

OKA CORPORATION BHD (519941-H)

Additional Information Required By The BMSB's Main Market Listing Requirement For The First Quarter Ended 30 June 2012

1. Review of Performance

The Group's total revenue recorded for the quarter under review was RM37.4 million as compared to RM29.3 million in the corresponding quarter of the preceding year. The Group's profit before tax has increased to RM3.3 million for the current quarter as compared to profit before tax of RM1.7 million in the corresponding quarter of the preceding year. The significant increase of the Group's profit before tax was mainly due to higher revenue recorded as a result of selling our special products during the current quarter as compared to the corresponding quarter of the previous year.

2. Variation of Results Against Preceding Quarter

The Group recorded revenue of RM37.4 million for the current quarter as compared to RM31.3 million in the immediate preceding quarter. As a consequence to the increase in revenue, the Group's profit before tax has increased to RM3.3 million for the current quarter as compared to profit before tax of RM1.8 million in the preceding quarter. This was mainly due to higher revenue recorded as a result of selling our special products 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. 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 turnover. The Group's continuous effort to introduce products differentiation 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 current financial year.

4. Profit Forecast

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

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5. Taxation

	Current Quarter 30/06/2012	Current Period To-Date 30/06/2012
	RM'000	RM'000
Taxation:-		
Current year tax expense	864	864
Deferred taxation	21	21
	<u>885</u>	<u>885</u>

The Group's effective tax rate is higher than the Malaysia statutory tax rate mainly due to certain expenses not deductible for tax purposes.

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 30 June 2012 were as follows:-

Short-term borrowings:-

- Bankers' acceptances
- Revolving credit
- Term loan

Unsecured

RM'000

14,480

6,000

759

21,239

Long-term borrowing:-

- Term loan

Unsecured

RM'000

454

8. Derivative Financial Instruments

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

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9. Dividends

No interim dividend has been declared for the current financial period to-date.

10. Changes in Material Litigation

No material litigation for the period under review. However, a claim has been lodged against a subsidiary in respect of the infringement of a Malaysian patent design. Based on the legal opinion, the Directors are of the view that the claim will not materialise as there was no infringement on the part of the subsidiary. Therefore, no liability is recognised in the interim financial statements.

11. Earnings Per Share

	Current Quarter 30/06/2012	Current Period To-Date 30/06/2012
<u>Basic Earnings Per Share</u>		
Net profit attributable to owners of the Company (RM'000)	2,368	2,368
Number of ordinary shares issued ('000)	60,021	60,021
Basic Earnings Per Share (sen)	3.95	3.95

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 30/06/2012 RM'000	Current Period To-Date 30/06/2012 RM'000
Depreciation and amortisation	1,338	1,338
Gain on disposal of equipment	(3)	(3)
Gain on foreign exchange (realised)	2	2
Impairment loss on receivables	165	165
Interest expense	225	225
Interest income	(9)	(9)
Rental expense	825	825
Rental income	(52)	(52)
Reversal of impairment loss on receivables	<u>(76)</u>	<u>(76)</u>

There were no gain or loss on disposal of quoted or unquoted investment during the current quarter as well as in the preceding corresponding quarter.

13. Disclosure of Realised and Unrealised Profits or Losses

	As at 30/06/2012 RM'000	As at 31/03/2012 RM'000
Total retained profits of the Company and its subsidiaries:-		
- Realised	51,622	42,281
- Unrealised	<u>10,042</u>	<u>11,363</u>
	61,664	53,644
Less: Consolidation adjustments	<u>(25,656)</u>	<u>(20,004)</u>
Total retained profits as per statement of financial position	<u>36,008</u>	<u>33,640</u>

14. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 30 August 2012.