

NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of preparation

The interim financial report has been prepared in accordance with Financial Reporting Standards (“FRS”) 134, Interim Financial Reporting (formerly known as MASB 26) and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad.

The significant accounting policies and methods of computation adopted by the Company in this Interim Financial Statements are consistent with those adopted in the Annual Financial Statements for the year ended 31 December 2006.

A2 Audit report

The audit report on the Company's preceding Annual Financial Statements was not qualified.

A3 Seasonal or cyclical factors

The Group's operations were not significantly affected by any seasonal or cyclical factors during the quarter under review.

A4 Unusual items

There were no unusual items during this quarter affecting assets, liabilities, equity, net income or cash flow.

A5 Changes in estimates of amount reported previously with a material effect in current interim period

There were no estimations of amount used in our previous reporting which have a material impact in the current reporting period.

A6 Debt and equity securities

There were no issuance and repayment of debts and equity securities during the current quarter under review.

A7 Dividends

No dividend was paid during the current quarter.

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A8 Segmental information

Business segments information for the first quarter ended 31 March 2007:-

	Building Materials RM'000	Bedding Products RM'000	Consumer Foods RM'000	Investments RM'000	Elimination RM'000	Consolidated RM'000
Revenue						
External revenue	10,301	12,187	47,815	97	(42)	70,358
Result						
Profit/(Loss) from Operations	1,113	1,794	2,600	(744)	-	4,763
Finance costs						(1,636)
Investing results						-
Profit before taxation						3,127
Taxation						(1,400)
Net profit for the period						1,727
Other information						
Segment assets	62,073	94,288	166,466	127,383	-	450,210
Segment liabilities	(14,963)	(20,300)	(66,640)	(115,745)	-	(217,648)
Capital expenditure on property, plant and equipment	-	255	14	-	-	269
Depreciation	92	540	720	62	-	1,414

A9 Revaluations

There were no amendments in the valuation amount of revalued assets brought forward to the current quarter.

A10 Material events subsequent to the end of the reporting period

There were no materials events subsequent to the end of the quarter reported as at the date of issuance of this report.

A11 Changes in composition of the Group

There were no changes in the composition of the Group for the quarter under review.

A12 Contingent liabilities or assets

There were no third party contingent liabilities entered into by the Company during the quarter under review.

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Under the terms of the Sale and Purchase Agreements with Ample Term Sdn Bhd ("ATSB") for the disposals of Rantai Pesona Sdn Bhd ("RPSB") and Linear Profile Sdn Bhd ("LPSB"), ATSB shall within twelve (12) months from the completion of the Agreements cause the Company to be released and/or discharged as a guarantor for any debts of RPSB and LPSB owing to Bank Islam Malaysia Berhad under cash note facilities amounting to RM13.04 million.

B1 Review of performance

The Group recorded an increase of 67% in revenue to RM70.3 million for the current quarter against RM42.1 million in the preceding year corresponding quarter. The increase was mainly due to inclusion of sales of RM28.7 million from the newly acquired subsidiary company.

The consumer foods division registered an increase of 128% in revenue to RM47.8 million as compared to RM21.0 million the preceding year corresponding quarter due to inclusion of sales from the newly acquired subsidiary company.

The building materials division also witnessed an increase of 24% in revenue to RM10.3 million as against RM8.3 million reported in the preceding year corresponding quarter due to higher completions of projects.

However, bedding products division reported a decrease of 5% to RM12.2 million as compared to RM12.8 million.

Profit before tax of the Group recorded a decrease of 9% to RM3.1 million primarily due to lower investment income during the quarter under review.

Both the building materials and bedding materials divisions reported higher profit before tax of 82% and 45% respectively in the current quarter as compared to the preceding year corresponding quarter. The consumer foods division also reported higher profit of 4% to RM2.4 million.

In the opinion of the Board of Directors, the results of the current quarter ended 31 March 2007 have not been affected by any transaction or event of a material or unusual nature other than that mentioned above.

B2 Comparison of profit before tax for the current quarter with immediate preceding quarter

	Current quarter	Immediate preceding Quarter
	31/03/07	31/12/06
	RM'000	RM'000
Revenue	70,358	42,173
Consolidated profit before taxation	3,127	2,114

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The Company registered a higher pre-tax profit of RM3.1 million for the current quarter as compared to RM2.1 million in the immediate preceding quarter mainly due to lower finance cost registered during the quarter under review.

B3 Current year prospects

The Group remains optimistic on the outlook for the financial year ending 31 December 2007. The Group is expected to perform satisfactorily in the current financial year.

B4 Explanation on variances of actual results compared with forecasted and shortfall in profit guarantee.

Not applicable

B5 Taxation

	Current quarter	Cumulative current year to date
	31/03/07	31/03/07
	RM'000	RM'000
Current Taxation	1,400	1,400
(Over)/under Taxation	-	-
Deferred Taxation – Current	-	-
Deferred Taxation – Prior	-	-
	1,400	1,400

The effective tax rate on the Group's profit is higher than the statutory rate due to certain expenses disallowed by the Inland Revenue Board and there is no Group relief on losses incurred within the group of companies.

B6 Sales of unquoted investments and properties

There were no sales of unquoted investments or properties during the current quarter under review.

B7 Purchases and sales of quoted securities

Investments in quoted securities as at 31 March 2007 are as follows:

	RM'000
At cost	48,268
Less: Provision for diminution in value	(18)
At carrying value	48,250
At market value	55,474

There was no sale of quoted securities for the current quarter under review.

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B8 (a) Status of corporate proposal

There was no corporate proposal announced during the quarter under review.

(b) Status of the Utilisation of Proceeds

The total gross proceeds of RM37.4 million arising from the Rights Issue have been utilized in the following manner:-

	Proposed utilisation RM'000	Utilised as at 29.05.2007 RM'000	Balance unutilised RM'000
Defrayment of expenses incidental to the Corporate Exercise	2,000	2,000	-
Repayment of bank borrowings	18,625	11,095	7,530
Working capital	16,775	16,775	-
Total	<u>37,400</u>	<u>29,870</u>	<u>7,530</u>

B9 Group borrowings and debts securities

Bank borrowings as at the end of this quarter:-

	Secured RM'000
Short Term Borrowings	
Hire purchase creditors	823
Bank overdrafts	4,845
Banker acceptances/trust receipts	20,925
Term loans	41,090
Fixed rate serial bonds	17,186
	<u>84,869</u>
Long Term Borrowings	
Hire purchase creditors	770
Term loans	36,667
Fixed rate serial bonds	20,626
	<u>58,063</u>

B10 Off balance sheet financial instruments

There were no financial instruments negotiated with off balance sheet risk at the date of issuance of this report.

B11 Material litigation

Save as disclosed below, as at 29 May 2007, OCB and/or its subsidiaries are 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.

(i) Kuala Lumpur High Court Originating Summons No. D2-24-315-2005 brought by QSR Brands Berhad (“QSR”) (“Plaintiff”) against Enigma Sinar Sdn Bhd (“Enigma Sinar”) and 5 Others (“Defendants”)

On 30 August 2005, Enigma Sinar received an Originating Summons (Suit No. D2-315-2005) filed by QSR seeking inter-alia declaratory orders that the Extraordinary General Meeting of QSR (“EGM”) called by Enigma Sinar and RHB Nominees (Tempatan) Sdn Bhd (as nominee for Eagle Option Sdn Bhd) on 15 September 2005 was invalid being in breach of the Articles of Association of QSR. The other defendants named in the Originating Summons are Kulim (Malaysia) Berhad (“Kulim”), Wisdom Innovative Technology Sdn Bhd, OSK Nominees (Tempatan) Sdn Bhd, AmSec Nominees (Tempatan) Sdn Bhd and RHB Nominees (Tempatan) Sdn Bhd (“RHB Nominees”).

QSR further filed an injunctive application on the same date seeking that Enigma Sinar and RHB Nominees, their directors, officers, servants, agents be restrained from holding or proceeding with the EGM called by Enigma Sinar and RHB Nominees or any adjournment thereof until Kulim sends an offer document in accordance with Section 13(7) of the Malaysian Code of Take-Overs and Mergers 1998 to the shareholders of QSR.

The High Court dismissed the injunctive application with costs on 15 September 2005.

QSR subsequently on 16 September 2005 lodged an appeal to the Court of Appeal against the High Court decision, which is registered as Civil Appeal No.W-02-1000-2005. The Court of Appeal has yet to fix a date of hearing for the appeal. No date has been fixed for hearing of the Originating Summons.

(ii) Kuala Lumpur High Court Originating Summons No. D2-24-321-2005 brought by Wisdom Innovative Technology Sdn Bhd and OSK Nominees (Tempatan) Sdn Bhd (“Plaintiffs”) against Enigma Sinar and 13 others (“Defendants”)

On 7 September 2005, Enigma Sinar received an Originating Summons (Suit No.D2-24-321-2005) filed by the Plaintiffs seeking in principal declaratory orders that the special notice issued by ESSB and the 2nd and 3rd Defendants on 18 August 2005 to convene an Extraordinary General Meeting (“EGM”) on 15 September 2005 is invalid, consequentially, Enigma Sinar and all the other defendants, their servants, agents, nominees and/or shareholders acting in concert with them, be restrained from moving, or proposing the proposed resolutions contained in the special notice dated 18 August 2005 at the intended EGM scheduled to be held on 15 September 2005.

The High Court dismissed the Originating Summons with costs on 13 September 2005.

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The Plaintiffs subsequently on 14 September 2005 lodged to the Court of Appeal against the High Court decision, which is registered as Civil Appeal No. W-02-983-2005. The Court of Appeal has yet to fix a date of hearing for the appeal.

- (iii) **A) Suit No. MT3-22-1052-2006 brought by Bank Islam Malaysia Berhad against Rantai Pesona Sdn Bhd and OCB Berhad**
B) Suit No. MT3-22-1053-2006 brought by Bank Islam Malaysia Berhad against Linear Profile Sdn Bhd and OCB Berhad

On 22 September 2006, OCB was served with two (2) writs of Summons pertaining to the above-captioned suits filed by Bank Islam Malaysia Berhad (“BIMB”).

BIMB’s claim in both actions are against the borrowers of the respective facilities granted by BIMB to the Borrowers in 2000, namely Rantai Pesona Sdn Bhd and Linear Profile Sdn Bhd, and against OCB as the Corporate Guarantor. The total claim by BIMB is in the region of RM13,040,000.

OCB had on 16 November 2006 filed a defence against the above-captioned suits and also submitted counter claims against various third parties including BIMB and Ample Term Sdn Bhd.

B12 Dividends

On 28 February 2007, the Company had proposed a first and final gross dividend of 2.5% per share less Malaysian Income Tax at 27% for the financial year ended 31 December 2006. (2005: 2.5%).

B13 Earnings per share

(I) Basic earnings per share

The basic earnings per share are calculated by dividing the Group's net profit for the current quarter by the weighted number of ordinary shares in issue during the said quarter.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/03/07 RM'000	Preceding year corresponding quarter 31/03/06 RM'000	Current year to date 31/03/07 RM'000	Preceding year corresponding period 31/03/06 RM'000
Net profit attributable to equity holders of the parent	1,633	2,101	1,633	2,101
Number of shares in issue	102,850	102,850	102,850	102,850
Basic earnings per share (Sen)	1.59	2.04	1.59	2.04

(II) Diluted earnings per share

Not applicable.

Dated: 29 May 2007
 Petaling Jaya