



OKA CORPORATION BHD (519941-H)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018**

	Unaudited 31/12/2018 RM'000	Audited 31/03/2018 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	73,767	62,113
Investment property	1,619	237
Other investments	12	12
	75,398	62,362
Current assets		
Inventories	42,499	41,349
Trade and other receivables	44,029	50,969
Current tax assets	4,049	18
Assets classified as held-for-sale	-	640
Cash and cash equivalents	46,497	56,762
	137,074	149,738
TOTAL ASSETS	212,472	212,100
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	87,837	87,808
Fair value reserve	3	3
Share option reserve	1,841	1,847
Retained profits	94,655	91,995
TOTAL EQUITY	184,336	181,653
LIABILITIES		
Non-current Liabilities		
Deferred tax liabilities	545	545
	545	545
Current Liabilities		
Trade and other payables	24,828	27,875
Current tax liabilities	2,763	2,027
	27,591	29,902
TOTAL LIABILITIES	28,136	30,447
TOTAL EQUITY AND LIABILITIES	212,472	212,100
Net assets per share (RM)	0.75	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



OKA CORPORATION BHD (519941-H)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018**

(The figures have not been audited)

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT PERIOD	PRECEDING YEAR CORRESPONDING	Changes	CURRENT YEAR	PRECEDING YEAR	Changes
	QUARTER	QUARTER		TO-DATE	TO-DATE	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017		
RM'000	RM'000	%	RM'000	RM'000	%	
Revenue	34,115	36,505	-7%	97,485	107,589	-9%
Operating expenses	(31,190)	(30,748)	1%	(87,196)	(86,595)	1%
Other operating income	143	244	-41%	642	751	-15%
Profit from operations	3,068	6,001	-49%	10,931	21,745	-50%
Finance costs	-	-	0%	-	(5)	-100%
Profit before tax	3,068	6,001	-49%	10,931	21,740	-50%
Income tax expense	(959)	(597)	61%	(2,545)	(4,629)	-45%
Profit for the period	2,109	5,404	-61%	8,386	17,111	-51%
Other comprehensive income/(loss)	-	-	0%	-	-	0%
Total comprehensive income attributable to owners of the Company	2,109	5,404	-61%	8,386	17,111	-51%
Earnings per share:						
Basic/Fully Diluted (sen)	0.86	3.30	-74%	3.42	10.46	-67%

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 31 DECEMBER 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	-	-	-	8,386	8,386
Dividend to owners of the Company	-	-	-	(5,726)	(5,726)
Exercise of ESOS	23	-	-	-	23
Transfer to share capital for ESOS exercised	6	-	(6)	-	-
At 31 December 2018	87,837	3	1,841	94,655	184,336
At 1 April 2017	85,920	3	936	76,374	163,233
Total comprehensive income for the period	-	-	-	17,111	17,111
Dividend to owners of the Company	-	-	-	(5,724)	(5,724)
Exercise of ESOS	1,146	-	-	-	1,146
Transfer to share capital for ESOS exercised	706	-	(706)	-	-
At 31 December 2017	87,772	3	230	87,761	175,766

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 31 DECEMBER 2018

	31/12/2018 RM'000	31/12/2017 RM'000
Cash flow from operating activities		
Net profit before tax	10,931	21,740
Adjustments for non-cash flows items	1,602	1,711
Operating profit before changes in working capital	12,533	23,451
Net change in current assets	4,681	3,177
Net change in current liabilities	(2,948)	(2,249)
Cash generated from operations	14,266	24,379
Income tax paid	(5,840)	(6,906)
Overdue interest received	15	125
Net cash from operating activities	8,441	17,598
Cash flow from investing activities		
Acquisition of property, plant and equipment	(15,037)	(3,355)
Decreased in fixed deposit	-	150
Short-term deposits interest received	1,313	1,356
Proceeds from disposal of property, plant and equipment	48	12
Proceeds from disposal of assets held-for-sale	672	-
Increase in other investment	-	(2)
Net cash used in investing activities	(13,004)	(1,839)
Cash flow from financing activities		
Dividend paid to owners of the Company	(5,726)	(8,978)
Interest paid	-	(5)
Proceeds from issuance of shares arising from exercise of ESOS	23	1,146
Net cash used in financing activities	(5,703)	(7,837)
Net changes in cash and cash equivalents	(10,266)	7,922
Cash and cash equivalents at beginning of year	56,744	48,751
Cash and cash equivalents at end of period	(i) 46,478	56,673
(i) Cash and cash equivalents comprise the following:		
Fixed deposits placed with a licensed bank	19	269
Cash and bank balances	46,478	56,673
	46,497	56,942
Less: Fixed deposits pledged to bank	(19)	(269)
	46,478	56,673

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 & 128:	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 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 final dividend of 3.5 sen per each ordinary share which declared on 27 August 2018 (2017 : 3.5 sen single-tier) amounting to RM5,725,891.17 for the financial year ended 31 March 2018 was paid on 31 October 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 31 December 2018:-

	RM'000
Trade balance outstanding	2,720
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

(RM'million)	Individual Period		Changes (Amount / %)	Cumulative Period		Changes (Amount / %)
	Current Year	Preceding Year Corresponding		Current Year	Preceding Year Corresponding	
	Quarter 31/12/2018	Quarter 31/12/2017		To-Date	Period	
Revenue	34.1	36.5	(2.4) -7%	97.5	107.6	(10.1) -9%
Profit Before Tax	3.1	6.0	(2.9) -49%	10.9	21.7	(10.8) -50%

(a) Current Quarter vs Preceding Year Corresponding Quarter

The Group recorded lower revenue of RM34.1 million for the quarter under review as compared to RM36.5 million in the corresponding quarter of the preceding year. The Group's profit before tax has decreased by RM2.9 million from RM6.0 million in the corresponding quarter of the preceding year to RM3.1 million in the current quarter. The decrease of the Group's profit before tax was mainly due to lower high margin products sold by 5,000mt during the current quarter which is 4,000mt as compared to the preceding year of 9,000mt.

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

The Group registered lower revenue of RM97.5 million for the current period to-date as compared to RM107.6 million in the preceding year. The Group recorded lower profit before tax of RM10.9 million as compared to RM21.7 million in the preceding year. The decrease in profit before tax was contributed by lower volume products sold by 123,000mt during the current quarter which is 318,000mt as compared to the preceding year which was 441,000mt.

14. VARIATION OF RESULTS AGAINST IMMEDIATE PRECEDING QUARTER

RM'million	Current Quarter 31/12/2018	Immediate Preceding Quarter 30/09/2018	Changes (Amount / %)	
Revenue	34.1	31.8	2.3	7%
Profit Before Tax	3.1	3.7	(0.6)	-16%

The Group registered higher revenue of RM34.1 million for the current quarter as compared to RM31.8 million in the immediate preceding quarter. Profit before tax decreased by RM0.6 million from RM3.7 million in the immediate preceding quarter to RM3.1 million in the current quarter. The decrease of the Group's profit before tax was mainly due to doubtful debts provision during the 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	1,177	2,763
- Overprovision in prior years	(218)	(218)
	959	2,545

The Group's effective tax rate for the current quarter is higher than the Malaysia statutory tax rate mainly due to certain expenses not deductible for tax purposes.

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

The Board of Directors proposed a single-tier interim dividend of 1.8 sen (2018 : 2.0 sen) per each ordinary share for the financial year ending 31 March 2019 and payable on 26 April 2019 to depositors registered in the Records of Depositors at close of business on 18 April 2019.

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)	2,109	8,386
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
Bonus issue	81,798	81,798
Weighted average number of ordinary shares in issue	245,395	245,395
Basic EPS (sen)	0.86	3.42
Fully Diluted EPS		
Profit attributable to owners of the Company (RM'000)	2,109	8,386
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
Bonus issue	81,798	81,798
Effect of dilution from share option*	-	-
Weighted average number of ordinary shares in issue	245,395	245,395
Fully Diluted EPS (sen)	0.86	3.42

* The Group's diluted profit per ordinary share is not presented as the assumed potential new ordinary shares are anti-dilutive. Therefore, the diluted profit per ordinary share is the same as basic profit per ordinary share.

On 12 December 2018, the Company had issued 81,798,450 new ordinary shares by way of bonus issue with Nil consideration, the enlarged share capital of the Company has increased to 245,395,350 new ordinary shares.

**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	1,028	3,109
Loss/(Gain) on foreign exchange (realised)	(1)	85
Impairment loss on trade receivables	1,227	1,860
Interest expense	-	-
Interest income	(417)	(1,328)
Rental expense	503	1,410
Rental income	(56)	(167)
Reversal of impairment loss on receivables	(1)	(110)

25. TRADE AND OTHER RECEIVABLES

	As at 31/12/18 RM'000
Trade receivables (non-related parties)	49,250
Less : Accumulated allowance for impairment	(5,898)
	<u>43,352</u>
Other receivables	677
	<u>44,029</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	16,425
Past due but not impaired:	
1 - 30 days	9,946
31 - 120 days	11,123
Above 120 days	5,858
	<u>26,927</u>
	43,352
Past due and impaired:	
Above 120 days	5,898
	<u>49,250</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 25 February 2019.