

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

	Unaudited 30/09/2018 RM'000	Audited 31/03/2018 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	73,756	62,113
Investment property	1,627	237
Other investments	12	12
	75,395	62,362
Current assets		
Inventories	43,283	41,349
Trade and other receivables	41,077	50,969
Current tax assets	18	18
Assets classified as held-for-sale	-	640
Cash and cash equivalents	54,523	56,762
	138,901	149,738
TOTAL ASSETS	214,296	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	98,271	91,995
TOTAL EQUITY	187,951	181,653
LIABILITIES		
Non-current Liabilities		
Deferred tax liabilities	545	545
	545	545
Current Liabilities		
Trade and other payables	25,599	27,875
Current tax liabilities	201	2,027
	25,800	29,902
TOTAL LIABILITIES	26,345	30,447
TOTAL EQUITY AND LIABILITIES	214,296	212,100
Net assets per share (RM)	1.15	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 SEPTEMBER 2018**

(The figures have not been audited)

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT PERIOD	PRECEDING YEAR CORRESPONDING	Changes	CURRENT YEAR	PRECEDING YEAR	Changes
	QUARTER 30/09/2018 RM'000	QUARTER 30/09/2017 RM'000		TO-DATE 30/09/2018 RM'000	TO-DATE 30/09/2017 RM'000	
Revenue	31,797	36,084	-12%	63,370	71,084	-11%
Operating expenses	(28,332)	(27,587)	3%	(56,007)	(55,846)	0%
Other operating income	206	241	-15%	499	507	-2%
Profit from operations	3,671	8,738	-58%	7,862	15,745	-50%
Finance costs	-	-	0%	-	(5)	-100%
Profit before tax	3,671	8,738	-58%	7,862	15,740	-50%
Income tax expense	(633)	(2,239)	-72%	(1,586)	(4,033)	-61%
Profit for the period	3,038	6,499	-53%	6,276	11,707	-46%
Other comprehensive income/(loss)	-	-	0%	-	-	0%
Total comprehensive income attributable to owners of the Company	3,038	6,499	-53%	6,276	11,707	-46%
Earnings per share:						
(a) Basic (sen)	1.86	3.98	-53%	3.84	7.16	-46%
(b) Fully Diluted (sen)	1.87	3.97	-53%	3.85	7.15	-46%

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 SEPTEMBER 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	-	-	-	6,276	6,276
Exercise of ESOS	22	-	-	-	22
Transfer to share capital for ESOS exercised	6	-	(6)	-	-
At 30 September 2018	87,836	3	1,841	98,271	187,951
At 1 April 2017	85,920	3	936	76,374	163,233
Total comprehensive income for the period	-	-	-	11,707	11,707
Exercise of ESOS	1,042	-	-	-	1,042
Transfer to share capital for ESOS exercised	678	-	(678)	-	-
At 30 September 2017	87,640	3	258	88,081	175,982

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 SEPTEMBER 2018**

	30/09/2018 RM'000	30/09/2017 RM'000
Cash flow from operating activities		
Net profit before tax	7,862	15,740
Adjustments for non-cash flows items	710	1,138
Operating profit before changes in working capital	<u>8,572</u>	<u>16,878</u>
Net change in current assets	6,849	3,008
Net change in current liabilities	(2,177)	(10,480)
Cash generated from operations	<u>13,244</u>	<u>9,406</u>
Income tax paid	(3,412)	(2,982)
Overdue interest received	15	125
Net cash from operating activities	<u>9,847</u>	<u>6,549</u>
Cash flow from investing activities		
Acquisition of property, plant and equipment	(13,719)	(1,656)
Decreased in fixed deposit pledged with a licensed bank	-	200
Short-term deposits interest received	896	866
Proceeds from disposal of property, plant and equipment	42	12
Proceeds from disposal of assets held-for-sale	672	-
Increase in other investment	-	(2)
Net cash used in investing activities	(12,109)	(580)
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	1,042
Net cash generated from/(used in) financing activities	22	(2,217)
Net changes in cash and cash equivalents	<u>(2,240)</u>	<u>3,752</u>
Cash and cash equivalents at beginning of year	56,744	48,750
Cash and cash equivalents at end of period	(i) <u>54,504</u>	<u>52,502</u>
(i) Cash and cash equivalents comprise the following:		
Fixed deposits placed with a licensed bank	19	219
Cash and bank balances	<u>54,504</u>	<u>52,502</u>
	54,523	52,721
Less: Fixed deposits pledged to bank	(19)	(219)
	<u>54,504</u>	<u>52,502</u>

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

No dividend was paid for the current quarter.

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 September 2018:-

	RM'000
Trade balance outstanding	3,503
Short-term borrowings – Bankers' acceptances	<u>0</u>

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

11. DEBT AND EQUITY SECURITIES

There were no 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

	Individual Period		Changes (Amount / %)	Cumulative Period		Changes (Amount / %)
	Current Year	Preceding Year Corresponding		Current Year	Preceding Year Corresponding	
	Quarter 30/09/2018	Quarter 30/09/2017		To-Date	Period	
(RM'million)						
Revenue	31.8	36.1	(4.3) -12%	63.4	71.1	(7.7) -11%
Profit Before Tax	3.7	8.7	(5.1) -58%	7.9	15.7	(7.9) -50%

(a) Current Quarter vs Preceding Year Corresponding Quarter

The Group recorded lower revenue of RM31.8 million for the quarter under review as compared to RM36.1 million in the corresponding quarter of the preceding year. The Group's profit before tax has decreased by RM5.1 million from RM8.7 million in the corresponding quarter of the preceding year to RM3.7 million in the current quarter. The decrease of the Group's profit before tax was mainly due to lower volume products sold by 8,000mt during the current quarter which is 104,000mt as compared to 112,000mt coupled with lower high margin products sold in the current quarter.

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

The Group registered lower revenue of RM63.4 million for the current period to-date as compared to RM71.1 million in the preceding year. The Group recorded lower profit before tax of RM7.9 million as compared to RM15.7 million in the preceding year. The decrease in profit before tax was contributed by lower volume products sold by 9,000mt during the current quarter which is 208,000mt as compared to the preceding year which was 217,000mt coupled with lower high margin products sold.

14. VARIATION OF RESULTS AGAINST IMMEDIATE PRECEDING QUARTER

	Current Quarter	Immediate Preceding Quarter	Changes (Amount / %)	
RM'million	30/09/2018	30/06/2018		
Revenue	31.8	31.6	0.2	1%
Profit Before Tax	3.7	4.2	(0.5)	-12%

The Group registered slightly higher revenue of RM31.8 million for the current quarter as compared to RM31.6 million in the immediate preceding quarter. Profit before tax decreased by RM0.5 million from RM4.2 million in the immediate preceding quarter to RM3.7 million in the current quarter. The decrease of the Group's profit before tax was mainly due to lower high margin products sold by 600mt in the current quarter of 5,000mt as compared to 5,600mt coupled with slightly higher operating expenses.

**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	623	1,586
Deferred tax	10	-
	<u>633</u>	<u>1,586</u>

The Group's effective tax rate for the current quarter and year-to-date are lower than the Malaysia statutory tax rate due to losses incurred by certain subsidiaries.

18. STATUS OF CORPORATE PROPOSALS

The Company had announced on 28 June 2018 to propose bonus issue of 84,339,000 new ordinary shares ("Bonus Shares") on the basis of one (1) Bonus Share for every two (2) existing ordinary share on an entitlement date to be determined and announced later, which were approved by Bursa on 13 July 2018. The shareholders had also approved the proposal at the EGM held on 27 Aug 2018.

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

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)	<u>3,038</u>	<u>6,276</u>
<u>Number of shares ('000)</u>		
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	<u>163,597</u>	<u>163,597</u>
Basic EPS (sen)	<u>1.86</u>	<u>3.84</u>
Fully Diluted EPS		
Profit attributable to owners of the Company (RM'000)	<u>3,038</u>	<u>6,276</u>
<u>Number of shares ('000)</u>		
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	(754)	(754)
Weighted average number of ordinary shares in issue	<u>162,843</u>	<u>162,843</u>
Fully Diluted EPS (sen)	<u>1.87</u>	<u>3.85</u>

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

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

	Current Quarter	Current Year To-Date
	RM'000	RM'000
Depreciation and amortisation	1,008	2,081
Loss/(Gain) on foreign exchange (realised)	88	86
Impairment loss on trade receivables	633	633
Interest expense	-	-
Interest income	(453)	(911)
Rental expense	415	907
Rental income	(56)	(111)
Reversal of impairment loss on receivables	(83)	(108)

25. TRADE AND OTHER RECEIVABLES

	As at 30/09/18 RM'000
Trade receivables (non-related parties)	45,034
Less : Accumulated allowance for impairment	<u>(4,673)</u>
	40,361
Other receivables	<u>716</u>
	<u>41,077</u>

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	14,730
Past due but not impaired:	
1 - 30 days	9,227
31 - 120 days	8,120
Above 120 days	8,284
	<u>25,631</u>
	40,361
Past due and impaired:	
Above 120 days	4,673
	<u>45,034</u>

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 26 November 2018.