

**OKA CORPORATION BHD (519941-H)****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2016**

	<b>Unaudited 31/12/2016 RM'000</b>	<b>Audited 31/03/2016 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	62,750	62,833
Investment property	452	459
Other investments	10	10
	63,212	63,302
<b>Current assets</b>		
Inventories	29,369	31,133
Trade and other receivables	49,968	42,181
Current tax assets	68	10
Cash and cash equivalents	37,965	28,193
	117,370	101,517
<b>TOTAL ASSETS</b>	<b>180,582</b>	<b>164,819</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	79,712	79,052
Share premium	2,142	1,619
Fair value reserve	3	3
Share option reserve	355	460
Retained profits	69,882	56,908
<b>TOTAL EQUITY</b>	<b>152,094</b>	<b>138,042</b>
<b>LIABILITIES</b>		
<b>Non-current Liabilities</b>		
Deferred tax liabilities	516	475
	516	475
<b>Current Liabilities</b>		
Trade and other payables	23,298	23,823
Current tax liabilities	4,674	2,479
	27,972	26,302
<b>TOTAL LIABILITIES</b>	<b>28,488</b>	<b>26,777</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>180,582</b>	<b>164,819</b>
<b>Net assets per share (RM)</b>	<b>0.95</b>	<b>0.87</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Statements for the year ended 31 March 2016



OKA CORPORATION BHD (519941-H)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016

( The figures have not been audited )

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT PERIOD	PRECEDING YEAR CORRESPONDING	CURRENT YEAR	PRECEDING YEAR
	QUARTER 31/12/2016	QUARTER 31/12/2015	TO-DATE 31/12/2016	TO-DATE 31/12/2015
	RM'000	RM'000	RM'000	RM'000
Revenue	41,858	37,716	128,618	112,192
Operating expenses	(33,537)	(31,339)	(105,115)	(93,432)
Other operating income	906	663	2,172	1,695
Profit from operations	9,227	7,040	25,675	20,455
Finance costs	(2)	-	(2)	-
Profit before tax	9,225	7,040	25,673	20,455
Income tax expense	(2,195)	(1,713)	(7,122)	(5,340)
Profit for the period	7,030	5,327	18,551	15,115
Profit attributable to: Owners of the Company	7,030	5,327	18,551	15,115
Earnings per share:				
(a) Basic (sen)	4.41	3.42	11.64	9.70
(b) Fully Diluted (sen)	4.39	3.41	11.59	9.68

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 2016



**OKA CORPORATION BHD (519941-H)**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016**

	<----- 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 2016	79,052	1,619	3	460	56,908	138,042
Total comprehensive income for the period	-	-	-	-	18,551	18,551
Dividend to owners of the Company	-	-	-	-	(5,577)	(5,577)
Exercise of ESOS	660	418	-	-	-	1,078
Transfer to share premium for ESOS exercised	-	105	-	(105)	-	-
<b>At 31 December 2016</b>	<b>79,712</b>	<b>2,142</b>	<b>3</b>	<b>355</b>	<b>69,882</b>	<b>152,094</b>
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)	-	-
<b>At 31 December 2015</b>	<b>77,879</b>	<b>584</b>	<b>3</b>	<b>71</b>	<b>53,760</b>	<b>132,297</b>

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2016



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016**

	<b>31/12/2016 RM'000</b>	<b>31/12/2015 RM'000</b>
<b>Cash flow from operating activities</b>		
Net profit before tax	25,673	20,455
Adjustments for non-cash flows items	2,771	3,831
Operating profit before changes in working capital	28,444	24,286
Net change in current assets	(6,023)	5,011
Net change in current liabilities	(525)	(7,035)
Cash generated from operations	21,896	22,262
Income tax paid	(4,944)	(4,609)
Overdue interest received	53	83
Net cash from operating activities	17,005	17,736
<b>Cash flow from investing activities</b>		
Acquisition of property, plant and equipment	(3,578)	(1,894)
Decreased in fixed deposit pledged with a licensed bank	(1,300)	(250)
Short-term deposits interest received	846	218
Proceeds from disposal of property, plant and equipment	-	7
Net cash used in investing activities	(4,032)	(1,919)
<b>Cash flow from financing activities</b>		
Dividend paid to owners of the Company	(5,577)	(4,672)
Interest paid	(2)	-
Proceeds from issuance of shares arising from exercise of ESOS	1,078	168
Repayment of bank borrowings	-	(700)
Net cash used in financing activities	(4,501)	(5,204)
Net changes in cash and cash equivalents	8,472	10,613
Cash and cash equivalents at beginning of year	28,174	6,502
<b>Cash and cash equivalents at end of period</b>	<b>(i) 36,646</b>	<b>17,115</b>
<b>(i) Cash and cash equivalents comprise the following:</b>		
Fixed deposits placed with a licensed bank	1,319	270
Cash and bank balances	36,646	17,115
	37,965	17,385
Less: Fixed deposits pledged to bank	(1,319)	(270)
	36,646	17,115

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2016



## **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 2016.

The significant accounting policies adopted are consistent with those of the audited financial statements of the Group for the financial year ended 31 March 2016, except the adoption of the following amendments to FRSs mandatory for annual financial periods beginning on or after 1 April 2016.

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
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 FRS 107:	Statement of Cash Flows – Disclosure Initiative
Amendments to FRS 112:	Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to FRS 10 and FRS 128:	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to FRSs:	Annual Improvements to FRSs 2012 - 2014 Cycle
FRS 9	Financial Instruments
FRS 15	Revenue from Contracts with Customers
FRS 16:	Leases

The initial adoption of the above FRS are not expected to have any significant impact to the Group except FRS 9, FRS 15 and FRS 16 which the Group is currently assessing the financial impact that may arise from the adoption.

### **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 final single-tier dividend of 7% or 3.5 sen per ordinary share of RM0.50 each which declared on 28 July 2016 (2015 : 3.0 sen single-tier) amounting to RM5,576,759.68 for the financial year ended 31 March 2016 was paid on 18 November 2016.

### **7. SEGMENTAL REPORTING**

The Group's only reportable segment comprises the manufacturing and sale of pre-cast concrete products and trading of readymixed concrete. Operating segment information has therefore not been prepared as the Group's revenue and operating profit before tax are mainly confined to one operating segment



**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 other changes in the composition of the Group during the current financial period to date.

The contingent liabilities represent corporate guarantees totalling RM69,550,000 (31 March 2016: 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 2016:-

	<b>RM'000</b>
Trade balance outstanding	<u>1,972</u>
Short-term borrowings – Bankers' acceptances	<u>0</u>

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

**11. DEBT AND EQUITY SECURITIES**

The Company had issued 20,000 and 210,000 ordinary shares of RM0.50 each for cash at RM0.63 and RM0.86 per ordinary share respectively 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 RM41.9 million for the quarter under review as compared to RM37.7 million in the corresponding quarter of the preceding year. The Group's profit before tax for the current quarter was RM9.2 million, representing an increase of RM2.2 million as compared to profit before tax of RM7.0 million in the corresponding quarter of the preceding year. The increase of the Group's profit before tax was mainly due to higher margin products sold 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 RM128.6 million for the current period to-date as compared to RM112.2 million in the preceding year. The Group recorded higher profit before tax of RM25.7 million as compared to profit before tax of RM20.5 million in the preceding year. The increase in profit before tax was contributed by higher volume coupled with higher margin products sold during the current period to-date as compared to the preceding year.

**14. VARIATION OF RESULTS AGAINST IMMEDIATE PRECEDING QUARTER**

The Group recorded higher revenue of RM41.9 million for the current quarter as compared to RM40.8 million in the immediate preceding quarter. The Group's profit before tax has increased by RM0.1 million from RM9.1 million in the immediate preceding quarter to RM9.2 million in the current quarter. The increase of the Group's profit before tax was mainly due to higher margin products sold 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. 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**

	<b>Current Quarter RM'000</b>	<b>Current Year To-Date RM'000</b>
Current tax expenses:		
- Current period	2,607	7,507
- Overprovision for prior year	(426)	(426)
Deferred tax	14	41
	<u>2,195</u>	<u>7,122</u>

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

**18. STATUS OF CORPORATE PROPOSALS**

The Company has offered a total of 4,288,500 share options under the Executives Share Option Scheme to the Directors and eligible employees of OKA and its subsidiaries on 05 January 2017 of which 4,288,500 share options have been duly accepted. The 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**

The Board of Directors proposed a single-tier interim dividend of 2.0 sen (2016 : 1.5 sen) per each ordinary share for the financial year ending 31 March 2017. The date of the entitlement and payment for the aforesaid dividend shall be determined by the Board of Directors at a later date.

**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
<b>Basic EPS</b>		
Profit attributable to owners of the Company (RM'000)	<u>7,030</u>	<u>18,551</u>
<b>Number of shares ('000)</b>		
Number of ordinary shares in issue as at beginning of year	158,104	158,104
Effect of exercise of ESOS	<u>1,320</u>	<u>1,320</u>
Weighted average number of ordinary shares in issue	<u>159,424</u>	<u>159,424</u>
Basic EPS (sen)	<u>4.41</u>	<u>11.64</u>
<b>Fully Diluted EPS</b>		
Profit attributable to owners of the Company (RM'000)	<u>7,030</u>	<u>18,551</u>
<b>Number of shares ('000)</b>		
Number of ordinary shares in issue as at beginning of year	158,104	158,104
Effect of exercise of ESOS	1,320	1,320
Effect of share options	<u>683</u>	<u>683</u>
Weighted average number of ordinary shares in issue	<u>160,107</u>	<u>160,107</u>
Fully Diluted EPS (sen)	<u>4.39</u>	<u>11.59</u>

**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	1,098	3,660
Gain on foreign exchange (realised)	(19)	(54)
Impairment loss on trade receivables	3	3,271
Interest expense	2	2
Interest income	(322)	(899)
Rental expense	715	2,170
Rental income	(71)	(187)
Reversal of impairment loss on receivables	<u>(213)</u>	<u>(1,176)</u>

**25. DISCLOSURE OF REALISED AND UNREALISED PROFITS**

	As at 31/12/16 RM'000	As at 31/03/16 RM'000
Total retained earnings of the Group:		
- Realised	82,231	70,137
- Unrealised	<u>11,624</u>	<u>10,744</u>
	93,855	80,881
Add : Consolidation adjustments	<u>(23,973)</u>	<u>(23,973)</u>
Total retained earnings as per statement of financial position	<u>69,882</u>	<u>56,908</u>

**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 24 February 2017.