

NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MBSB”) and paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2012. The 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 2012.

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 2012, as well as the new/revised standards mandatory for annual periods beginning on or after 1 January 2013.

The Group has also adopted all the new and revised MFRS and IC Interpretations that are relevant and effective for accounting periods beginning on or after 1 January 2013. The adoption of these standards, amendments and interpretations has not resulted in any material impact to these interim financial statements.

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.

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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 quarter ended 31 March 2013:-

	Building Materials RM'000	Bedding Products RM'000	Consumer Foods RM'000	Investments RM'000	Elimination RM'000	Consolidated RM'000
Revenue						
External revenue	15,083	12,984	41,335	338	(353)	69,387
Result						
Profit/(Loss) from Operations	21	2,174	1,064	(34)		3,225
Finance costs						(914)
Investing results						-
Profit before taxation						2,311
Taxation						(625)
Net profit for the period						1,686
Other information						
Segment assets	61,415	87,953	111,937	61,510	-	322,815
Segment liabilities	(26,642)	(32,737)	(37,449)	(374)	-	(97,202)
Capital expenditure on property, plant and equipment	-	375	116	-	-	491
Depreciation	400	711	1,053	9	-	2,173

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 during 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

For the current first quarter

The Group recorded revenue of RM69.4 million and pre-tax profit of RM2.3 million in the current quarter ended 31 March 2013 as compared to revenue of RM56.8 million and a pre-tax profit of RM1.4 million reported in the preceding year corresponding quarter. The higher revenue recorded was mainly due to increase in sales of 46% recorded by the consumer foods division. This was attributable to higher sales recorded from both noodles and trading products.

Building materials division also reported higher revenue of 6% as compared to the previous corresponding quarter, whereas the bedding products division reported lower revenue of 9%.

The Group's pre-tax profit was higher due to higher profit margins from the consumer foods division. The consumer foods division has registered a profit before tax of RM0.8 million as compared to loss of RM0.6 million previously. Bedding products reported lower profit before tax due to higher operating expenses and building materials division reported a RM300,000 loss as compared to RM97,000 profit in the preceding year corresponding quarter.

In the opinion of the Board of Directors, the results of the quarter ended 31 March 2013 have not been affected by any transaction or event of a material or unusual nature other than that mentioned above.

B2 Material changes in the quarterly results compared to the results of the preceding quarter

The Group recorded revenue of RM69.4 million and pre-tax profit of RM2.3 million in the current quarter ended 31 March 2013 as compared to revenue of RM71.8 million and a pre-tax profit of RM0.1 million reported in the immediate preceding quarter.

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The lower revenue recorded was mainly due to lower sales registered by bedding products and building materials divisions. Both bedding products and building materials division reported lower sales of 19% and 6% respectively. However, the consumer food division recorded 4% increase in revenue.

The increase in pre-tax profit was mainly due to higher profit contribution from the bedding products and consumer foods divisions. Consumer foods division registered profit before tax of RM0.8 million as compared to RM1.1 million loss before tax in the immediate preceding quarter. However, the building materials division reported RM294,000 loss as compared to loss of RM310,000 in the immediate preceding quarter.

B3 Future prospects

The Board expects the performance of the Group for the current financial year ending 31 December 2013 to be challenging in view of the current global economic conditions. The performance of the Group will depend substantially on market demands, fluctuation of raw materials prices, operating efficiencies and cost control measures of 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
	31/03/13	year to date
	RM'000	31/03/13
		RM'000
Current Taxation	625	625
(Over)/under Taxation	-	-
Deferred Taxation – Current	-	-
Deferred Taxation – Prior	-	-
	<u>625</u>	<u>625</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 Status of corporate proposal

There was no corporate proposal announced which has not been completed as at 28 May 2013.

B7 Group borrowings and debts securities

Bank borrowings as at the end of the quarter:-

	Secured RM'000
Short Term Borrowings	
Hire purchase creditors	936
Bank overdrafts	11,097
Banker acceptances/trust receipts	21,938
Term loans	4,748
	<u><u>38,719</u></u>
Long Term Borrowings	
Hire purchase creditors	110
Term loans	18,429
	<u><u>18,539</u></u>

B8 Material litigation

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

B9 Dividends

No interim dividend has been declared for the current quarter.

B10 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 31/03/13 RM'000	Preceding year corresponding quarter 31/03/12 RM'000	Current year to date 31/03/13 RM'000	Preceding year corresponding period 31/03/12 RM'000
Net profit attributable to equity holders of the parent	1,686	806	1,686	806
Number of shares in issue	102,850	102,850	102,850	102,850
Basic earnings per share (Sen)	1.64	0.78	1.64	0.78

(II) Diluted earnings per share

Not applicable.

B 11 Notes to the Statement of Comprehensive Income

Profit/(loss) of the period/year is arrived at after charging/(crediting):-

	Current year quarter 31/03/2013 RM'000	Current year To date 31/03/2013 RM'000
Interest income	-	-
Depreciation and amortisation	2,173	2,173
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Gain or loss on disposal of quoted investment or properties	-	-
Impairment of assets	-	-
Foreign exchange gain or loss	-	-
Gain or loss on derivatives	-	-
Exceptional items	-	-

B12 Retained earnings

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

	Group 31/03/2013 RM'000	Group 31/03/2012 RM'000
Realised	124,414	113,143
Unrealised	(2,026)	(2,960)
Total	122,388	110,183

Dated: 28 May 2013
 Petaling Jaya