

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

**UNAUDITED QUARTERLY REPORT FOR THE QUARTER ENDED 31 DECEMBER 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**

A first and interim single tier dividend of 7% of 223,000,000 ordinary shares amounting to RM1,561,000.00 was recommended and paid on 30 December 2016.

## 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 December 2016

	Hygiene RM'000	Insulation RM'000	Investment holdings RM'000	Elimination RM'000	Total RM'000
<b>Revenue</b>					
External revenue	53,092	30,580	15	-	83,687
Intersegment revenue	4	-	2,211	(2,215)	-
Total revenue	53,096	30,580	2,226	(2,215)	83,687
<b>Results</b>					
Segment profit	8,726	6,352	1,662	(1,731)	15,009
Interest income					20
Finance costs					(1,004)
Depreciation					<u>(3,633)</u>
Profit before taxation					10,392
Taxation					(243)
Profit net of tax					<u>10,149</u>
<b>Assets</b>					
Segment assets	54,219	48,292	3,626	(8,279)	97,858
Addition to non-current assets other than financial instruments and deferred tax assets	4,211	369	-	-	4,580
<b>Liabilities</b>					
Segment liabilities	23,538	8,909	169	(8,279)	24,337
<b>Major customer</b>	1	-	-	-	1

Period Ended 31 December 2015

	Hygiene RMø000	Insulation RMø000	Investment holdings RMø000	Elimination RMø000	Total RMø000
<b>Revenue</b>					
External revenue	51,417	27,997	11	-	79,425
Intersegment revenue	-	-	2,211	(2,211)	-
Total revenue	51,417	27,997	2,222	(2,211)	79,425
<b>Results</b>					
Segment profit	7,075	6,709	2,065	(2,138)	13,711
Interest income					34
Finance costs					(1,104)
Depreciation					<u>(2,825)</u>
Profit before taxation					9,816
Taxation					(1,092)
Profit net of tax					<u>8,724</u>
<b>Assets</b>					
Segment assets	45,598	48,905	3,535	(10,054)	87,984
Addition to non-current assets other than financial instruments and deferred tax assets	1,842	12,269	-	-	14,111
<b>Liabilities</b>					
Segment liabilities	21,423	11,033	168	(10,054)	22,570
<b>Major customer</b>	2	-	-	-	2

Geographical Information

	Revenue	Non-current assets
	RM'000	RM'000
At 31 December 2016		
Malaysia	27,898	35,291
Indonesia	12,276	24,463
Japan	26,591	-
Thailand	13,952	-
Others	2,970	-
	<u>83,687</u>	<u>59,754</u>
At 31 December 2015		
Malaysia	24,367	32,868
Indonesia	13,703	24,673
Japan	24,325	-
Thailand	12,878	-
Others	4,152	-
	<u>79,425</u>	<u>57,541</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 31.12.2016 RM'000	Financial Year Ended 31.12.2015 RM'000
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Approved and contracted for :

Property, plant and equipment	Nil	2,315
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**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 RM2,766,509 are unsecured and have no fixed terms of repayment. An amount of RM2,646,509 bears interest at the rate of 6.5% per annum while the balance RM120,000 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	
	31.12.2016 RM'000	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
Revenue	23,433	17,700	83,687	79,425
Profit for the period attributable to owners of the parent	3,217	1,836	10,149	8,724

On quarter-on-quarter basis, the Group recorded an increase of 32.39% in revenue mainly due to increase in revenue in nonwoven division in Malaysia, Thailand and Japan, and also increase in revenue in felts division in Malaysia and Indonesia. On year-on-year basis, the Group registered an increase of 5.37% in revenue mainly due to increase in sales in nonwoven division in Malaysia and Japan market and increase in sales in felts division in Thailand, Indonesia and Philippines market.

The Group recorded an increase of RM1.381 million in net profit on quarter-on-quarter basis was mainly due to increase in revenue and foreign exchange gain. The increase of RM1.425 million in net profit on year-on-year was mainly attributable to higher revenue and foreign exchange gain albeit there were 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	
	31.12.2016 RM'000	30.09.2016 RM'000
Revenue	23,433	20,639
Profit / (Loss) before taxation	3,494	3,387

The Group recorded a increase of 13.54% in revenue and increase of RM0.107 million in profit before taxation. The increase in revenue came from all divisions. The increase in profit before tax was attributable to increase in revenue albeit some foreign exchange loss.

**B3. Prospect for Year 2017**

Barring unforeseen circumstances, the Directors anticipate the Group's performance for the financial year 2017 to be better than the financial year 2016.

**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:

	<b>Current Quarter 31.12.2016 RM'000</b>	<b>Year-to-date period ended 31.12.2016 RM'000</b>
Estimated current tax payable	(276)	(878)
Overprovision/(underprovision)	-	(9)
Deferred tax	(1)	644
<b>Taxation expense</b>	<u>(277)</u>	<u>243</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 31 December 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	2,278	-	2,278
Trade Line	7,461	3,106	10,567
Bank Overdraft	-	-	-
Hire Purchase Payables	213	-	213
	<u>9,952</u>	<u>3,106</u>	<u>13,058</u>
<b>Long Term Borrowings</b>			
Term Loan	4,035	-	4,035
Hire Purchase Payables	304	-	304
	<u>4,339</u>	<u>-</u>	<u>4,339</u>
<b>Total</b>	<u>14,291</u>	<u>3,106</u>	<u>17,397</u>

Group borrowings as at 31 December 2016 denominated in United States Dollars are as follows:-

	<b>USD'000<sup>1</sup></b>
Short Term Borrowing	201
Long Term Borrowing	332
Total	<u><u>532</u></u>

**Note:**

1 These borrowings have been converted into Ringgit Malaysia using the translation rate prevailing as at 31 December 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 31.12.2016 RMø000	As at 31.12.2015 RMø000
Total retained profits of the Company and its subsidiaries:		
- Realised	11,197	34,976
- Unrealised	(2,505)	4,932
	<u>8,692</u>	<u>39,908</u>
Add: Consolidation adjustments	8	(8,714)
Total group retained profits as per consolidated accounts	<u><u>8,700</u></u>	<u><u>31,194</u></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 February 2017, being a date not more than seven (7) days from the date of this report.

**B12. Dividends**

A single tier dividend of 7% on 223,000,000 ordinary shares amounting to RM1,561,000.00 was recommended, declared and paid on 30 December 2016 (30 December 2015: RM1,561,000.00).

**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 31.12.2016</b>	<b>Preceding Year Corresponding Quarter 31.12.2015</b>	<b>Current Year-To- Date 31.12.2016</b>	<b>Preceding Year Corresponding Period 31.12.2015</b>
Net Profit / (Loss) (RM'000)	3,217	1,836	10,149	8,724
Weighted average number of ordinary shares ('000)	223,000	223,000	223,000	223,000
Basic earnings / (loss) per share (sen)	1.44	0.82	4.55	3.91

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

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