

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

UNAUDITED QUARTERLY REPORT FOR THE QUARTER ENDED 31 DECEMBER 2015

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 2014.

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 2014 except for the adoption of the Amendments/Improvements to MFRS and New IC Interpretations that are applicable to the Group effective 1 January 2015. 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 2014 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 2014.

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 2015

	Hygiene RM'000	Insulation RM'000	Investment holdings RM'000	Elimination RM'000	Total RM'000
Revenue					
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
Results					
Segment profit	7,075	7,220	2,065	(2,672)	13,688
Interest income					34
Finance costs					(1,078)
Depreciation					<u>(2,636)</u>
Profit before taxation					10,008
Taxation					(1,086)
Profit net of tax					<u>8,922</u>
Assets					
Segment assets	45,543	48,876	3,535	(10,054)	87,900
Addition to non-current assets other than financial instruments and deferred tax assets	1,842	12,199	-	-	14,041
Liabilities					
Segment liabilities	21,368	10,814	168	(10,054)	22,296
Major customer	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>

Year Ended 31 December 2014

	Hygiene RMø000	Insulation RMø000	Investment holdings RMø000	Elimination RMø000	Total RMø000
Revenue					
External revenue	44,773	28,013	22	-	72,808
Intersegment revenue	751	75	2,049	(2,875)	-
Total revenue	45,524	28,088	2,071	(2,875)	72,808
Results					
Segment results	2,185	8,712	1,552	(2,126)	10,323
Interest income					78
Finance costs					(552)
Depreciation					<u>(3,336)</u>
Profit before taxation					6,513
Taxation					(1,599)
Profit net of tax					<u>4,914</u>
Assets					
Segment assets	43,414	39,896	3,909	(10,911)	76,308
Addition to non-current assets other than financial instruments and deferred tax assets	976	7,290	-	-	8,266
Liabilities					
Segment liabilities	24,219	3,196	1,079	(11,318)	17,176
Major customer	1	-	-	-	1

Geographical Information

	Revenue RMø000	Non-current assets RMø000
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>
At 31 December 2014		
Malaysia	23,433	33,127
Indonesia	19,951	10,140
Japan	20,805	-
Thailand	3,450	-
Others	5,169	-
	<u>72,808</u>	<u>43,272</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 31.12.2015 RM'000	Financial Year Ended 31.12.2014 RM'000
Approved and contracted for :		
Property, plant and equipment	2,470	7,342

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 2014.

A14. Amounts Due to Directors

The amounts due to directors of RM3,327,520 are unsecured and have no fixed terms of repayment. An amount of RM3,205,520 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	
	31.12.2015 RM'000	31.12.2014 RM'000	31.12.2015 RM'000	31.12.2014 RM'000
Revenue	17,700	17,813	79,425	72,808
Profit for the period attributable to owners of the parent	1,836	1,799	8,922	4,914

The Group registered a slight drop of 0.6% in revenue on quarter-on-quarter basis. On year-on-year basis, the Group registered an increase of 9.09% in revenue mainly due to increase in sales to Thailand and Japan in nonwoven division. Felts division in Malaysia recorded an increase in sales to Thailand quarter-on-quarter basis and year-on-year basis. Felts division in Indonesia showed a decrease in revenue due the slowdown in new automotive sales.

The Group recorded an increase of RM0.037 million in net profit on quarter-on-quarter basis. On year-on-year basis, the Group achieved an increase of RM4.008 million in net profit mainly attributable to increase in revenue as mentioned above, foreign exchange gain and the Group incurring a loss of RM 1.69 million on the disposal of PE Modular machine in the third (3rd) quarter of preceding year.

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

	Quarter ended	
	31.12.2015 RM'000	30.09.2015 RM'000
Revenue	17,700	19,463
Profit / (Loss) before taxation	1,822	2,762

The Group recorded an decrease of 9.06% in revenue and a decrease of RM0.940 million in profit before taxation. The reduction in revenue was due to decrease in sales in nonwoven division and felts division in Malaysia and in Indonesia. The decrease in profit before tax was mainly due to drop in sales, change in product mix and reduction in sales in both divisions.

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 31.12.2015 RM'000	Year-to-date period ended 31.12.2015 RM'000
Estimated current tax payable	(161)	(1,206)
Overprovision/(underprovision)	-	30
Deferred tax	175	90
Taxation expense	<u>14</u>	<u>(1,086)</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.

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 2015 are shown below:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term Borrowings			
Term Loan	1,517	-	1,517
Trade Line	6,800	2,017	8,817
Bank Overdraft	37	-	37
Hire Purchase Payables	204	-	204
	<u>8,558</u>	<u>2,017</u>	<u>10,575</u>
Long Term Borrowings			
Term Loan	3,569	-	3,569
Hire Purchase Payables	439	-	439
	<u>4,008</u>	<u>-</u>	<u>4,008</u>
Total	<u><u>12,566</u></u>	<u><u>2,017</u></u>	<u><u>14,583</u></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 31.12.2015 RM'000	As at 31.12.2014 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	4,269	30,467
- Unrealised	3,603	1,767
	<u>7,872</u>	<u>32,234</u>
Add: Consolidation adjustments	(399)	(8,315)
Total group retained profits as per consolidated accounts	<u><u>7,473</u></u>	<u><u>23,919</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 25 February 2016, 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 2014 (30 December 2013: RM1,338,000.00).

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.

	Current Year Quarter 31.12.2015	Preceding Year Corresponding Quarter 31.12.2014	Current Year-To- Date 31.12.2015	Preceding Year Corresponding Period 31.12.2014
Net Profit / (Loss) (RMø000)	1,836	1,799	8,922	4,914
Weighted average number of ordinary shares (ø000)	223,000	223,000	223,000	223,000
Basic earnings / (loss) per share (sen)	0.82	0.81	4.00	2.20

▪ Diluted earnings / (loss) per share

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