OKA CORPORATION BHD (519941-H)

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

1. Review of Performance

(a) <u>Current Quarter vs Preceding Year Corresponding Quarter</u>

The Group's total revenue recorded for the quarter under review was RM33.5 million as compared to RM29.1 million in the corresponding quarter of the preceding year. Consequently, the Group's profit before tax has increased to RM1.6 million for the current quarter as compared to profit before tax of RM0.9 million in the corresponding quarter of the preceding year. The increase of the Group's profit before tax was mainly contributed by the sales of special products during the current quarter as compared to the corresponding quarter of the preceding year.

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

The Group registered higher revenue of RM70.9 million for the current period ended 30 September 2012 as compared to RM58.4 million in the preceding period ended 30 September 2011. The Group recorded higher profit before tax of RM4.9 million for the current period ended 30 September 2012 as compared to profit before tax of RM2.6 million in the preceding period ended 30 September 2011. The increase in profit before tax was contributed by the sales of special products during the current period to-date as compared to the preceding period to-date.

2. Variation of Results Against Immediate Preceding Quarter

The Group recorded revenue of RM33.5 million for the current quarter as compared to RM37.4 million in the immediate preceding quarter of the financial year. The Group's profit before tax has decreased to RM1.6 million for the current quarter as compared to profit before tax of RM3.3 million in the immediate preceding quarter. The decrease of the Group's profit before tax was attributed to lower revenue recorded during the current quarter as compared to the immediate preceding quarter of the financial year.

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 and profit. 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.

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4. Profit Forecast

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

5. Income tax expense

	Current	Current
	Quarter	Period To-Date
	30/09/2012	30/09/2012
	RM'000	RM'000
Current period tax expense - Malaysia		
Current period	461	1,325
Underprovision in previous year	481	481
Deferred tax expense		
Origination of temporary differences	20	41
	962	1,847

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 September 2012 were as follows:-

Short-term borrowings:-	Unsecured
	RM'000
- Bankers' acceptances	15,400
- Revolving credit	4,000
- Term loan	-
	19,400
Long-term borrowing:-	Unsecured
	RM'000
- Term loan	21

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8. Derivative Financial Instruments

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

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

Basic Earnings Per Share	Current Quarter 30/09/2012	Current Period To-Date 30/09/2012
Net profit attributable to owners of the Company (RM'000)	646	3,014
Number of ordinary shares issued ('000)	60,021	60,021
Basic Earnings Per Share (sen)	1.08	5.02

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

12. Profit before tax

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

	Current Quarter 30/09/2012 RM'000	Current Period To-Date 30/09/2012 RM'000
Depreciation and amortisation	1,213	2,551
Gain on disposal of equipment	-	(3)
Gain on foreign exchange (realised)	(5)	(3)
Impairment loss on receivables	-	165
Interest expense	225	450
Interest income	(13)	(22)
Rental expense	447	1,272
Rental income	(53)	(105)
Reversal of impairment loss on receivables	(70)	(146)

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 30/09/2012 RM'000	As at 31/03/2012 RM'000
Total retained profits of the Company and its subsidiaries:-		
- Realised	54,299	42,281
- Unrealised	8,785	11,363
	63,084	53,644
Less: Consolidation adjustments	(26,430)	(20,004)
Total retained profits as per statement of financial position	36,654	33,640

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 November 2012.