

OKA CORPORATION BHD (519941-H)

Notes to the Interim Financial Report for the Fourth Quarter Ended 31 March 2012

1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with FRS 134, Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2011.

The accounting policies and methods of computation used in the preparation of the interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 March 2011, except for the adoption of the following FRSs and Amendments to FRSs beginning on or after 1 July 2010 and 1 January 2011.

On 1 April 2011, the Group has adopted the following FRSs and Amendments:-

FRS 1	First-time Adoption of Financial Reporting Standards (revised)
FRS 3	Business Combinations (revised)
FRS 127	Consolidation and Separate Financial Statements (revised)
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 3	Business Combination
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Improvements to FRSs (2010)	

The adoption of the new FRSs and Amendments did not result in any significant changes in accounting policies of the Group.

2. Audit Report

The preceding year's audited financial statements were not subject to any audit qualification.

3. Seasonal or Cyclical Factors

Apart from the traditional variations in the level of business activities, the Group's activities are not affected by any seasonal or cyclical factors.

4. Unusual Items

There were no unusual items that affected the assets, liabilities, equity, net income or cash flows for the current quarter.

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5. Material Changes in Estimates

There were no material changes in the estimates used in the current quarter compared to the estimates used in the previous financial year, which have a material effect in the current quarter.

6. Dividend paid

The Board had proposed a first and final dividend of 3 sen single tier totalling RM1,800,630 in respect of the financial year ended 31 March 2011 and payment was made on 21 November 2011.

7. Segment Reporting

Segmental revenue and results for the cumulative quarter ended 31 March 2012:-

	Manufacturing RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue				
External sales	118,186	2,921	-	121,107
Inter-segment sales	2,484	5,846	(8,330)	-
Total revenue	120,670	8,767	(8,330)	121,107
Results				
Total profit or loss for reportable segments				11,472
Elimination of inter-segment profits				(735)
Depreciation				(4,299)
Finance costs				(955)
Interest income				35
Profit before taxation				5,518

Segmental revenue and results for the cumulative quarter ended 31 March 2011:-

	Manufacturing RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue				
External sales	109,104	2,227	-	111,331
Inter-segment sales	1,893	4,467	6,360	-
Total revenue	110,997	6,694	6,360	111,331
Results				
Total profit or loss for reportable segments				10,609
Elimination of inter-segment profits				728
Depreciation				(3,829)
Finance costs				(852)
Interest income				97
Profit before taxation				6,753

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8. Property, Plant and Equipment

The Group did not carry out any revaluation on its property, plant and equipment in the current financial year to-date. The valuations of land and buildings have been brought forward, without amendment from the previous annual report.

9. Material Events Subsequent To The End of Interim Period

There were no material events subsequent to the end of the quarter that have not been reflected in the quarterly financial statements.

10. Effect of Changes in Composition of the Group

There were no changes in composition of the Group for the current financial year to-date.

11. Contingent Liabilities And Contingent Assets

The contingent liabilities represent corporate guarantees totaling RM52,550,000 (2011: RM40,050,000) in respect of bank and trade facilities granted to a subsidiary.

The amount of bank and trade facilities utilised which were secured by corporate guarantees as at 31 March 2012:-

	RM'000
Trade balance outstanding	<u>3,215</u>
Short-term borrowings – Bankers' acceptances	15,210
– Revolving credit	5,000
– Term loan	745
– Bank overdraft	<u>425</u>
	<u>21,380</u>
Long-term borrowings – Term loan	<u>650</u>

There were no contingent assets at the date of this quarterly report.

12. Debt and Equity Securities

There is no issuance of debt and equity securities for the current financial year to-date.

13. Capital Commitments

There are no material capital commitments as at the end of current quarter.