

OKA CORPORATION BHD (519941-H)

Additional Information Required By The BMSB's Main Market Listing Requirement For The Fourth Quarter Ended 31 March 2012

1. Review of Performance

(a) Current Quarter vs Preceding Year Corresponding Quarter

The Group's total revenue recorded for the quarter under review was RM31.3 million as compared to RM27.5 million in the corresponding quarter of the preceding year. The Group's profit before tax has decreased to RM1.8 million for the current quarter as compared to profit before tax of RM3.8 million in the corresponding quarter of the previous year. The decrease of the Group's profit before tax was mainly due to higher operating expenses incurred during the current quarter as compared to the preceding year quarter ended 31 March 2011.

(b) Current Year To-Date vs Preceding Year To-date

The Group recorded higher revenue of RM121.1 million for the current financial year ended 31 March 2012 as compared to RM111.3 million in the preceding financial year ended 31 March 2011. The Group recorded lower profit before tax of RM5.5 million for the current financial year ended 31 March 2012 as compared to profit before tax of RM6.8 million in the preceding financial year ended 31 March 2011. The decrease in profit before tax was mainly due to higher operating expenses incurred during the current financial year.

2. Variation of Results Against Preceding Quarter

The Group recorded revenue of RM31.3 million for the current quarter as compared to RM31.4 million in the immediate preceding quarter. Despite the slight decrease in revenue, the Group's profit before tax has increased to RM1.8 million for the current quarter as compared to profit before tax of RM1.1 million in the preceding quarter. This was mainly due to lower operating expenses incurred during the current quarter as compared to preceding quarter.

3. Current Year Prospects

Based on the current economic outlook in Malaysia, the construction industry is expected to remain progressive in year 2012. However, uncertainty of uncontrollable factors such as raw materials costs, fuel and energy costs including shortage of manpower in the manufacturing sector are expected to affect the Group's profit. The Group's continuous effort to introduce speciality products and cost saving exercise will help to enhance its overall competitiveness in the industry. Hence, barring any unforeseen circumstances, the Group is optimistic that it will remain profitable in the financial year 2013.

4. Profit Forecast

Not applicable for the current financial year as no profit forecast was published.

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5. Taxation

	Current Quarter 31/03/2012	Current Year To-Date 31/03/2012
	RM'000	RM'000
Taxation:-		
Current year tax expense	(29)	210
Over provision in respect of prior year	-	(42)
Deferred taxation	7	329
(Over)/Under provision of deferred taxation	(186)	9
	(208)	506

The Group's effective tax rate is lower than the Malaysia statutory tax rate mainly due to the utilisation of capital and re-investment allowances.

6. Status of Corporate Proposals

There were no corporate proposals announced and not completed as at the date of this report.

7. Borrowings

The Group's total borrowings as at 31 March 2012 were as follows:-

Short-term borrowings:-

	Unsecured
	RM'000
- Bankers' acceptances	15,210
- Revolving credit	5,000
- Term loan	745
- Bank overdraft	425
	<u>21,380</u>

Long-term borrowing:-

	Unsecured
	RM'000
- Term loan	<u>650</u>

8. Derivative Financial Instruments

There were no derivative financial instruments as at the date of this report.

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9. Dividends

The Board of Directors proposes a first and final single tier dividend of 3.0 sen per share amounting to RM1,800,630 (2011 : 3.0 sen single tier) for the current financial year subject to shareholders' approval at the forthcoming annual general meeting.

10. Changes in Material Litigation

No material litigation for the period under review.

11. Earnings Per Share

	Current Quarter 31/03/2012	Current Year To-Date 31/03/2012
<u>Basic Earnings Per Share</u>		
Net profit attributable to owners of the Company (RM'000)	2,005	5,012
Number of ordinary shares issued ('000)	60,021	60,021
Basic Earnings Per Share (sen)	3.34	8.35

Fully Diluted Earnings Per Share

The assumed conversion of the options under the Executive's Share Option Scheme (ESOS) would be anti-dilutive as the exercise price of the ESOS of the Company is higher than the average market price of the share. Hence the basic and fully diluted earnings per share are the same.

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12. Profit before tax

Profit before tax is arrived at after charging/(crediting) :

	Current Quarter 31/03/2012 RM'000	Current Year To-Date 31/03/2012 RM'000
Interest expense	274	955
Depreciation and amortisation	1,186	4,299
Property, plant and equipment written off	(95)	-
Impairment loss on receivables	1,070	452
Reversal of impairment loss on receivables	(43)	(1,195)
Gain on disposal of assets held for sale	(7)	(104)
Gain on disposal of plant and equipment	(29)	(42)
Rental income	(5)	(10)
Gain on foreign exchange	2	(7)
Interest income	(9)	(35)

13. Disclosure of Realised and Unrealised Profits or Losses

	As at 31/03/2012 RM'000	As at 31/03/2011 RM'000
Total retained profits of the Company and its subsidiaries:-		
- Realised	42,351	38,175
- Unrealised	335	732
	<u>42,686</u>	<u>38,907</u>
Less: Consolidation adjustments	(19,408)	(18,840)
Total retained profits as per statement of financial position	<u><u>23,278</u></u>	<u><u>20,067</u></u>