

Notes to the quarterly report - 31 March 2006

B. Additional Information required by the Bursa Malaysia Securities Listing Requirements in relation to the issuance of the Interim Financial Statements
[The figures have not been audited.]

B.1. Review of Performance of the Company and its Principal Subsidiaries

Compared with those of the corresponding periods, revenue for the Group grew by 2% for both the individual quarter and year-to-date under review, but consolidated pre-tax profit experienced 28% and 8% reduction respectively; mainly due to the net gain of RM4.549million arising from compulsory acquisition of development land recognized in the corresponding quarter. Adjusting for this non-recurrent item, profit before taxation was in fact 40% and 10% higher respectively compared with the same comparable periods.

Billings and operating profit for Property Division were lower by 4% and 44% respectively, but the remarkable results recorded in the first half of the current financial year still produced 12% and 1% increase in revenue and profit before taxation for year-to-date comparison. Taking into account the non-recurrent gain of RM4.549million mentioned above, the adjusted operating profit would in fact be higher by more than two and a half times, mainly attributed to favourable revision in contribution margin for projects in near completion stage which resulted from tighter budgetary controls.

Although sales for Manufacturing Division was higher by 12%, pre-tax profit decreased by 22%. Comparison for 9-months results, revenue and profit before taxation were down by 12% and 45% respectively; principally due to reduction in export sales value recognized and increase in imported material costs arising from unfavourable foreign exchange rates.

Share of profit from associated company, Brilliant Delta, continued to contribute significantly towards the results of the Group, improving by 32% and by more than one and a half times compared with the corresponding quarter and 9-months reporting period, principally due to significant jump in tonnage harvested as well as additional units sold for its current housing project (Serai Wangi II).

B.2. Material Changes in the Quarterly Results as compared with the Preceding Quarter

Revenue for the Group was slightly higher by almost 1%, while operating profit was lower by 21%; mainly attributable to drop in billings and pre-tax profit from Property Division by 22% and 53% respectively, where certain on-going projects were entering advanced phase of their development cycle. Nevertheless, this was compensated by better results from Manufacturing Division, which reported increase in sales and operating profit by 61% and 171% respectively, principally attributed to 76% surge in sales volume. Contribution from associated company, Brilliant Delta, improved by 13% through increased tonnage of oil palm harvested and higher billings from housing development activity.

B.3. Prospects for the Current Financial Year

Further reduction in fuel subsidy by government had led to an accelerated inflationary effect on most cost components in every industry. Gradual rise in base lending rate not only would sideline potential house-buyers, it would also burden housing developers with higher holding costs on development land. With financial strength of OIB Group improving and expansion plan of Manufacturing Division in place, the Board and management are confident that the Group would record a profitable results for the financial year ending 30 June 2006.

B.4. Variance of Actual Profit from Forecast Profit

Not applicable. The Group has not given any profit forecast nor profit guarantee in respect of any corporate proposals.

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B.5. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year 3rd Quarter 31/03/2006 RM'000	Preceding Year Corresponding 3rd Quarter 31/03/2005 RM'000	Current Year To Date 31/03/2006 RM'000	Preceding Year Corresponding Period 31/03/2005 RM'000
Malaysian income tax based on the profit for the financial period	534	(834)	2,821	2,976
Transfer to/(from) deferred taxation	244	880	623	764
Taxation (over)/underprovided in respect of prior financial periods	(675)	(125)	631	(103)
Real property gains tax on disposal of landed property	-	-	-	-
	<u>104</u>	<u>(79)</u>	<u>4,075</u>	<u>3,637</u>

FRS 112 "Income Taxes" does not permit the recognition of deferred tax asset arising from availability of certain tax reliefs. In addition, a subsidiary company of the Group has been granted pioneer status under the Promotion on Investments Act, 1986 commencing from 1 January 2005; hence, 70% of its statutory income is tax exempt. Consequently, the effective tax rate of the Group would be lower than the statutory rate during the pioneer status period. For the reporting quarter, approximately RM1.196million of reinvestment allowances and other double deduction reliefs available were utilized, while RM1.188million of chargeable business income was exempted from Income Tax for manufacturing operations.

B.6. Profits on Sale of Investments and/or Properties

There were no disposals of investments or properties outside the ordinary course of business of the Group for the current financial year to date.

B.7. Quoted Securities

There were no purchases or disposals of quoted securities for the current financial year to date. The Group did not have any investment in quoted securities as at the end of the reporting period.

B.8. Status of Corporate Proposals

There are no corporate proposals that have been announced but not completed as at 11 May 2006, the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial statements.

B.9. Group Borrowings and Debt Securities

The Group's borrowings as at the end of the reporting period are as follows:

[All denominated in Ringgit Malaysia]	Secured RM'000	Unsecured RM'000	Total RM'000
Long Term: - Term loans	-	-	-
Short Term: - Current portion of term loans	-	-	-
Other borrowings	-	11	11
	<u>-</u>	<u>11</u>	<u>11</u>

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B.10. Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at 11 May 2006, the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial statements.

B.11. Changes in Material Litigation

There were no pending material litigation as at 11 May 2006, the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial statements.

B.12. Dividend

- (a) (i) The first and final ordinary dividend of 10% per share, less 28% income tax, in respect of financial year ended 30 June 2005, was approved by the members at the Annual General Meeting of the Company held on 17 November 2005;
- (ii) The gross amount per share is 10 sen, less 28% income tax (7.20 sen per share net);
- (iii) For the previous corresponding period, the gross amount per share of the first and final ordinary dividend paid was 4 sen, less 28% income tax (2.88 sen per share net);
- (iv) The dividend was paid on 2 December 2005; and
- (v) In respect of deposited securities, entitlement to the dividend was determined on the basis of the record of depositors as at 4.00 p.m. on 21 November 2005.
- (b) The Board of Directors does not recommend any payment of interim dividend in respect of current financial year ending 30 June 2006.

B.13. Earnings Per Share ("EPS")

	Individual Quarter		Cumulative Quarter	
	Current Year 3rd Quarter 31/03/2006 RM'000	Preceding Year Corresponding 3rd Quarter 31/03/2005 RM'000	Current Year To Date 31/03/2006 RM'000	Preceding Year Corresponding Period 31/03/2005 RM'000
(a) Basic EPS				
Net profit attributable to shareholders	<u>5,589</u>	<u>9,725</u>	<u>18,533</u>	<u>22,829</u>
Number of ordinary shares in issue at beginning of the period ('000)	90,417	90,417	90,417	90,417
Effect of shares issued pursuant to Company's ESOS ('000)	-	-	-	-
Weighted average number of ordinary shares outstanding ('000)	<u>90,417</u>	<u>90,417</u>	<u>90,417</u>	<u>90,417</u>
Basic EPS (sen)	<u>6.18</u>	<u>10.76</u>	<u>20.50</u>	<u>25.25</u>

Basic earnings per share is calculated by dividing the net profit attributable to shareholders for the financial period by the weighted average number of ordinary shares outstanding during the financial period.

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B.13. Earnings Per Share ("EPS") [continued]

	Individual Quarter		Cumulative Quarter	
	Current Year 3rd Quarter 31/03/2006 RM'000	Preceding Year Corresponding 3rd Quarter 31/03/2005 RM'000	Current Year To Date 31/03/2006 RM'000	Preceding Year Corresponding Period 31/03/2005 RM'000
(b) Diluted EPS				
Net profit attributable to shareholders	<u>5,589</u>	<u>9,725</u>	<u>18,533</u>	<u>22,829</u>
Weighted average number of ordinary shares outstanding ('000)	90,417	90,417	90,417	90,417
Adjustment per share options ('000)	328	(514)	104	(357)
Weighted average number of ordinary shares outstanding after adjustment for the effect of all dilutive potential ordinary shares ('000)	<u>90,745</u>	<u>89,903</u>	<u>90,521</u>	<u>90,060</u>
Diluted EPS (sen)	<u>6.16</u>	<u>N/A</u> *	<u>20.47</u>	<u>N/A</u> *

In respect of the diluted earnings per share calculation, the weighted average number of ordinary shares outstanding is adjusted to assume conversion of all dilutive potential ordinary shares. The Company has only one category of dilutive potential ordinary shares which is the share options granted to employees.

* No computation of diluted earnings per share in respect of the above-mentioned financial periods were made as the potential ordinary shares were anti-dilutive.

By order of the Board

Lam Voon Kean (MIA 4793)
[Company Secretary]

16 May 2006