

**OKA CORPORATION BHD (519941-H)****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019**

	Unaudited 30/09/2019 RM'000	Audited 31/03/2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	71,053	71,786
Investment property	2,685	2,713
Other investments	12	12
Deferred tax assets	1,763	1,713
	75,513	76,224
Current assets		
Inventories	39,771	41,109
Receivables, deposits and prepayments	34,063	30,750
Current tax assets	3,483	2,536
Cash and cash equivalents	50,166	49,545
	127,483	123,940
TOTAL ASSETS	202,996	200,164
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	87,837	87,837
Fair value reserve	3	3
Share option reserve	1,841	1,841
Retained profits	92,329	84,533
TOTAL EQUITY	182,010	174,214
LIABILITIES		
Non-current Liabilities		
Deferred tax liabilities	64	-
	64	-
Current Liabilities		
Trade and other payables	19,705	24,256
Contract liabilities	1,217	1,694
	20,922	25,950
TOTAL LIABILITIES	20,986	25,950
TOTAL EQUITY AND LIABILITIES	202,996	200,164
Net assets per share (RM)	0.74	0.71

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Statements for the year ended 31 March 2019



OKA CORPORATION BHD (519941-H)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**

(The figures have not been audited)

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT PERIOD	PRECEDING YEAR CORRESPONDING	Changes %	CURRENT YEAR	PRECEDING YEAR	Changes %
	QUARTER 30/09/2019 RM'000	QUARTER 30/09/2018 RM'000		TO-DATE 30/09/2019 RM'000	TO-DATE 30/09/2018 RM'000	
Revenue	33,775	31,797	6%	64,173	63,370	1%
Operating expenses	(28,327)	(28,332)	0%	(54,599)	(56,007)	-3%
Other operating income	253	206	23%	536	499	7%
Profit from operations	5,701	3,671	55%	10,110	7,862	29%
Finance costs	-	-	0%	-	-	0%
Profit before tax	5,701	3,671	55%	10,110	7,862	29%
Income tax expense	(1,297)	(633)	105%	(2,314)	(1,586)	46%
Profit for the period	4,404	3,038	45%	7,796	6,276	24%
Other comprehensive income/(loss)	-	-	0%	-	-	0%
Total comprehensive income attributable to owners of the Company	4,404	3,038	45%	7,796	6,276	24%
Earnings per share:						
Basic / Diluted (sen)	<u>1.79</u>	<u>1.24</u> *	45%	<u>3.18</u>	<u>2.56</u> *	24%

* The comparative figures for Earnings per share have been re-stated to reflect the adjustments arising from the bonus issue which was issued on 12 December 2018.

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 2019



OKA CORPORATION BHD (519941-H)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**

	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 2019	87,837	3	1,841	84,533	174,214
Total comprehensive income for the period	-	-	-	7,796	7,796
Exercise of ESOS	-	-	-	-	-
Transfer to share capital for ESOS exercised	-	-	-	-	-
At 30 September 2019	87,837	3	1,841	92,329	182,010
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

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2019



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**

	30/09/2019 RM'000	30/09/2018 RM'000
Cash flow from operating activities		
Net profit before tax	10,110	7,862
Adjustments for non-cash flows items	1,264	710
Operating profit before changes in working capital	<u>11,374</u>	<u>8,572</u>
Net change in current assets	(3,669)	6,849
Net change in current liabilities	(3,334)	(2,177)
Cash generated from operations	<u>4,371</u>	<u>13,244</u>
Income tax paid	(3,247)	(3,412)
Overdue interest received	16	15
Net cash from operating activities	<u>1,140</u>	<u>9,847</u>
Cash flow from investing activities		
Acquisition of property, plant and equipment	(1,330)	(13,719)
Short-term deposits interest received	757	896
Proceeds from disposal of property, plant and equipment	54	42
Proceeds from disposal of assets held-for-sale	-	672
Net cash used in investing activities	(519)	(12,109)
Cash flow from financing activities		
Proceeds from issuance of shares arising from exercise of ESOS	-	22
Net cash generated from financing activities	-	22
Net changes in cash and cash equivalents	<u>621</u>	<u>(2,240)</u>
Cash and cash equivalents at beginning of year	49,526	56,744
Cash and cash equivalents at end of period	(i) <u>50,147</u>	<u>54,504</u>
(i) Cash and cash equivalents comprise the following:		
Fixed deposits placed with a licensed bank	19	19
Cash and bank balances	<u>50,147</u>	<u>54,504</u>
	50,166	54,523
Less: Fixed deposits pledged to bank	(19)	(19)
	<u>50,147</u>	<u>54,504</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2019

**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 2019.

The significant accounting policies adopted are consistent with those of the audited financial statements of the Group for the financial year ended 31 March 2019, except the adoption of the following amendments to MFRSs mandatory for annual financial periods beginning on or after 1 April 2019.

MFRS 16:	Leases
IC Interpretation 23:	Uncertainty over Income Tax Treatments
Amendments to MFRS 9:	Financial Instruments
Amendments to MFRS 119:	Employee Benefits
Amendments to MFRS 128:	Investments in Associates and Joint Ventures
Amendments to MFRS 3:	Business Combinations
Amendments to MFRS 101 and MFRS 108:	Definition of Material
MFRS17:	Insurance Contracts
Amendments to MFRS 10 and MFRS 128:	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Annual Improvements to MFRSs	2014 - 2016 Cycle
Annual Improvements to MFRSs	2015 - 2017 Cycle

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

2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the financial year ended 31 March 2019 was unmodified.

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 1.9 sen per each ordinary share which declared on 27 May 2019 (2019 : 3.5 sen single-tier) amounting to RM4,662,509.29 for the financial year ended 31 March 2019 was paid on 15 November 2019.

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 2019: 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 2019:-

	RM'000
Trade balance outstanding	2,306
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 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			Changes (Amount / %)	
	Current Year	Preceding Year Corresponding	Changes (Amount / %)	Current Year	Preceding Year Corresponding	Changes (Amount / %)		
	Quarter 30/09/2019	Quarter 30/09/2018		To-Date 30/09/2019	Period 30/09/2018			
Revenue	33.8	31.8	2.0 6%	64.2	63.4	0.8 1%		
Profit Before Tax	5.7	3.7	2.0 55%	10.1	7.9	2.2 29%		

(a) Current Quarter vs Preceding Year Corresponding Quarter

The Group recorded higher revenue of RM33.8 million for the quarter under review as compared to RM31.8 million in the corresponding quarter of the preceding year. The Group's profit before tax has increased by RM2.0 million from RM3.7 million in the corresponding quarter of the preceding year to RM5.7 million in the current quarter. The increase of the Group's profit before tax was mainly due to higher volume products sold by 14,000mt during the current quarter of 118,000mt as compared to the preceding year quarter of 104,000mt.

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

The Group registered higher revenue of RM64.2 million for the current period to-date as compared to RM63.4 million in the preceding year. The Group's profit before tax has increased by RM2.2 million from RM7.9 million in the preceding year to RM10.1 million in the current year. The increase in profit before tax was contributed by higher volume products sold by 17,000mt during the current quarter which is 225,000mt as compared to the preceding year of 208,000mt coupled with lower operating expenses incurred.

14. VARIATION OF RESULTS AGAINST IMMEDIATE PRECEDING QUARTER

RM'million	Current Quarter 30/09/2019	Immediate Preceding Quarter 30/06/2019	Changes (Amount / %)	
Revenue	33.8	30.4	3.4	11%
Profit Before Tax	5.7	4.4	1.3	29%

The Group registered higher revenue of RM33.8 million for the current quarter as compared to RM30.4 million in the immediate preceding quarter. Profit before tax increased by RM1.3 million from RM4.4 million in the immediate preceding quarter to RM5.7 million in the current quarter. The increase of the Group's profit before tax was mainly due to higher volume products sold by 11,000mt during the current quarter which is 118,000mt as compared to the immediate preceding quarter of 107,000mt.

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 2020.

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 income tax expenses:		
- Current period	1,290	2,300
Deferred tax expense	7	14
	<u>1,297</u>	<u>2,314</u>

The Group's effective tax rate for the current quarter is slightly lower than the Malaysia statutory tax rate due to non-taxable interest income.

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)

The basic and diluted earnings per share is calculated based on the Group's net profit attributable to Owners of the Company and a weighted average number of ordinary shares issued during the financial period:

	Current Quarter	Current Year To-Date
Profit attributable to owners of the Company (RM'000)	4,404	7,796
<u>Number of shares ('000)</u>		
Number of ordinary shares in issue as at beginning of year	245,395	245,395
Effect of exercise of ESOS	-	-
Weighted average number of ordinary shares in issue	<u>245,395</u>	<u>245,395</u>
Basic / Diluted EPS (sen)	<u>1.79</u>	<u>3.18</u>

* 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.

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	1,066	2,150
Loss/(Gain) on foreign exchange (realised)	-	-
Impairment loss on trade receivables	-	7
Interest expense	-	-
Interest income	(370)	(773)
Rental expense	474	938
Rental income	(62)	(111)
Reversal of impairment loss on receivables	(14)	(16)

25. TRADE AND OTHER RECEIVABLES

	As at 30/09/19 RM'000
Trade receivables (non-related parties)	50,903
Less : allowance for impairment loss	(17,465)
	<u>33,438</u>
Other receivables	625
	<u>34,063</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
Current	16,214
Past due :	
1 - 30 days	9,097
31 - 120 days	10,633
Above 120 days	14,959
	<u>34,689</u>
	50,903
Allowance for impairment loss	(17,465)
	<u>33,438</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 29 November 2019.