



OKA CORPORATION BHD (519941-H)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Unaudited 31/12/2015 RM'000	Audited 31/03/2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	61,578	63,832
Investment property	479	470
Other investments	10	10
	62,067	64,312
Current assets		
Inventories	32,123	36,274
Trade and other receivables	45,750	46,611
Current tax assets	14	25
Cash and cash equivalents	17,385	6,520
	95,272	89,430
TOTAL ASSETS	157,339	153,742
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	77,879	77,746
Share premium	584	530
Fair value reserve	3	3
Share option reserve	71	90
Retained profits	53,760	43,317
TOTAL EQUITY	132,297	121,686
LIABILITIES		
Non-current Liabilities		
Deferred tax liabilities	431	390
	431	390
Current Liabilities		
Trade and other payables	22,716	29,751
Borrowings	-	700
Current tax liabilities	1,895	1,215
	24,611	31,666
TOTAL LIABILITIES	25,042	32,056
TOTAL EQUITY AND LIABILITIES	157,339	153,742
Net assets per share (RM)	0.85	0.78

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2015

**OKA CORPORATION BHD (519941-H)****CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015***(The figures have not been audited)*

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT PERIOD QUARTER 31/12/2015 RM'000	PRECEDING PERIOD QUARTER 31/12/2014 RM'000	CURRENT YEAR TO-DATE 31/12/2015 RM'000	PRECEDING YEAR TO-DATE 31/12/2014 RM'000
Revenue	37,716	38,881	112,192	119,788
Operating expenses	(31,339)	(32,111)	(93,432)	(102,280)
Other operating income	663	433	1,695	1,022
Profit from operations	7,040	7,203	20,455	18,530
Finance costs	-	(38)	-	(98)
Profit before tax	7,040	7,165	20,455	18,432
Income tax expense	(1,713)	(1,965)	(5,340)	(5,119)
Profit for the period	5,327	5,200	15,115	13,313
Profit attributable to: Owners of the Company	5,327	5,200	15,115	13,313
Earnings per share:				
(a) Basic (sen)	3.42	3.34	9.70	8.55
(b) Fully Diluted (sen)	3.41	3.34	9.68	8.55

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2015



OKA CORPORATION BHD (519941-H)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015**

	<----- Non-distributable ----->				-----> Distributable	
	Share Capital RM'000	Share Premium RM'000	Fair Value Reserve RM'000	Share Option Reserve RM'000	Retained Profits RM'000	Total Equity RM'000
At 1 April 2015	77,746	530	3	90	43,317	121,686
Total comprehensive income for the period	-	-	-	-	15,115	15,115
Dividend to owners of the Company	-	-	-	-	(4,672)	(4,672)
Exercise of ESOS	133	35	-	-	-	168
Transfer to share premium for ESOS exercised	-	19	-	(19)	-	-
At 31 December 2015	77,879	584	3	71	53,760	132,297
At 1 April 2014	60,913	16	3	-	48,795	109,727
Total comprehensive income for the period	-	-	-	-	13,313	13,313
Bonus issued	15,228	-	-	-	(15,228)	-
Dividend to owners of the Company	-	-	-	-	(3,654)	(3,654)
At 31 December 2014	76,141	16	3	-	43,226	119,386

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2015

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015**

	31/12/2015 RM'000	31/12/2014 RM'000
Cash flow from operating activities		
Net profit before tax	20,455	18,432
Adjustments for non-cash flows items	3,831	4,617
Operating profit before changes in working capital	<u>24,286</u>	<u>23,049</u>
Net change in current assets	5,011	(8,705)
Net change in current liabilities	(7,035)	2,294
Cash generated from operations	<u>22,262</u>	<u>16,638</u>
Income tax paid	(4,609)	(4,345)
Overdue interest received	83	71
Net cash from operating activities	<u>17,736</u>	<u>12,364</u>
Cash flow from investing activities		
Acquisition of property, plant and equipment	(1,860)	(3,662)
Acquisition of investment property	(34)	(154)
Short-term deposits interest received	218	33
Decreased in short-term deposit pledged with a licensed bank	(250)	(1,050)
Proceeds from disposal of property, plant and equipment	7	-
Net cash used in investing activities	(1,919)	(4,833)
Cash flow from financing activities		
Dividend paid to owners of the Company	(4,672)	(3,654)
Proceeds from issuance of shares arising from exercise of ESOS	168	-
Repayment of borrowings	(700)	(3,300)
Interest paid	-	(98)
Net cash used in financing activities	(5,204)	(7,052)
Net changes in cash and cash equivalents	<u>10,613</u>	<u>479</u>
Cash and cash equivalents at beginning of year	6,502	3,628
Cash and cash equivalents at end of period	<u>(i) <u>17,115</u></u>	<u>4,107</u>
(i) Cash and cash equivalents comprise the following:		
Short-term deposits with a licensed bank	270	1,068
Cash and bank balances	<u>17,115</u>	<u>4,107</u>
	17,385	5,175
Less: Fixed deposits pledged to a bank	(270)	(1,068)
	<u>17,115</u>	<u>4,107</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2015



PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

1. BASIS OF PREPARATION

This interim financial statements of the Group have been prepared in accordance with FRS134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2015.

The significant accounting policies adopted are consistent with those of the audited financial statements of the Group for the financial year ended 31 March 2015, except the adoption of the following amendments to FRSs mandatory for annual financial periods beginning on or after 1 April 2015.

FRS 14:	Regulatory Deferral Accounts
Amendments to FRS 11:	Accounting for Acquisitions of Interests in Joint Operations
Amendments to FRS 119:	Defined Benefit Plans: Employee Contributions
Amendments to FRS 127:	Equity Method in Separated Financial Statements
Amendments to FRS 101:	Disclosure Initiative
Amendments to FRS 10 and FRS 128:	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendment to FRS 10, FRS 12 and FRS 128:	Investment Entities: Applying the Consolidation Exception
Amendments to FRS 116 and FRS 138:	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to FRS 116 and FRS 141:	Property, Plant & Equipment and Agriculture - Bearer Plants
Amendments to FRSS:	Annual Improvements to FRSS 2010 - 2012 Cycle
Amendments to FRSS:	Annual Improvements to FRSS 2011 - 2013 Cycle
Amendments to FRSS:	Annual Improvements to FRSS 2012 - 2014 Cycle
FRS 9	Financial Instruments
FRS 15	Revenue from Contracts with Customers

Other than FRS 9 and FRS 15, the initial adoption of the above FRS are not expected to have any significant impact to the Group. The Group is currently assessing the financial impact that may arise from the adoption of FRS 9 and FRS 15.

2. AUDIT QUALIFICATION

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

3. SEASONAL OR CYCLICAL FACTORS

Apart from the traditional variations in the level of business activities, the operations of the Group were not materially affected by any seasonal or cyclical factors.

4. UNUSUAL ITEMS

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows during the current quarter.

5. MATERIAL CHANGES IN ESTIMATES

There were no changes in the estimates that have had any material effect on the current financial period to date.

6. DIVIDEND PAID

A first and final single-tier dividend of 3.0 sen per share (2014: 3.0 sen single-tier) amounting to RM4,672,365 for the financial year ended 31 March 2015 was paid on 26 November 2015.

A single-tier interim dividend of 3% or 1.5 sen per ordinary share of RM0.50 each which declared on 23 November 2015 (2015 : Nil) amounting to RM2,371,027.16 for the financial year ending 31 March 2016 was paid on 22 February 2016.



7. SEGMENTAL REPORTING

The analysis of the Group business segments for the current financial period are as follows:-

Financial period ended 31 December 2015	Manufacturing RM'000	Others RM'000	Elimination RM'000	Total RM'000
External revenue	111,244	948	-	112,192
Inter-segment revenue	857	3,772	(4,629)	-
Total revenue	<u>112,101</u>	<u>4,720</u>	<u>(4,629)</u>	<u>112,192</u>

Results

Total profit or loss for reportable segments				23,972
Elimination of inter-segment profits				428
Depreciation				(4,246)
Finance costs				-
Interest income				301
Profit before taxation				<u>20,455</u>

Financial period ended 31 December 2014	Manufacturing RM'000	Others RM'000	Elimination RM'000	Total RM'000
External revenue	118,358	1,430	-	119,788
Inter-segment revenue	1,332	3,184	(4,516)	-
Total revenue	<u>119,690</u>	<u>4,614</u>	<u>(4,516)</u>	<u>119,788</u>

Results

Total profit or loss for reportable segments				22,896
Elimination of inter-segment profits				252
Depreciation				(4,721)
Finance costs				(98)
Interest income				103
Profit before taxation				<u>18,432</u>

8. MATERIAL SUBSEQUENT EVENT

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

9. CHANGES IN THE COMPOSITION OF THE GROUP

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

10. CONTINGENT ASSETS AND LIABILITIES

The contingent liabilities represent corporate guarantees totalling RM68,550,000 (31 March 2015: RM68,550,000) 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 31 December 2015:-

	RM'000
Trade balance outstanding	<u>3,575</u>
Short-term borrowings – Bankers' acceptances	<u>-</u>

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

11. DEBT AND EQUITY SECURITIES

The Company had issued 31,500 ordinary shares of RM0.50 each for cash at RM0.63 per share in the current quarter arising from the exercise of share options.

Other than the above, there were no other issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current financial period to date.

12. CAPITAL COMMITMENTS

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



PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA

13. REVIEW OF PERFORMANCE

(a) Current Quarter vs Preceding Year Corresponding Quarter

The Group recorded revenue of RM37.7 million for the quarter under review as compared to RM38.9 million in the corresponding quarter of the preceding year. The Group's profit before tax for the current quarter was RM7.0 million, representing an decrease of RM0.2 million as compared to profit before tax of RM7.2 million in the corresponding quarter of the preceding year. The decrease of the Group's profit before tax was mainly due to sales of standard products as compared to higher margin products sold in the corresponding quarter of the preceding year.

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

The Group registered lower revenue of RM112.2 million for the current period to-date as compared to RM119.8 million in the preceding year. The Group recorded higher profit before tax of RM20.5 million as compared to profit before tax of RM18.4 million in the preceding year. The increase in profit before tax was contributed by lower operating expenses during the current period to-date as compared to the preceding year.

14. VARIATION OF RESULTS AGAINST IMMEDIATE PRECEDING QUARTER

The Group recorded revenue of RM37.7 million for the current quarter as compared to RM37.6 million in the immediate preceding quarter. The Group's profit before tax has decreased by RM1.5 million from RM8.5 million in the immediate preceding quarter to RM7.0 million in the current quarter. The decrease of the Group's profit before tax was mainly due to higher operating expenses during the current quarter as compared to the immediate preceding quarter.

15. 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 diversify its products, introduce products differentiation and to improve on the existing products together with the implementation of cost savings measures will help to enhance its overall competitiveness in the industry. In addition, the Group is practicing more aggressive pricing to capture bigger market share. Hence, barring any unforeseen circumstances, the Group is optimistic that it will remain profitable in the remaining quarter.

16. PROFIT FORECAST

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

17. TAX EXPENSE

	Current Quarter RM'000	Current Year To-Date RM'000
Current tax expenses:		
- Current period	1,620	5,220
- Underprovision in prior years	79	79
Deferred tax	14	41
	<u>1,713</u>	<u>5,340</u>

The effective tax rate for the current year to-date is higher than the statutory income tax rate mainly due to certain expense items have been considered as non-deductible for tax purposes.

18. STATUS OF CORPORATE PROPOSALS

The Company has offered a total of 3,983,000 share options under the Executives Share Option Scheme to the Directors and eligible employees of OKA and its subsidiaries on 05 January 2016 of which 3,908,000 share options have been duly accepted. The exercise price has been fixed at RM0.86 per share and options not exercise upon expiry of the ESOS on 04 January 2020 shall be null and void.

Other than the above, there were no other corporate proposals announced and not completed as at the date of this report.

19. BORROWINGS

There were no borrowings as at the date of this report.



20. DERIVATIVE FINANCIAL INSTRUMENTS

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

21. DIVIDEND

Other than the interim dividend disclosed in Note 6, no interim dividend has been declared for the current financial period under review.

22. MATERIAL LITIGATION

There are no material litigation as at the date of this report.

23. EARNINGS PER SHARE (EPS)

	Current Quarter	Current Year To-Date
<u>Basic EPS</u>		
Profit attributable to owners of the Company (RM'000)	5,327	15,115
<u>Number of shares ('000)</u>		
Number of ordinary shares in issue as at beginning of year	155,492	155,492
Effect of exercise of ESOS	266	266
Weighted average number of ordinary shares in issue	155,758	155,758
Basic EPS (sen)	3.42	9.70
<u>Fully Diluted EPS</u>		
Profit attributable to owners of the Company (RM'000)	5,327	15,115
<u>Number of shares ('000)</u>		
Number of ordinary shares in issue as at beginning of year	155,492	155,492
Effect of exercise of ESOS	266	266
Effect of share options	385	385
Weighted average number of ordinary shares in issue	156,143	156,143
Fully Diluted EPS (sen)	3.41	9.68

24. NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

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

	Current Quarter RM'000	Current Year To-Date RM'000
Depreciation and amortisation	1,396	4,298
Gain on foreign exchange (realised)	(292)	(477)
Impairment loss on trade receivables	(442)	1,060
Interest expense	-	-
Interest income	(115)	(301)
Rental expense	606	1,906
Rental income	(41)	(157)
Reversal of impairment loss on receivables	(355)	(1,079)

25. DISCLOSURE OF REALISED AND UNREALISED PROFITS

	As at 31/12/15 RM'000	As at 31/03/15 RM'000
Total retained earnings of the Group:		
- Realised	66,890	57,186
- Unrealised	11,135	10,783
	78,025	67,969
Add : Consolidation adjustments	(24,265)	(24,652)
Total retained earnings as per statement of financial position	53,760	43,317

26. 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 26 February 2016.