

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 2008.

A2 Audit report

The audit report of 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 quarter under review.

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A8 Segmental information

Business segments information for the first quarter ended 31 March 2009:-

	Building Materials RM'000	Bedding Products RM'000	Consumer Foods RM'000	Investments RM'000	Elimination RM'000	Consolidated RM'000
Revenue						
External revenue	10,165	12,166	157,440	198	(221)	179,748
Result						
Profit/(Loss) from Operations	849	2,673	3,268	(2,889)	-	3,901
Finance costs						(2,354)
Investing results						-
Profit before taxation						1,547
Taxation						(843)
Net profit for the period						704
Other information						
Segment assets	62,130	83,877	212,724	64,420	-	423,151
Segment liabilities	(27,290)	(24,399)	(113,193)	(36,466)	-	(201,348)
Capital expenditure on property, plant and equipment	266	-	-	-	-	266
Depreciation	125	568	591	40	-	1,324

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 material 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.

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 said 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 9% in revenue to RM179.7 million for the current quarter against RM164.7 million in the preceding year corresponding quarter.

The consumer foods division registered an increase in revenue of 15% to RM157.4 million as compared to RM136.9 million in the preceding year corresponding quarter. The increase was mainly due to higher sales from international trading business.

The bedding products division reported a decrease in revenue of 12% to RM12.2 million as compared to RM13.9 million previously.

Similarly, the building materials division witnessed a decrease in revenue of 27% to RM10.2 million as against RM13.9 million in the preceding year corresponding quarter due to lower completion of projects.

The Group registered a profit before tax of RM1.5 million compared to profit before tax of RM0.6 million in the preceding year corresponding quarter.

The consumer foods division reported a profit before tax of RM2.1 million compared to loss before tax of RM1.2 million in the preceding year corresponding quarter. This was followed by both the bedding products and building materials divisions, which reported profit of RM2.4 million and RM0.4 million respectively for the current quarter.

In the opinion of the Board of Directors, the results of the current quarter ended 31 March 2009 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 the immediate preceding quarter

	Current quarter 31/03/09 RM'000	Immediate preceding quarter 31/12/08 RM'000
Revenue	179,748	169,677
Consolidated profit/ (loss) before taxation	<u>1,547</u>	<u>(6,468)</u>

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The Company registered profit before tax of RM1.5 million for the current quarter as compared to loss before tax of RM6.5 million in the immediate preceding quarter mainly due to improvements recorded by all three divisions.

B3 Current year prospects

The Board expects the performance of the Group for the financial year ending 31 December 2009 to be very challenging in view of the current global economic conditions. The Group will continue to improve its performance through better operating efficiencies and cost control measures for its various divisions.

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

Not applicable.

B5 Taxation

	Current quarter	Cumulative current
	31/03/09	year to date
	RM'000	31/03/09
		RM'000
Current Taxation	(859)	(859)
(Over)/under Taxation	-	-
Deferred Taxation – Current	16	16
Deferred Taxation – Prior	-	-
	<u>(843)</u>	<u>(843)</u>

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 2009 are as follows:

	RM'000
At cost	1,403
Less: Provision for diminution in value	(96)
At carrying value	<u>1,307</u>
At market value	<u>1,352</u>

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B8 Status of corporate proposal

The Company will be seeking approval from its shareholders at the forthcoming Annual General Meeting to be held on 22 June 2009, to allow the Company to purchase its own shares of up to 10% of the issued and paid-up share capital of the Company through Bursa Malaysia Securities Berhad.

B9 Group borrowings and debts securities

Bank borrowings as at the end of this quarter:-

	Secured RM'000
Short Term Borrowings	
Hire purchase creditors	1,130
Bank overdrafts	18,948
Banker acceptances/trust receipts	81,506
Term loans	311
	<u><u>101,895</u></u>
 Long Term Borrowings	
Hire purchase creditors	1,188
Term loans	35,953
	<u><u>37,141</u></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 27 May 2009, 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:-

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

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

BIMB’s claim in both actions are against the borrowers of the respective facilities granted by BIMB 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 RM13.04 million.

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

On 20 April 2009, the Court had allowed the Plaintiff's application with costs and recorded judgement against the Company on both Suits. An appeal against the said decision has been made to the Court of Appeal on 23 April 2009.

In light of subsisting counter-claims which OCB had made against the Plaintiff, an application for stay of the judgement pending disposal of the counter-claims had also been made to the Court of Appeal.

B12 Dividends

No interim dividend has been declared for the current quarter under review.

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	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	31/03/09 RM'000	31/03/08 RM'000	31/03/09 RM'000	31/03/08 RM'000
Net profit attributable to equity holders of the parent	472	148	472	148
Number of shares in issue	102,850	102,850	102,850	102,850
Basic earnings per share (Sen)	0.46	0.14	0.46	0.14

(II) Diluted earnings per share

Not applicable.