



OKA CORPORATION BHD (519941-H)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Unaudited 30/06/2020 RM'000	Audited 31/03/2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	70,572	69,907
Right-of-use assets	1,018	1,048
Investment property	2,644	2,658
Other investments	12	12
Deferred tax assets	1,482	1,491
	75,728	75,116
Current assets		
Inventories	42,678	41,206
Receivables, deposits and prepayments	21,334	27,231
Current tax assets	7,548	6,083
Cash and cash equivalents	47,049	52,065
	118,609	126,585
TOTAL ASSETS	194,337	201,701
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	87,837	87,837
Fair value reserve	3	3
Retained profits	88,555	88,104
TOTAL EQUITY	176,395	175,944
LIABILITIES		
Current Liabilities		
Trade and other payables	16,760	24,752
Contract liabilities	1,182	1,005
	17,942	25,757
TOTAL LIABILITIES	17,942	25,757
TOTAL EQUITY AND LIABILITIES	194,337	201,701
Net assets per share (RM)	0.72	0.72

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Statements for the year ended 31 March 2020



OKA CORPORATION BHD (519941-H)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

(The figures have not been audited)

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT PERIOD	PRECEDING YEAR CORRESPONDING	Changes %	CURRENT YEAR	PRECEDING YEAR	Changes %
	QUARTER 30/06/2020 RM'000	QUARTER 30/06/2019 RM'000		TO-DATE 30/06/2020 RM'000	TO-DATE 30/06/2019 RM'000	
Revenue	13,570	30,398	-55%	13,570	30,398	-55%
Operating expenses	(13,550)	(26,272)	-48%	(13,550)	(26,272)	-48%
Other operating income	462	283	63%	462	283	63%
Profit from operations	482	4,409	-89%	482	4,409	-89%
Finance costs	-	-	0%	-	-	0%
Profit before tax	482	4,409	-89%	482	4,409	-89%
Income tax expense	(31)	(1,017)	-97%	(31)	(1,017)	-97%
Profit for the period	451	3,392	-87%	451	3,392	-87%
Other comprehensive income/(loss)	-	-	0%	-	-	0%
Total comprehensive income attributable to owners of the Company	451	3,392	-87%	451	3,392	-87%
Earnings per share:						
Basic / Diluted (sen)	0.18	1.38	-87%	0.18	1.38	-87%

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 2020



OKA CORPORATION BHD (519941-H)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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 2020	87,837	3	-	88,104	175,944
Total comprehensive income for the period	-	-	-	451	451
Dividend to owners of the Company	-	-	-	-	-
At 30 June 2020	87,837	3	-	88,555	176,395
At 1 April 2019	87,837	3	1,841	84,533	174,214
Total comprehensive income for the period	-	-	-	3,392	3,392
Exercise of ESOS	-	-	-	-	-
Transfer to share capital for ESOS exercised	-	-	-	-	-
At 30 June 2019	87,837	3	1,841	87,925	177,606

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2020



OKA CORPORATION BHD (519941-H)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020**

	30/06/2020 RM'000	30/06/2019 RM'000
Cash flow from operating activities		
Net profit before tax	482	4,409
Adjustments for non-cash flows items	798	625
Operating profit before changes in working capital	1,280	5,034
Net change in current assets	4,425	(3,102)
Net change in current liabilities	(7,993)	(2,439)
Cash used in operations	(2,288)	(507)
Income tax paid	(1,486)	(1,595)
Overdue interest received	8	8
Net cash used in operating activities	(3,766)	(2,094)
Cash flow from investing activities		
Acquisition of property, plant and equipment	(1,605)	(697)
Short-term deposits interest received	315	395
Proceeds from disposal of property, plant and equipment	3	25
Payment of lease liabilities	(141)	-
Net cash used in investing activities	(1,428)	(277)
Cash flow from financing activities		
Proceeds from disposal of property, plant and equipment	178	-
Net cash from financing activities	178	-
Net changes in cash and cash equivalents	(5,016)	(2,371)
Cash and cash equivalents at beginning of year	52,046	49,526
Cash and cash equivalents at end of period	(i) 47,030	47,155
(i) Cash and cash equivalents comprise the following:		
Fixed deposits placed with a licensed bank	19	19
Short-term funds placed with financial institutions	43,675	43,279
Cash and bank balances	3,355	3,876
	47,049	47,174
Less: Pledged deposits	(19)	(19)
	47,030	47,155

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2020

**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 2020.

The significant accounting policies adopted are consistent with those of the audited financial statements of the Group for the financial year ended 31 March 2020, except the adoption of the following amendments to MFRSs mandatory for annual financial periods beginning on or after 1 April 2020.

Amendments to MFRS 3:	Definition of a Business
Amendments to MFRS 101 and MFRS 108:	Definition of Material
Amendments to MFRS 9, MFRS 139 and MFRS 7:	Interest Rate Benchmark Reform
Amendments to MFRS 9:	Financial Instruments
Amendments to MFRS 16:	Leases – Covid-19-Related Rent Concessions
MFRS17:	Insurance Contracts

The initial application of the accounting standards, interpretations or amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Group.

2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the financial year ended 31 March 2020 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 interim dividend of 2.0 sen per each ordinary share which declared on 24 February 2020 (2019 : 1.8 sen single-tier) amounting to RM4,907,907 for the financial year ended 31 March 2020 was paid on 30 April 2020.

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 2020: RM81,050,000) 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 2020:-

	RM'000
Trade balance outstanding	3,155
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 were no other 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 30/06/2020	Quarter 30/06/2019		To-Date 30/06/2020	Period 30/06/2019	
Revenue	13.6	30.4	(16.8) -55%	13.6	30.4	(16.8) -55%
Profit Before Tax	0.5	4.4	(3.9) -89%	0.5	4.4	(3.9) -89%

The ongoing coronavirus ("COVID-19") outbreak and the unprecedented Movement Control Order ("MCO") declared by the Malaysian Government with effect from 18 March 2020, has resulted in disruptions to our Group's business and operations as no delivery of goods could be made during the MCO period. Fixed overhead cost i.e labour cost, still incurred while factory plants were shut down.

(a) Current Quarter vs Preceding Year Corresponding Quarter

As a result of the above mentioned control measures, the Group recorded lower revenue of RM13.6 million for the quarter under review as compared to RM30.4 million in the corresponding quarter of the preceding year. The Group's profit before tax decreased by RM3.9 million from RM4.4 million in the corresponding quarter of the preceding year to RM0.5 million in the current quarter. The decrease of the Group's profit before tax was mainly due to lower volume products sold by 62,000mt during the current quarter at 45,000mt as compared to preceding year corresponding quarter of 107,000mt.

14. VARIATION OF RESULTS AGAINST IMMEDIATE PRECEDING QUARTER

(RM'million)	Current Quarter 30/06/2020	Immediate Preceding Quarter 31/03/2020	Changes (Amount / %)
Revenue	13.6	24.9	(11.3) -45%
Profit Before Tax	0.5	1.2	(0.7) -59%

The Group registered lower revenue of RM13.6 million for the current quarter as compared to RM24.9 million in the immediate preceding quarter. Profit before tax decreased by RM0.7 million from RM1.2 million in the immediate preceding quarter to RM0.5 million in the current quarter. The decrease of the Group's profit before tax was mainly due to lower volume products sold by 39,000mt during the current quarter at 45,000mt as compared to the immediate preceding quarter of 84,000mt.

15. CURRENT YEAR PROSPECTS

The COVID-19 pandemic will undeniably have an adverse impact to the globally markets and businesses including us. However, the Management believes the impact by the pandemic to the Group is manageable as most of our on-going projects are expected to carry us through the year 2020.

Barring any unforeseen circumstances, the Board of Directors is optimistic that the performance of the Group will remain satisfactory for the financial year ending 2021 amidst a very challenging global economic environment.

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
Income tax expense:		
- Current period	22	22
Deferred tax:		
- Current period	9	9
	<u>31</u>	<u>31</u>

The Group's effective tax rate is lower than the Malaysia statutory tax rate mainly due to non-taxable interest income coupled with 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)

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)	451	451
<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)	0.18	0.18

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	990	990
Depreciation of right-of-use assets	10	10
Impairment loss on trade receivables	384	384
Interest expense	-	-
Interest income	(323)	(323)
Rental expense	118	118
Rental income	(56)	(56)
Reversal of impairment loss on receivables	(51)	(51)

25. TRADE AND OTHER RECEIVABLES

	As at 30/06/20 RM'000
Trade receivables (non-related parties)	33,706
Less : allowance for impairment loss	(13,057)
	20,649
Other receivables	685
	21,334

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	9,210
Past due :	
1 - 30 days	1,503
31 - 120 days	12,361
Above 120 days	10,632
	24,496
	33,706
Allowance for impairment loss	(13,057)
	20,649

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 28 August 2020.