

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

**UNAUDITED QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2017**

**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 2016.

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 2016 except for the adoption of the Amendments/Improvements to MFRS and New IC Interpretations that are applicable to the Group effective 1 January 2017. 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 2016 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 2017

	Hygiene RM'000	Insulation RM'000	Investment holdings RM'000	Elimination RM'000	Total RM'000
<b>Revenue</b>					
External revenue	13,288	8,631	5	-	21,924
Intersegment revenue	-	-	(120)	(120)	-
Total revenue	13,288	8,631	125	(120)	21,924
<b>Results</b>					
Interest income					15
Finance costs					(257)
Depreciation					<u>(969)</u>
Segment profit	1,052	1,674	(1)		2,725
Taxation	(316)	(388)	(2)		(706)
Profit net of tax	<u>736</u>	<u>1,286</u>	<u>(3)</u>		<u>2,019</u>
<b>Assets</b>					
Segment assets	53,655	50,335	3,615	(7,949)	99,656
Addition to non-current assets other than financial instruments and deferred tax assets	27	7	-	-	34
<b>Liabilities</b>					
Segment liabilities	21,922	8,900	163	(7,949)	23,036
<b>Major customer</b>	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>

Period Ended 31 March 2016

	Hygiene RMø000	Insulation RMø000	Investment holdings RMø000	Elimination RMø000	Total RMø000
<b>Revenue</b>					
External revenue	11,615	6,959	2	-	18,576
Intersegment revenue	-	-	120	(120)	-
Total revenue	11,615	6,959	122	(120)	18,576
<b>Results</b>					
Interest income					5
Finance costs					(245)
Depreciation					(824)
Segment profit	1,314	(471)	(3)		840
Taxation	391	(61)	-		330
Profit net of tax	<u>1,705</u>	<u>(532)</u>	<u>(3)</u>		<u>1,170</u>
<b>Assets</b>					
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
<b>Liabilities</b>					
Segment liabilities	20,254	10,425	146	(9,678)	21,146
<b>Major customer</b>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>

Geographical Information

	Revenue RMø000	Non-current assets RMø000
At 31 March 2017		
Malaysia	8,133	34,887
Indonesia	3,302	23,903
Japan	7,120	-
Thailand	2,527	-
Others	842	-
	<u>21,924</u>	<u>58,790</u>
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>

**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 31.03.2017 RM'000</b>	<b>Financial Year Ended 31.12.2016 RM'000</b>
Approved and contracted for :		
Property, plant and equipment	Nil	Nil

**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 2016.

**A14. Amounts Due to Directors**

The amounts due to directors of RM2,630,678 are unsecured and have no fixed terms of repayment. An amount of RM2,502,345 bears interest at the rate of 6.5% per annum while the balance RM128,333 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**

	<b>Quarter ended</b>		<b>Year-to-date</b>	
	<b>31.03.2017 RM'000</b>	<b>31.03.2016 RM'000</b>	<b>31.03.2017 RM'000</b>	<b>31.03.2016 RM'000</b>
Revenue	21,924	18,576	21,924	18,576
Profit for the period attributable to owners of the parent	2,019	1,170	2,019	1,170

On quarter-on-quarter and on year-on-year basis the Group recorded an increase of 18.02% in revenue mainly due to increase in revenue in nonwoven division in Malaysia and Japan, and also increase in revenue in felts division in Malaysia, Philippines and Indonesia.

The Group recorded an increase of RM0.849 million in net profit on quarter-on-quarter and on year-on-year basis was mainly attributed to the increase in revenue in felts division. Nonwoven recorded a reduction in net profit mainly due to provision for deferred tax on foreign exchange and increase in operational cost in preparation of anticipated additional sales.

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

	Quarter ended	
	31.03.2017	31.12.2016
	RM'000	RM'000
Revenue	21,924	23,433
Profit / (Loss) before taxation	2,725	3,494

The Group recorded a decrease of 6.44% in revenue and decrease of RM0.769 million in profit before taxation. The decrease in profit before tax was mainly due to reduction in revenue and changes in product mix in sales.

**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:

	Current Quarter 31.03.2017 RM'000	Year-to-date period ended 31.03.2017 RM'000
Estimated current tax payable	(407)	(407)
Overprovision/(underprovision)	-	-
Deferred tax	(299)	(299)
<b>Taxation expense</b>	<u>(706)</u>	<u>(706)</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 March 2017 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	2,229	-	2,229
Trade Line	7,342	2,311	9,653
Bank Overdraft	-	-	-
Hire Purchase Payables	238	-	238
	<u>9,809</u>	<u>2,311</u>	<u>12,120</u>
<b>Long Term Borrowings</b>			
Term Loan	3,559	-	3,559
Hire Purchase Payables	227	-	227
	<u>3,786</u>	<u>-</u>	<u>3,786</u>
<b>Total</b>	<u>13,595</u>	<u>2,311</u>	<u>15,906</u>

Group borrowings as at 31 March 2017 denominated in United States Dollars are as follows:-

	<b>USD'000<sup>1</sup></b>
Short Term Borrowing	210
Long Term Borrowing	292
Total	<u>502</u>

**Note:**

1 These borrowings have been converted into Ringgit Malaysia using the translation rate prevailing as at 31 March 2017.

**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**

	<b>Period ended 31.03.2017 RM'000</b>	<b>As at 31.12.2016 RM'000</b>
Total retained profits of the Company and its subsidiaries:		
- Realised	2,187	46,185
- Unrealised	(142)	2,454
	<u>2,045</u>	<u>48,639</u>
Add: Consolidation adjustments	2	(8,706)
Total group retained profits as per consolidated accounts	<u>2,047</u>	<u>39,933</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 25 May 2017, 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 31 March 2017 (31 March 2016: 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 31.03.2017</b>	<b>Preceding Year Corresponding Quarter 31.03.2016</b>	<b>Current Year-To- Date 31.03.2017</b>	<b>Preceding Year Corresponding Period 31.03.2016</b>
Net Profit / (Loss) (RM'000)	2,019	1,170	2,019	1,170
Weighted average number of ordinary shares ('000)	223,000	223,000	223,000	223,000
Basic earnings / (loss) per share (sen)	0.91	0.52	0.91	0.52

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

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