

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 (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2010. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2010.

The interim financial statements have been prepared in accordance with the same accounting policies and methods of computation adopted in audited financial statements for the financial year ended 31 December 2010, as well as the new/revised standards mandatory for annual periods beginning on or after 1 January 2011.

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 quarter ended 31 March 2011:-

	Building Materials RM'000	Bedding Products RM'000	Consumer Foods RM'000	Investments RM'000	Elimination RM'000	Consolidated RM'000
Revenue						
External revenue	13,467	15,730	27,754	408	(354)	57,005
Result						
Profit/(Loss) from Operations	465	2,818	108	101		3,492
Finance costs						(1,334)
Investing results						-
Profit before taxation						2,158
Taxation						(518)
Net profit for the period						1,640
Other information						
Segment assets	65,248	79,018	118,793	62,099	-	325,158
Segment liabilities	(30,117)	(22,414)	(30,488)	(28,510)	-	(111,529)
Capital expenditure on property, plant and equipment	209	373	-	-	-	582
Depreciation	377	650	165	14	-	1,206

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 40% in revenue to RM57.0 million for the current quarter against RM94.7 million in the preceding year corresponding quarter.

The consumer foods division registered a decrease in revenue of 59% to RM27.8 million as compared to RM67.7 million in the preceding year corresponding quarter. The decrease was mainly due to disposal of the international trading business.

The bedding products division witnessed an increase in revenue of 14% to RM15.7 million as compared to RM13.8 million previously.

Similarly, the building materials division also reported a marginal increase in revenue of 2% to RM13.5 million as against RM13.2 million in the preceding year corresponding quarter due to higher completion of projects.

The Group registered a profit before tax of RM2.2 million compared to profit before tax of RM2.0 million in the previous corresponding quarter.

The consumer foods division reported a loss before tax of RM201,000 as compared to loss before tax of RM28,000 in the preceding year corresponding quarter.

The bedding products division reported a profit before tax of RM2.6 million followed by the building materials division which reported a profit before tax of RM80,555 for the current quarter.

In the opinion of the Board of Directors, the results of the quarter ended 31 March 2011 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 31/03/11 RM'000	Immediate preceding quarter 31/12/10 RM'000
Revenue	57,005	77,593
Consolidated profit before taxation	2,158	14,846

The Company registered a profit before tax of RM2.2 million for the current quarter as compared to a profit before tax of RM14.8 million in the immediate preceding quarter.

B3 Current year prospects

The Board expects the performance of the Group for the current financial year ending 31 December 2011 to be very challenging in view of higher raw material costs and competitive trading conditions. The Group will continue to exercise extreme prudence in managing its operations and businesses.

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

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
	31/03/11	31/03/11
	RM'000	RM'000
Current Taxation	518	518
(Over)/under Taxation	-	-
Deferred Taxation – Current	-	-
Deferred Taxation – Prior	-	-
	518	518

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

There was no purchase and sale of quoted securities during the quarter under review.

B8 (a) Status of corporate proposal

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

B9 Group borrowings and debts securities

Bank borrowings as at the end of the quarter:-

	Secured RM'000
Short Term Borrowings	
Hire purchase creditors	1,101
Bank overdrafts	17,289
Banker acceptances/trust receipts	25,583
Term loans	27,007
	70,980
Long Term Borrowings	
Hire purchase creditors	1,269
Term loans	11,318
	12,587

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

There was no material litigation against the Group as at the date of this report.

B12 Dividends

No interim dividend has been declared for the current quarter.

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
	31/03/11 RM'000	31/03/10 RM'000	31/03/11 RM'000	31/03/10 RM'000
Net profit attributable to equity holders of the parent	1,670	1,318	1,670	1,318
Number of shares in issue	102,850	102,850	102,850	102,850
Basic earnings per share (Sen)	1.62	1.28	1.62	1.28

(II) Diluted earnings per share

Not applicable.

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

B14 Retained earnings

With the purpose of improving transparency, Bursa Malaysia Securities Berhad had on 25 March 2010 and 20 December 2010 issued directives requiring all listed corporations to disclose the breakdown of unappropriated profits or accumulated losses into realized and unrealized on group and company basis, as the case may be, in quarterly reports and annual audited financial statements.

The retained earnings as at reporting date may be analysed as follows:-

	Group 31/03/2011 RM'000	Company 31/03/2011 RM'000
Realised	109,045	20,427
Unrealised	(2,871)	-
Total	106,174	20,427

Dated: 26 May 2011
Petaling Jaya