2015

	Hygiene RMø000	Insulation RMø000	Investment holdings RMø000	Elimination RMø000	Total RMø000
Revenue					
External revenue	40,082	21,641	2	-	61,725
Intersegment revenue	-	-	360	(360)	-
Total revenue	40,082	21,641	362	(360)	61,725
Results					
Segment profit	5,350	5,967	36	(407)	10,946
Interest income					29
Finance costs					(769)
Depreciation					<u>(2,020)</u>
Profit before taxation					8,186
Taxation					(1,100)
Profit net of tax					<u>7,086</u>
Assets					
Segment assets	48,412	51,040	3,562	(10,414)	92,600
Addition to non-current assets other than financial instruments and deferred tax assets	1,807	2,876	-	-	4,683
Liabilities					
Segment liabilities	25,511	11,413	687	(10,821)	26,790
Major customer	2	-	-	-	2

Geographical Information

	Revenue RMø000	Non-current assets RMø000
At 30 September 2016		
Malaysia	20,172	35,375
Indonesia	9,001	24,050
Japan	18,895	-
Thailand	10,032	-
Others	2,153	-
	<u>60,253</u>	<u>59,425</u>
At 30 September 2015		
Malaysia	18,876	33,243
Indonesia	11,426	14,549
Japan	18,032	-
Thailand	10,358	-

Others	3,033	-
	61,725	47,792

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 30.09.2016 RM'000	Financial Year Ended 31.12.2015 RM'000
Approved and contracted for :		
Property, plant and equipment	Nil	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 RM2,738,481 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

	Quarter ended		Year-to-date	
	30.09.2016 RM'000	30.09.2015 RM'000	30.09.2016 RM'000	30.09.2015 RM'000
Revenue	20,639	19,463	60,253	61,725
Profit for the period attributable to owners of the parent	3,104	2,414	6,932	7,086

On quarter-on-quarter basis, the Group registered an increase of 6.04% in revenue mainly due to increase in nonwoven division and felts division in Malaysia. However, on year-on year basis, the Group registered a drop of 2.4% in revenue 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 RM0.690 million in net profit on quarter-on-quarter basis was mainly due to increase in revenue and foreign exchange gain. The reduction of RM0.154 million 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. The foreign exchange gain had set-off some of the expenses on year-on-year basis.

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

	Quarter ended	
	30.09.2016 RM'000	30.09.2015 RM'000
Revenue	20,639	21,037
Profit / (Loss) before taxation	3,387	2,671

The Group recorded a decrease of 1.89% in revenue and increase of RM0.716 million in profit before taxation. The decrease in revenue came from reduction in sales in felts division to Thailand and Indonesia. The increase in profit before tax was attributable to foreign exchange gain.

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 30.09.2016 RM'000	Year-to-date period ended 30.09.2016 RM'000
Estimated current tax payable	(269)	(602)
Overprovision/(underprovision)	(9)	(9)
Deferred tax	(5)	645
Taxation expense	<u>(283)</u>	<u>34</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 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 September 2016 are shown below:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term Borrowings			
Term Loan	2,132	-	2,132
Trade Line	8,044	1,954	9,998
Bank Overdraft	212	-	212
Hire Purchase Payables	235	-	235
	<u>10,623</u>	<u>1,954</u>	<u>12,577</u>
Long Term Borrowings			
Term Loan	4,192	-	4,192
Hire Purchase Payables	330	-	330
	<u>4,522</u>	<u>-</u>	<u>4,522</u>
Total	<u><u>15,145</u></u>	<u><u>1,954</u></u>	<u><u>17,099</u></u>

Group borrowings as at 30 September 2016 denominated in United States Dollars are as follows:-

	USD'000¹
Short Term Borrowing	210
Long Term Borrowing	371
Total	<u><u>581</u></u>

Note:

1 These borrowings have been converted into Ringgit Malaysia using the translation rate prevailing as at 30 September 2016.

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 30.09.2016 RM'000	As at 31.12.2015 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	10,092	34,976
- Unrealised	(3,082)	4,932
	<u>7,010</u>	<u>39,908</u>

Add: Consolidation adjustments	6	(8,714)
Total group retained profits as per consolidated accounts	7,016	31,194

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 28 November 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 ended 30 September 2016 (30 September 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 30.09.2016	Preceding Year Corresponding Quarter 30.09.2015	Current Year-To- Date 30.09.2016	Preceding Year Corresponding Period 30.09.2015
Net Profit / (Loss) (RM'000)	3,104	2,414	6,932	7,086
Weighted average number of ordinary shares (='000)	223,000	223,000	223,000	223,000
Basic earnings / (loss) per share (sen)	1.39	1.08	3.11	3.18

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

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