

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 Main Market 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 2009.

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.

OCB BERHAD
 (Company No: 3465-H)
 (Incorporated in Malaysia)

A8 Segmental information

Business segments information for the year ended 31 March 2010:-

	Building Materials RM'000	Bedding Products RM'000	Consumer Foods RM'000	Investments RM'000	Elimination RM'000	Consolidated RM'000
Revenue						
External revenue	13,234	13,797	67,662	383	(400)	94,676
Result						
Profit/(Loss) from Operations	390	3,080	718	(383)	(10)	3,795
Finance costs						(1,800)
Investing results						-
Profit before taxation						1,995
Taxation						(809)
Net profit for the period						1,186
Other information						
Segment assets	65,135	84,682	172,871	64,810	-	387,498
Segment liabilities	(33,713)	(23,946)	(73,546)	(36,620)	-	(167,825)
Capital expenditure on property, plant and equipment	-	-	1,696	-	-	1,696
Depreciation	325	594	613	14	-	1,546

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.

B1 Review of performance

The Group recorded a decrease of 47% in revenue to RM94.7 million for the current quarter against RM179.7 million in the preceding year corresponding quarter.

The consumer foods division registered a decrease in revenue of 57% to RM67.7 million as compared to RM157.4 million in the preceding year corresponding quarter. The decrease is mainly due to lower sales from international trading business.

However, the bedding products division reported an increase in revenue of 13% to RM13.8 million as compared to RM12.2 million previously.

Similarly, the building materials division also witnessed an increase in revenue of 29% to RM13.2 million as against RM10.2 million in the preceding year corresponding quarter due to higher completion of projects.

The Group registered a profit before tax of RM2.0 million compared to profit before tax of RM1.5 million in the preceding year corresponding quarter.

The consumer foods division reported a loss before tax of RM28,000 as compared to profit before tax of RM2.1 million previously.

Both the bedding products and building materials divisions reported a profit before tax of RM2.9 million and RM43,000 respectively in the current quarter under review.

In the opinion of the Board of Directors, the results of the current quarter ended 31 March 2010 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 31/03/10 RM'000	Immediate preceding quarter 31/12/09 RM'000
Revenue	94,676	127,880
Consolidated profit before taxation	<hr/> 1,995	<hr/> 227

The Company registered a profit before tax of RM2.0 million for the current quarter as compared to profit before tax of RM0.2 million in the immediate preceding quarter.

B3 Current year prospects

The Board expects the performance of the Group for the financial year ending 31 December 2010 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 31/03/10 RM'000	Cumulative current year to date 31/03/10 RM'000
Current Taxation	823	823
(Over)/under Taxation	-	-
Deferred Taxation – Current	(14)	(14)
Deferred Taxation – Prior	-	-
	809	809

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 2010 are as follows:

	RM'000
At cost	1,403
Less: Provision for diminution in value	(96)
At carrying value	1,307
At market value	1,428

OCB BERHAD
(Company No: 3465-H)
(Incorporated in Malaysia)

B8 (a) Status of corporate proposal

The Company will be seeking renewal of authority from its shareholders at the forthcoming Annual General Meeting 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 the quarter:-

	Secured RM'000
Short Term Borrowings	
Hire purchase creditors	934
Bank overdrafts	14,904
Banker acceptances/trust receipts	44,254
Term loans	349
	<u>60,441</u>
 Long Term Borrowings	
Hire purchase creditors	1,314
Term loans	46,626
	<u>47,940</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

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.

B12 Dividends

No interim dividend has been declared for the current quarter.

OCB BERHAD
 (Company No: 3465-H)
 (Incorporated in Malaysia)

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
	31/03/10	31/03/09	31/03/10	31/03/09
	RM'000	RM'000	RM'000	RM'000
Net profit attributable to equity holders of the parent	1,318	472	1,318	472
Number of shares in issue	102,850	102,850	102,850	102,850
Basic earnings per share (Sen)	1.28	0.46	1.28	0.46

(II) Diluted earnings per share

Not applicable.

Dated: 26 May 2010
 Petaling Jaya