

**OKA CORPORATION BHD (519941-H)****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018**

	Unaudited 30/06/2018 RM'000	Audited 31/03/2018 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	71,860	62,113
Investment property	236	237
Other investments	12	12
	72,108	62,362
Current assets		
Inventories	40,866	41,349
Trade and other receivables	46,789	50,969
Current tax assets	20	18
Assets classified as held-for-sale	640	640
Cash and cash equivalents	46,856	56,762
	135,171	149,738
TOTAL ASSETS	207,279	212,100
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	87,836	87,808
Fair value reserve	3	3
Share option reserve	1,841	1,847
Retained profits	95,233	91,995
TOTAL EQUITY	184,913	181,653
LIABILITIES		
Non-current Liabilities		
Deferred tax liabilities	535	545
	535	545
Current Liabilities		
Trade and other payables	20,733	27,875
Current tax liabilities	1,098	2,027
	21,831	29,902
TOTAL LIABILITIES	22,366	30,447
TOTAL EQUITY AND LIABILITIES	207,279	212,100
Net assets per share (RM)	1.05	1.03

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Statements for the year ended 31 March 2018



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018

(The figures have not been audited)

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT PERIOD QUARTER 30/06/2018 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/06/2017 RM'000	Changes %	CURRENT YEAR TO-DATE 30/06/2018 RM'000	PRECEDING YEAR TO-DATE 30/06/2017 RM'000	Changes %
Revenue	31,573	35,000	-10%	31,573	35,000	-10%
Operating expenses	(27,675)	(28,260)	-2%	(27,675)	(28,260)	-2%
Other operating income	293	266	10%	293	266	10%
Profit from operations	4,191	7,006	-40%	4,191	7,006	-40%
Finance costs	-	(5)	-100%	-	(5)	-100%
Profit before tax	4,191	7,001	-40%	4,191	7,001	-40%
Income tax expense	(953)	(1,793)	-47%	(953)	(1,793)	-47%
Profit for the period	3,238	5,208	-38%	3,238	5,208	-38%
Other comprehensive income/(loss)	-	-	0%	-	-	0%
Total comprehensive income attributable to owners of the Company	3,238	5,208	-38%	3,238	5,208	-38%
Earnings per share:						
(a) Basic (sen)	1.98	3.20	-38%	1.98	3.20	-38%
(b) Fully Diluted (sen)	1.99	3.19	-38%	1.99	3.19	-38%

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 2018



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018**

	<----- Non-distributable ----->			Distributable	
	Share Capital RM'000	Fair Value Reserve RM'000	Share Option Reserve RM'000	Retained Profits RM'000	Total Equity RM'000
At 1 April 2018	87,808	3	1,847	91,995	181,653
Total comprehensive income for the period	-	-	-	3,238	3,238
Exercise of ESOS	22	-	-	-	22
Transfer to share capital for ESOS exercised	6	-	(6)	-	-
At 30 June 2018	87,836	3	1,841	95,233	184,913
At 1 April 2017	85,920	3	935	76,373	163,231
Total comprehensive income for the period	-	-	-	5,208	5,208
Exercise of ESOS	471	-	-	-	471
Transfer to share capital for ESOS exercised	523	-	(523)	-	-
At 30 June 2017	86,914	3	412	81,581	168,910

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2018

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018

	30/06/2018 RM'000	30/06/2017 RM'000
Cash flow from operating activities		
Net profit before tax	4,191	7,001
Adjustments for non-cash flows items	530	663
Operating profit before changes in working capital	4,721	7,664
Net change in current assets	3,555	4,630
Net change in current liabilities	(7,043)	(6,787)
Cash generated from operations	1,233	5,507
Income tax paid	(1,894)	(1,703)
Overdue interest received	-	-
Net cash (used in)/from operating activities	(661)	3,804
Cash flow from investing activities		
Acquisition of property, plant and equipment	(9,751)	(1,022)
Decreased in fixed deposit pledged with a licensed bank	-	(100)
Short-term deposits interest received	458	436
Proceeds from disposal of property, plant and equipment	25	-
Net cash used in investing activities	(9,268)	(686)
Cash flow from financing activities		
Dividend paid to owners of the Company	-	(3,254)
Interest paid	-	(5)
Proceeds from issuance of shares arising from exercise of ESOS	22	471
Net cash generated from/(used in) financing activities	22	(2,788)
Net changes in cash and cash equivalents	(9,907)	330
Cash and cash equivalents at beginning of year	56,744	48,750
Cash and cash equivalents at end of period	(i) 46,837	49,080
(i) Cash and cash equivalents comprise the following:		
Fixed deposits placed with a licensed bank	19	519
Cash and bank balances	46,837	49,080
	46,856	49,599
Less: Fixed deposits pledged to bank	(19)	(519)
	46,837	49,080

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2018

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134****1. BASIS OF PREPARATION**

This interim financial statements of the Group have been prepared in accordance with MFRS134: 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 2018.

The significant accounting policies adopted are consistent with those of the audited financial statements of the Group for the financial year ended 31 March 2018, except the adoption of the following amendments to MFRSs mandatory for annual financial periods beginning on or after 1 April 2018.

MFRS 15:	Revenue from Contracts with Customers, Clarification to MFRS 15
MFRS 9:	Financial Instruments
IC Interpretation 22:	Foreign Currency Transactions and Advance Consideration
Amendments to MFRS 1:	Annual Improvements to MFRSs 2014 - 2016 Cycle
Amendments to MFRS 2:	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 4:	Insurance Contracts
Amendments to MFRS 128:	Annual Improvements to MFRSs 2014 - 2016 Cycle
Amendments to MFRS 140:	Investment Property
MFRS 16:	Leases
IC Interpretation 23:	Uncertainty over Income Tax Treatments
Amendments to MFRS 3:	Annual Improvements to MFRSs 2015 - 2017 Cycle
Amendments to MFRS 9:	Financial Instruments
Amendments to MFRS 11:	Annual Improvements to MFRSs 2015 - 2017 Cycle
Amendments to MFRS 112:	Annual Improvements to MFRSs 2015 - 2017 Cycle
Amendments to MFRS 119:	Employee Benefits
Amendments to MFRS 123:	Annual Improvements to MFRSs 2015 - 2017 Cycle
Amendments to MFRS 128:	Investments in Associates and Joint Ventures

The initial adoption of the above MFRS are not expected to have any significant impact to the Group except MFRS 9 and MFRS 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 single-tier interim dividend of 2.0 sen per each ordinary share which declared on 28 February 2018 (2017 : 2.0 sen single-tier) amounting to RM3,271,538 for the financial year ended 31 March 2018 was paid on 20 April 2018.

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.

10. The contingent liabilities represent corporate guarantees totalling RM73,050,000 (31 March 2018: RM73,050,000) 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 2018:-

	RM'000
Trade balance outstanding	1,994
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 ordinary shares (@ RM1.13) for cash 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

(RM'million)	Individual Period			Cumulative Period		
	Current Year	Preceding Year Corresponding	Changes (Amount / %)	Current Year	Preceding Year Corresponding	Changes (Amount / %)
	Quarter 30/06/2018	Quarter 30/06/2017		To-Date	Period	
Revenue	31.6	35.0	(3.4) -10%	31.6	35.0	(3.4)
Profit Before Tax	4.2	7.0	(2.8) -40%	4.2	7.0	(2.8)

(a) Current Quarter vs Preceding Year Corresponding Quarter

The Group recorded lower revenue of RM31.6 million for the quarter under review as compared to RM35.0 million in the corresponding quarter of the preceding year. The Group's profit before tax has decreased by RM2.8 million from RM7.0 million in the corresponding quarter of the preceding year to RM4.2 million in the current quarter. The decrease of the Group's profit before tax was mainly due to lower volume products sold by 3,000mt during the current quarter which is 104,000mt as compared to 107,000mt coupled with lower high margin products sold in the current quarter.

14. VARIATION OF RESULTS AGAINST IMMEDIATE PRECEDING QUARTER

RM'million	Current Quarter 30/06/2018	Immediate Preceding Quarter 31/03/2018	Changes (Amount / %)	
Revenue	31.6	36.7	(5.1)	-14%
Profit Before Tax	4.2	10.4	(6.2)	-60%

The Group registered lower revenue of RM31.6 million for the current quarter as compared to RM36.7 million in the immediate preceding quarter. Profit before tax decreased by RM6.2 million from RM10.4 million in the immediate preceding quarter to RM4.2 million in the current quarter. The decrease of the Group's profit before tax was mainly due to lower volume products sold by 9,000mt during the current quarter which is 104,000mt as compared to the immediate preceding quarter which was 113,000mt coupled with lower high margin products sold in the current 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 for the financial year ending 31 March 2019.

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	963	963
Deferred tax	(10)	(10)
	<u>953</u>	<u>953</u>

The Group's effective tax rate for the current quarter is slightly lower than the Malaysia statutory tax rate due to losses incurred by certain subsidiaries.

18. STATUS OF CORPORATE PROPOSALS

There were no other outstanding corporate proposals 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

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
Basic EPS		
Profit attributable to owners of the Company (RM'000)	3,238	3,238
Number of shares ('000)		
Number of ordinary shares in issue as at beginning of year	163,577	163,577
Effect of exercise of ESOS	20	20
Weighted average number of ordinary shares in issue	163,597	163,597
Basic EPS (sen)	1.98	1.98
Fully Diluted EPS		
Profit attributable to owners of the Company (RM'000)	3,238	3,238
Number of shares ('000)		
Number of ordinary shares in issue as at beginning of year	163,577	163,577
Effect of exercise of ESOS	20	20
Effect of share options	(577)	(577)
Weighted average number of ordinary shares in issue	163,020	163,020
Fully Diluted EPS (sen)	1.99	1.99

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	1,073	1,073
Loss/(Gain) on foreign exchange (realised)	(2)	(2)
Impairment loss on trade receivables	-	-
Interest expense	-	-
Interest income	(458)	(458)
Rental expense	492	492
Rental income	(56)	(56)
Reversal of impairment loss on receivables	(26)	(26)

25. TRADE AND OTHER RECEIVABLES

	As at 30/06/18 RM'000
Trade receivables (non-related parties)	50,183
Less : Accumulated allowance for impairment	(4,122)
	46,061
Other receivables	728
	46,789

The credit terms of trade receivables granted to non-related parties with credit period ranging from 30 - 120 days.

The ageing analysis of trade receivables is as follows:

	RM'000
Neither past due nor impaired	14,703
Past due but not impaired:	
1 - 30 days	9,738
31 - 120 days	13,224
Above 120 days	8,396
	31,358
	46,061
Past due and impaired:	
Above 120 days	4,122
	50,183

The Group did not impair the past due trade receivables but monitors these receivables closely and is confident of their eventual recovery.

26. AUTHORISATION FOR ISSUE

The unaudited interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 27 August 2018.