

Notes to the Interim Financial Statements for the First Quarter Ended 30 June 2014

1. Basis of Preparation

These condensed consolidated interim financial statements have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial reports also comply with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board. For the periods up to and including the year ended 31 March 2014, the Group prepared its financial statements in accordance with Financial Reporting Standards (“FRS”).

The Group has not adopted the following MFRSs that have been issued as at the date of authorisation but not yet effective for the financial year ended 31 March 2015:-

MFRSs, Amendments to MFRSs and IC Interpretation**Effective for annual period beginning on or after 1 January 2014:**

IC Interpretation 21	Levies
Amendments to MFRS 10	Consolidated Financial Statements: Investment Entities
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Investment Entities
Amendments to MFRS 127	Separate Financial Statements (2011): Investment Entities
Amendments to MFRS 132	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136	Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting

Effective for annual period beginning on or after 1 July 2014:

Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)
Amendments to MFRS 2	Share-based Payment (Annual Improvements 2010-2012 Cycle)
Amendments to MFRS 3	Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)
Amendments to MFRS 8	Operating Segments (Annual Improvements 2010-2012 Cycle)
Amendments to MFRS 13	Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)
Amendments to MFRS 116	Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)
Amendments to MFRS 119	Employee Benefits – Defined Benefit Plans: Employee Contributions
Amendments to MFRS 124	Related Party Disclosures (Annual Improvements 2010-2012 Cycle)
Amendments to MFRS 138	Intangible Assets (Annual Improvements 2010-2012 Cycle)
Amendments to MFRS 140	Investment Property (Annual Improvements 2011-2013 Cycle)

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Effective for annual period beginning on or after 1 January 2016:

MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation

Other than those stated above, these interim financial statements have been prepared in accordance with the same accounting policies adopted in the financial statements for the financial year ended 31 March 2014.

These interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2014.

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.

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

No dividend was declared and paid for the quarter under review.

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7. Segment Reporting

Segmental revenue and results for the cumulative quarter ended 30 June 2014:-

	Manufacturing	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000
Revenue				
External sales	38,719	538	-	39,257
Inter-segment sales	457	1,061	(1,518)	-
Total revenue	<u>39,176</u>	<u>1,599</u>	<u>(1,518)</u>	<u>39,257</u>
Results				
Total profit or loss for reportable segments				5,879
Elimination of inter-segment profits				112
Depreciation				(1,575)
Finance costs				(38)
Interest income				26
Profit before taxation				<u>4,404</u>

Segmental revenue and results for the cumulative quarter ended 30 June 2013:-

	Manufacturing	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000
Revenue				
External sales	34,641	718	-	35,359
Inter-segment sales	611	1,267	(1,878)	-
Total revenue	<u>35,252</u>	<u>1,985</u>	<u>(1,878)</u>	<u>35,359</u>
Results				
Total profit or loss for reportable segments				5,659
Elimination of inter-segment profits				6
Depreciation				(1,447)
Finance costs				(276)
Interest income				20
Profit before taxation				<u>3,962</u>

8. 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.

9. Effect of Changes in Composition of the Group

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

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10. Contingent Liabilities And Contingent Assets

The contingent liabilities represent corporate guarantees totalling RM59,550,000 (2014: RM66,550,000) 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 30 June 2014:-

Trade balance outstanding	RM'000 <u>6,486</u>
Short-term borrowings – Bankers' acceptances	<u>3,800</u>

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

11. Debt and Equity Securities

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

12. Capital Commitments

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