

**OKA CORPORATION BHD (519941-H)****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020**

	Unaudited 31/03/2020 RM'000	Audited 31/03/2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	69,907	71,786
Right-of-use assets	1,048	-
Investment property	2,658	2,713
Other investments	12	12
Deferred tax assets	1,491	1,713
	75,116	76,224
Current assets		
Inventories	41,190	41,109
Receivables, deposits and prepayments	27,231	30,750
Current tax assets	6,083	2,536
Cash and cash equivalents	52,065	49,545
	126,569	123,940
TOTAL ASSETS	201,685	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
Retained profits	88,088	84,533
TOTAL EQUITY	175,928	174,214
LIABILITIES		
Current Liabilities		
Trade and other payables	24,752	24,256
Contract liabilities	1,005	1,694
	25,757	25,950
TOTAL LIABILITIES	25,757	25,950
TOTAL EQUITY AND LIABILITIES	201,685	200,164
Net assets per share (RM)	0.72	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 31 MARCH 2020**

(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	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019		
RM'000	RM'000	%	RM'000	RM'000	%	
Revenue	24,890	31,549	-21%	118,922	129,034	-8%
Operating expenses	(23,897)	(28,566)	-16%	(105,321)	(115,762)	-9%
Other operating income	196	135	45%	869	776	12%
Profit from operations	1,189	3,118	-62%	14,470	14,048	3%
Finance costs	-	-	0%	-	-	0%
Profit before tax	1,189	3,118	-62%	14,470	14,048	3%
Income tax expense	158	(583)	-127%	(3,186)	(3,128)	2%
Profit for the period	1,347	2,535	-47%	11,284	10,920	3%
Other comprehensive income/(loss)	-	-	0%	-	-	0%
Total comprehensive income attributable to owners of the Company	1,347	2,535	-47%	11,284	10,920	3%
Earnings per share:						
Basic / Diluted (sen)	0.55	1.05	-48%	4.60	4.46	3%

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 31 MARCH 2020**

	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	-	-	-	11,284	11,284
Dividend to owners of the Company	-	-	-	(9,570)	(9,570)
Employee share options expired	-	-	(1,841)	1,841	-
At 31 March 2020	87,837	3	-	88,088	175,928
At 31 March 2018	87,808	3	1,847	91,995	181,653
Adjustment on initial application of MFRS 9, net of tax	-	-	-	(8,239)	(8,239)
At 1 April 2018, <i>restated</i>	87,808	3	1,847	83,756	173,414
Total comprehensive income for the period	-	-	-	10,920	10,920
Dividend to owners of the Company	-	-	-	(10,143)	(10,143)
Exercise of ESOS	23	-	-	-	23
Transfer to share capital for ESOS exercised	6	-	(6)	-	-
At 31 March 2019	87,837	3	1,841	84,533	174,214

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

**OKA CORPORATION BHD (519941-H)****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020**

	31/03/2020 RM'000	31/03/2019 RM'000
Cash flow from operating activities		
Net profit before tax	14,470	14,048
Adjustments for non-cash flows items	3,099	2,231
Operating profit before changes in working capital	<u>17,569</u>	<u>16,279</u>
Net change in current assets	1,744	11,010
Net change in current liabilities	1,501	(4,445)
Cash generated from operations	<u>20,814</u>	<u>22,844</u>
Income tax paid	(6,511)	(7,348)
Overdue interest received	51	15
Net cash from operating activities	<u>14,354</u>	<u>15,511</u>
Cash flow from investing activities		
Acquisition of property, plant and equipment	(3,151)	(14,888)
Acquisition of investment properties	-	(1,308)
Short-term deposits interest received	1,524	1,715
Proceeds from disposal of property, plant and equipment	79	54
Proceeds from disposal of assets held-for-sale	-	672
Payment of lease liabilities	(716)	-
Dividend income received	-	1
Net cash used in investing activities	<u>(2,264)</u>	<u>(13,754)</u>
Cash flow from financing activities		
Dividend paid to owners of the Company	(9,570)	(8,997)
Interest paid	-	-
Proceeds from issuance of shares arising from exercise of ESOS	-	23
Net cash used in financing activities	<u>(9,570)</u>	<u>(8,974)</u>
Net changes in cash and cash equivalents	<u>2,520</u>	<u>(7,217)</u>
Cash and cash equivalents at beginning of year	49,526	56,743
Cash and cash equivalents at end of period	(i) <u>52,046</u>	<u>49,526</u>
(i) Cash and cash equivalents comprise the following:		
Fixed deposits placed with a licensed bank	19	19
Short-term funds placed with financial institutions	49,871	43,997
Cash and bank balances	<u>2,175</u>	<u>5,528</u>
	52,065	49,545
Less: Pledged deposits	<u>(19)</u>	<u>(19)</u>
	<u>52,046</u>	<u>49,526</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
Annual Improvements to MFRSs	2015 - 2017 Cycle
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

The application of these standards, interpretation and amendments to MFRSs has no significant effect to the financial statements of the Group, except for MFRS 16 described below:-

MFRS 16 Leases

MFRS 16 replaces the guidance in MFRS 117 *Leases*, *IC Interpretation 4 Determining whether an Arrangement contains a Lease*, *IC Interpretation 115 Operating Leases – Incentives* and *IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

As a result, a piece of long-term leasehold land classified under Property, Plant and Equipment was reclassified to ROU assets on 01 April 2019.

	Increase RM'000
Impact to the Group financial statement as at 01 April 2019:-	
Assets	
Right-of-use assets	<u>1,271</u>

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

Dividends paid :

	Sen per share	Amount (RM)	Date of Payment
<u>Financial year ended 31 March 2019</u>			
- A final single-tier dividend	1.9	4,662,509.29	15-Nov-19
<u>Financial year ended 31 March 2020</u>			
- An interim single-tier dividend	2.0	4,907,907.00	30-Apr-20
		<u>9,570,416.29</u>	



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 RM81,050,000 (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 31 March 2020:-

	RM'000
Trade balance outstanding	4,337
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's Executive Share Option Scheme had expired on 04 January 2020 with remaining 7,343,400 unexercised share options being lapsed upon expiry.

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

Except as disclosed below, there were no other material capital commitments as at the end of current quarter.

	RM'000
Property, plant and equipment: Approved and contracted for	<u>1,080</u>

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 31/03/2020	Quarter 31/03/2019		To-Date 31/03/2020	Period 31/03/2019	
(RM'million)						
Revenue	24.9	31.5	(6.7) -21%	118.9	129.0	(10.1) -8%
Profit Before Tax	1.2	3.1	(1.9) -62%	14.5	14.0	0.4 3%

(a) Current Quarter vs Preceding Year Corresponding Quarter

The Group recorded lower revenue of RM24.9 million for the quarter under review as compared to RM31.5 million in the corresponding quarter of the preceding year. The Group's profit before tax decreased by RM1.9 million from RM3.1 million in the corresponding quarter of the preceding year to RM1.2 million in the current quarter. The decrease of the Group's profit before tax was mainly due to lower volume products sold by 18,000mt during the current quarter which is 82,000mt as compared to preceding year corresponding quarter of 100,000mt.

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

The Group registered lower revenue of RM118.9 million for the current period to-date as compared to RM129.0 million in the preceding year. The Group's profit before tax has slightly increased by RM0.4 million from RM14.0 million in the preceding year to RM14.5 million in the current year. The increase in profit before tax was mainly due to lower operating expenses during the current period to-date.

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

	Current Quarter	Immediate Preceding Quarter	Changes (Amount / %)	
RM'million	31/03/2020	31/12/2019		
Revenue	24.9	29.9	(5.0)	-17%
Profit Before Tax	1.2	3.2	(2.0)	-63%

The Group registered lower revenue of RM24.9 million for the current quarter as compared to RM29.9 million in the immediate preceding quarter. Profit before tax decreased by RM2.0 million from RM3.2 million in the immediate preceding quarter to RM1.2 million in the current quarter. The decrease of the Group's profit before tax was mainly due to lower volume products sold by 16,000mt during the current quarter which is 82,000mt as compared to the immediate preceding quarter of 98,000mt.

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 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. The Group expects FY 2021 to be challenging due to the effect of the uncertainties caused by the outbreak of COVID-19 which might affect the Group's performance.

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 expense:		
- Current period	(379)	2,868
- Underprovision for prior year	-	76
	(379)	2,944
Real property gain tax:		
- Underprovision for prior year	20	20
Deferred tax:		
- Current period	425	446
- Overprovision for prior year	(224)	(224)
	201	222
	(158)	3,186

The Group's effective tax rates are lower than the Malaysia statutory tax rate mainly due to realisation of certain deductible expenses which have been expensed off in prior years.

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 final dividend of 2.0 sen (2019 : 1.9 sen) per each ordinary share for the financial year ended 31 March 2020 subject to shareholders' approval at the forthcoming annual general meeting.

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)	1,347	11,284
<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	245,395	245,395
Basic / Diluted EPS (sen)	0.55	4.60

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	1,051	4,266
Depreciation of right-of-use assets	84	84
Loss on foreign exchange (realised)	-	14
Impairment loss on trade receivables	825	825
Interest expense	-	-
Interest income	(420)	(1,575)
Rental expense	229	1,813
Rental income	(56)	(222)
Reversal of impairment loss on receivables	(110)	(135)

25. TRADE AND OTHER RECEIVABLES

	As at 31/03/20 RM'000
Trade receivables (non-related parties)	39,189
Less : allowance for impairment loss	(12,742)
	26,447
Other receivables	784
	27,231

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	16,831
Past due :	
1 - 30 days	1,490
31 - 120 days	12,740
Above 120 days	8,128
	22,358
	39,189
Allowance for impairment loss	(12,742)
	26,447

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 30 June 2020.