

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.

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

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.

A8 Segmental information

Business segments information for the year to date ended 30 September 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	45,057	44,167	87,270	1,093	(1,063)	176,524
Result						
Profit/(Loss) from Operations	3,668	6,018	893	184		10,763
Finance costs						(3,988)
Investing results						-
Profit before taxation						6,775
Taxation						(1,993)
Net profit for the period						4,782
Other information						
Segment assets	66,730	82,715	112,562	74,193	-	336,200
Segment liabilities	(33,020)	(46,386)	(31,033)	(13,247)	-	(123,686)
Capital expenditure on property, plant and equipment	1,309	10,831	2,701	-	-	14,841
Depreciation	1,128	1,934	2,677	38	-	5,777

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.

B1 Review of performance

The Group recorded a decrease of 54% in revenue to RM59.2 million for the current quarter against RM128.2 million in the preceding year corresponding quarter.

The consumer foods division registered a decrease in revenue of 71% to RM29.3 million as compared to RM102.0 million in the preceding year corresponding quarter. The decrease is mainly due to disposal of the international trading business.

The bedding products division witnessed an increase in revenue of 6% to RM14.5 million as compared to RM13.7 million previously.

Similarly, the building materials division also reported an increase in revenue of 22% to RM15.5 million as against RM12.6 million in the preceding year corresponding quarter due to higher completion of projects.

The Group registered a profit before tax of RM0.6 million compared to loss before tax of RM19.7 million in the previous corresponding quarter.

The consumer foods division reported a loss before tax of RM0.9 million as compared to loss before tax of RM20.7 million in the preceding year corresponding quarter.

The bedding products division reported a profit before tax of RM1.0 million followed by the building materials division which reported a profit before tax of RM0.6 million for the current quarter.

In the opinion of the Board of Directors, the results of the quarter ended 30 September 2011 have not been affected by any transaction or event of a material or unusual nature other than that mentioned above.

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

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

	Current quarter 30/09/11 RM'000	Immediate preceding quarter 30/06/11 RM'000
Revenue	59,235	60,284
Consolidated profit before taxation	567	4,050

The Company registered a profit before tax of RM0.6 million for the current quarter as compared to a profit before tax of RM4.0 million in the immediate preceding quarter.

B3 Current year prospects

The Board expects the performance of the Group for the next financial year ending 31 December 2011 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.

The Company did not announce or disclose in any public document any profit forecast nor provide any guarantee for the financial year ending 31 December 2011.

B5 Taxation

	Current quarter 30/09/11 RM'000	Cumulative current year to date 30/09/11 RM'000
Current Taxation	433	1,993
(Over)/under Taxation	-	-
Deferred Taxation – Current	-	-
Deferred Taxation – Prior	-	-
	433	1,993

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.

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

B6 Sales of unquoted investments and properties

There was no sale of unquoted investments during the current quarter under review.

The sale of property during the quarter under review is as follows:-

	Current quarter 30/09/11 RM'000	Cumulative current year to date 30/09/11 RM'000
Disposal of property	-	2,600
Gain on disposal of property	<u>-</u>	<u>803</u>

On 4 August 2011, the Company announced that its wholly-owned subsidiary company, Biz-Markas Sdn Bhd, had entered into a Sale and Purchase Agreement with Tamadun Cemerlang Sdn Bhd ("TCSB") to dispose to TCSB a piece of industrial land in Kota Damansara, Selangor for a sale consideration of RM12,206,376.00. The aforesaid sale is pending completion.

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 which has not been completed as at 22 November 2011.

B9 Group borrowings and debts securities

Bank borrowings as at the end of the quarter:-

	Secured RM'000
Short Term Borrowings	
Hire purchase creditors	1,012
Bank overdrafts	14,384
Banker acceptances/trust receipts	27,461
Term loans	14,360
	<u>57,217</u>
Long Term Borrowings	
Hire purchase creditors	806
Term loans	33,460
	<u>34,266</u>

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

B10 Off balance sheet financial instruments

There were no financial instruments negotiated with off balance sheet risk as at 22 November 2011.

B11 Material litigation

There was no pending material litigation against the Group as at 22 November 2011.

B12 Dividends

No interim dividend has been declared for the 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
	30/09/11 RM'000	30/09/10 RM'000	30/09/11 RM'000	30/09/10 RM'000
Net profit attributable to equity holders of the parent	134	(15,496)	4,782	(14,779)
Number of shares in issue	102,850	102,850	102,850	102,850
Basic earnings per share (Sen)	0.13	(15.07)	4.65	(14.37)

(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 30/09/2011 RM'000	Group 30/09/2010 RM'000
Realised	112,157	97,928
Unrealised	(2,871)	(3,538)
Total	109,286	94,390

Dated: 22 November 2011
Semenyih