

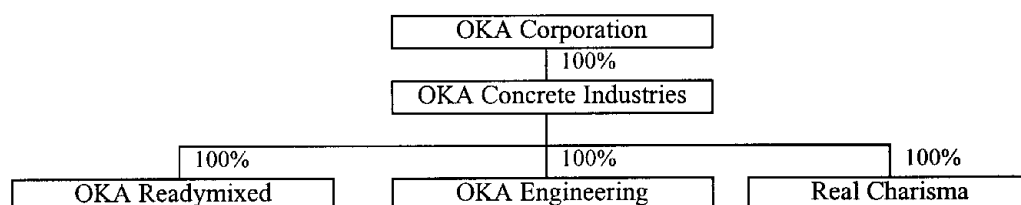
4. INFORMATION ON OKA CORPORATION GROUP

4.1 History and Business of OKA Corporation

Incorporation

OKA Corporation was incorporated in Malaysia as a private company under the name of OKA Corporation Sdn Bhd on 12 July 2000 under the Companies Act 1965. It assumes its present name when it converted to a public limited company on 22 December 2000 to facilitate the listing of the OKA Corporation Group on the Second Board of the KLSE. OKA Corporation is principally an investment holding company with four (4) wholly owned subsidiaries involved in manufacturing and trading of reinforced and prestressed concrete piles and the provision of transportation services.

The corporate structure of OKA Corporation Group is as follows



Details of the subsidiaries are as follows:-

Name	Date and place of incorporation	Issued and paid-up share capital	Effective equity interest (%)	Principal activity
OKA Concrete Industries	19 February 1981 Malaysia	RM1,051,717	100	Manufacture and sale of pre-cast concrete products
OKA Readymixed	9 January 1995 Malaysia	RM2	100	Trading of ready mixed concrete
OKA Engineering	7 January 1995 Malaysia	RM2	100	Trading and manufacture of prestressed and reinforced concrete piles and manufacture of ready mix concrete.
Real Charisma	13 August 1997 Malaysia	RM100,000	100	Providing transportation services and other related services

OKA Corporation has no associate companies.

4. INFORMATION ON OKA CORPORATION GROUP

4.2 Share Capital and Changes in Share Capital

The present authorised share capital is RM100,000,000 comprising 100,000,000 ordinary shares of RM1.00 each of which RM33,197,000 have been issued and fully paid-up comprising 33,197,000 ordinary shares of RM1.00 each. The Company has no outstanding warrants, options, convertible securities and uncalled capital.

The changes in the issued and paid-up share capital of OKA Corporation since its incorporation are as follows:-

Date of Allotment	No. of Ordinary Shares	Par Value RM	Consideration	Total Issued and Paid-up Share Capital RM
12 July 2000	3	1.00	Cash	3.00
19 October 2000	99,997	1.00	Cash	100,000
31 January 2002	21,838,748	1.00	Acquisitions	21,938,748
18 March 2002	11,258,252	1.00	Rights Issue	33,197,000

4.3 Restructuring

In conjunction with, and as an integral part of the listing of and quotation for the entire enlarged issued and paid-up share capital of OKA Corporation on the Second Board of the KLSE, the Company undertook the following exercises:-

(a) Acquisition of OKA Concrete Industries

OKA Corporation entered into a conditional sale and purchase agreement to acquire the entire issued and paid-up share capital of OKA Concrete Industries comprising 1,051,717 ordinary shares of RM1.00 each based on its adjusted NTA value as at 31 March 2000 of RM28,171,985 after incorporating revaluation surplus of RM7,601,086 on OKA Concrete Industries's landed properties. The purchase consideration of RM28,171,985 was satisfied by the issuance of 21,838,748 new ordinary shares of RM1.00 each in OKA Corporation, credited as fully paid, at an issue price of approximately RM1.29 per ordinary share to the following parties:-

Name of vendors	No. of shares held in OKA Concrete Industries	%	Purchase consideration RM	No of OKA Corporation Shares issued
Ong Koon Ann	976,717	92.87	26,162,986	20,281,384
Quah Seok Keng	75,000	7.13	2,008,999	1,557,364
	1,051,717	100.00	28,171,985	21,838,748

(b) Rights Issue

Subsequent to the Acquisition of OKA Concrete Industries Group, the Company undertook a rights issue of 11,258,252 new ordinary shares of RM1.00 each at an issue price of RM1.29. The rights shares rank pari passu in all respects with the existing ordinary shares of OKA Corporation including voting rights and the rights to dividends that may be declared subsequent to the completion of the Public Issue.

4. INFORMATION ON OKA CORPORATION GROUP

(c) Public Issue and Offer For Sale

The final stage of the Listing involves a Public Issue of 6,803,000 new ordinary shares of RM1.00 each at an issue price of RM1.80 per ordinary share and the Offer for Sale of 11,297,000 ordinary shares of RM1.00 at an offer price of RM1.80 per ordinary share, are payable in full on application upon such terms and conditions as set out in this Prospectus. The Public Issue /Offer Shares totalling 18,100,000 ordinary shares of RM1.00 each will be allocated in the following manner:

(i) Allocations Via Balloting To The Malaysian Public

1,500,000 Shares representing 3.75% of the enlarged issued and paid-up share capital will be made available for application to the Malaysian Public, of which at least 30% is to be set aside for bumiputra individuals, companies, societies, co-operatives and institutions.

(ii) Application By Directors, Eligible Employees And Business Associates

2,000,000 Shares representing 5% of the enlarged issued and paid-up share capital have been reserved for eligible directors, employees and business associates of the Group.

(iii) Private Placement By The Placement Agent

2,600,000 Shares representing 6.5% of the enlarged issued and paid-up share capital will be placed with Malaysian Public investors by the Placement Agent of which 30% is to be set aside for Bumiputra investors.

(iv) Allocations to Bumiputra Investors Approved By MITI

12,000,000 Shares representing 30% of the enlarged issued and paid-up share capital to be allocated to bumiputra investors approved by MITI.

All the new ordinary shares issued pursuant to the Public Issue will rank *pari passu* in all respects with the existing ordinary shares of OKA Corporation including voting rights and the rights to dividends that may be declared subsequent to the date of this Prospectus.

4.4 Subsidiary Companies

OKA Concrete Industries (Company No: 67634-M)
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i) History and Business Overview

OKA Concrete Industries being the core subsidiary, was incorporated in Malaysia on 19 February 1981 under the Companies Act 1965, and had first commenced business as a bricks supplier back then under the stewardship of Ir Ong Koon Ann, the founder of OKA Corporation Group on a piece of 5-acre land. In 1984, OKA Concrete Industries began to diversify its operations into manufacturing concrete products for drainage and sewerage application ie pipe culverts, box culverts, porous pipes and etc. To date, the Group is principally involved in the manufacturing of concrete products for use mainly in the infrastructure sector.

4. INFORMATION ON OKA CORPORATION GROUP

It has progressively grown to the current 40-acre land and managed by a local team of professionals and civil engineers. The following are the main range of concrete products manufactured by OKA Concrete Industries:-

- a) *Reinforced precast concrete box culverts and U-shape drains* which are suitable for construction of tunnels, open drains and sumps and are designed for waterways where an open channel is necessary;
- b) *Reinforced concrete L-shape retaining walls* which are commonly used for the construction of retaining walls, open drains and storage walls;
- c) *Concrete porous pipe and vertical cast reinforced concrete pipe culverts* which are used under-road subsoil drainage;
- d) *Spun reinforced concrete pipe culverts* which is mainly used for concealed drainage and sewerage application;
- e) *Reinforced concrete manholes* which is used as service junction for underground sewerage or drainage;
- f) *Reinforced precast concrete large diameter pipe* which are suitable for service tunnel, storage tank silos and storm water drain; and
- g) *Reinforced concrete piles and prestressed concrete square piles* which are used for foundation purpose for low to medium rise building, pedestrian and other short span bridges;

ii) Share Capital

The present authorised share capital is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each of which RM1,051,717 have been issued and fully paid-up comprising 1,051,717 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of OKA Concrete Industries since its incorporation are as follows:-

Date of allotment	No. of shares allotted	Par value (RM)	Consideration	Total issued and paid-up share capital (RM)
19.02.81	2	1.00	Subscribers' shares	2
07.09.81	199,998	1.00	Cash	200,000
16.09.91	300,000	1.00	Cash	500,000
18.07.97	551,717	1.00	Issued at par for the acquisition of landed properties	1,051,717

4. INFORMATION ON OKA CORPORATION GROUP

iii) Major Shareholder

OKA Concrete Industries is a wholly owned subsidiary of OKA Corporation.

iv) Financial Information based on audited accounts for the past five (5) financial years ended 31 March 1997 to 2001 and 7-month period ended 31 October 2001 are as follows:

	Financial Year Ended 31 March					
	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000	7-Month Period Ended 31 October 2001 RM'000
Revenue	25,808	34,270	22,352	27,924	25,656	17,465
EBIDTA	6,716	8,256	7,484	9,095	9,858	6,187
Less:						
Interest						
- overdraft	3	2	-	-	1	-
- hire purchase	81	126	134	84	31	6
Depreciation and amortisation	1,498	1,949	1,884	1,998	1,967	841
Exceptional item	-	-	-	-	-	-
Share of profits and losses of associated corporations and joint ventures	-	-	-	-	-	-
Profit before taxation	5,134	6,179	5,466	7,013	7,859	5,340
Taxation	(1,576)	(1,759)	45	(1,612)	(1,984)	(1,463)
Profit from ordinary activities	3,558	4,420	5,511	5,401	5,875	3,877
Extraordinary items	-	-	-	-	-	-
Net profit	3,558	4,420	5,511	5,401	5,875	3,877
Number of shares ('000)	500	1,052	1,052	1,052	1,052	1,052
Weighted average number of shares ('000)	500	891	1,052	1,052	1,052	1,052
Gross basic EPS (RM)	10.27	6.93	5.19	6.67	7.47	8.70*
Net basic EPS (RM)	7.12	4.96	5.24	5.13	5.58	6.32*
Diluted EPS (RM)	7.12	4.96	5.24	5.13	5.58	6.32*
Gross dividend rate (%)	100	100	100	-	550	314

* *annualised*

Commentary on financial information:

- a) Increase in turnover for the financial year ended 31 March 1997 and 1998 were due to the following:
- The substantial increase in turnover in the financial year 1997 of 81% compared to the financial year 1996 was mainly due to supplies required in the major infrastructure projects at that time which include Kuala Lumpur International Airport, Pos Slim-Cameron Highlands highway, Pilmore Estate-Sime UEP Housing and Light Railway Transit project in Kuala Lumpur.

4. INFORMATION ON OKA CORPORATION GROUP

- Turnover in financial year 1998 was significantly higher compared to all the years under review due to the favourable economic growth in construction industry in 1996 and 1997 coupled with the company's plant expansion in the financial years 1997 and 1998.
- b) In the financial year 1999, sales were affected by economic downturn in the country in the calendar year 1998 which started in late 1997. Both the private and government projects were adversely affected by the slowdown. Projects in certain districts of Putrajaya for example, were delayed, thus, reducing demand for the building materials. However, profits for the year did not decrease proportionately with the decrease in turnover mainly due to the reduction in the raw material prices during the economic downturn. This has mitigated the adverse effect to the Group's profits for year 1999.
- c) Increase in turnover for the financial year ended 31 March 2000 was due to recovery in the Malaysian economy as a result of successful government policies that has encouraged the growth in the infrastructure industry such as drainage/ sewerage projects, building of schools and promoting more low to medium cost housing schemes.

However, profit after taxation for the year 2000 has decreased as compared to year 1999 mainly due to the tax waiver year declared for income earned in financial year 1999.
- d) Turnover in financial year 2001 decreased by 8% compared to year 2000 due to the decrease in sales of square piles, readymix concrete and other concrete products as OKA Engineering had commenced production in these products from July 2000 and activities relating to this have been transferred to OKA Engineering accordingly. Nevertheless, profits has increased as compared to the previous year mainly due to higher gross profits margin earned from the sales of concrete products as compared to square piles and readymix concrete.
- e) On the other hand, increase in turnover, on an annualised basis for the seven-month period ended 31 October 2001, was primarily due to additional sales made during the period resulted from higher demand for concrete products from several major infrastructure projects implemented by the Government during this financial period.
- f) The effective tax rate for financial years 2000 and 2001 were lower than statutory rate due to the utilisation of reinvestment allowances. Effective tax rate for financial years 1997 and 1998 were consistent with the statutory rate of its respective years.

4. INFORMATION ON OKA CORPORATION GROUP

v) Subsidiary and Associated Companies

Subsidiary companies

Name of company	Date/Place of incorporation	Issued and paid-up share capital (RM)	Effective equity interest (%)	Principal activities
OKA Readymixed	09.01.95 Malaysia	2	100	Trading of ready mix concrete
OKA Engineering	07.01.95 Malaysia	2	100	Trading and manufacture of prestressed and reinforced concrete piles and manufacture of ready mix concrete.
Real Charisma	13.08.97 Malaysia	100,000	100	Providing transportation services and other related services

OKA Concrete Industries does not have any associated company.

OKA Readymixed (Company No: 329980-T)

i) History and Business

OKA Readymixed was incorporated in Malaysia under the Companies Act, 1965 on 9 January 1995 under the name of Panduan Teknik Sdn Bhd. The company assumed its present name on 3 August 1995. Its main principal activity is trading of readymix concrete. Presently, there are approximately eight (8) other players competing directly with OKA Readymixed in supplying readymix in the similar geographical market.

(ii) Share Capital

The present authorised share capital is RM100,000 comprising 100,000 ordinary shares of RM1.00 each of which RM2 have been issued and fully paid-up comprising 2 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of OKA Readymixed since its incorporation are as follows:-

Date of allotment	No. of shares allotted	Par value (RM)	Consideration	Total issued and paid-up share capital (RM)
09.01.95	2	1.00	Subscribers' shares	2

(iii) Major Shareholder

OKA Readymixed is the wholly owned subsidiary of OKA Concrete Industries.

4. INFORMATION ON OKA CORPORATION GROUP

- (iv) **Financial Information based on audited accounts for the past five (5) financial years ended 31 March 1997 to 31 March 2001 and 7-month period ended 31 October 2001 are as follows:-**

	Financial Year Ended 31 March					
	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000	7-Month Period Ended 31 October 2001 RM'000
Revenue	2,145	961	1,269	2,112	2,913	2,329
EBIDTA	3	(143)	(247)	(151)	(84)	12
Less:						
Interest						
- overdraft	-	-	-	-	-	-
- hire purchase	-	-	-	-	-	-
Depreciation and amortisation	9	9	9	9	9	-
Exceptional item	-	-	-	-	-	-
Share of profits and losses of associated corporations and joint ventures	-	-	-	-	-	-
Loss before taxation	(6)	(152)	(256)	(160)	(93)	12
Taxation	-	-	-	-	-	-
Loss/ profit from ordinary activities	(6)	(152)	(256)	(160)	(93)	12
Extraordinary item	-	-	-	-	-	-
	(6)	(152)	(256)	(160)	(93)	12
Number of shares ('000)	*	*	*	*	*	*
Gross basic EPS (RM'000)	(3)	(76)	(128)	(80)	(46)	10**
Net basic EPS (RM'000)	(3)	(76)	(128)	(80)	(46)	10**
Fully diluted EPS (RM)	-	-	-	-	-	-
Gross dividend rate (%)	-	-	-	-	-	-

* 2 ordinary share of RM1.00 each

** Annualised

Commentary on financial information:

OKA Readymixed was set up in 1995 with the intention of marketing readymix to complement the Group's activities. OKA Readymixed has incurred losses for all financial years mentioned above mainly due to high fixed overhead costs and provisions for doubtful debts as a result of the economic down turn. However, the company's result is improving as reflected in financial year ended 31 March 2001 and 7-month financial period ended 31 October 2001.

- (v) **Subsidiary and Associated Companies**

OKA Readymixed does not have any subsidiary or associated companies.

4. INFORMATION ON OKA CORPORATION GROUP (Cont'd)

**OKA Engineering
(Company No: 329917-W)****i) History and Business**

OKA Engineering was incorporated in Malaysia under the Companies Act, 1965 on 7 January 1995 under the name of Dimensional Structure Sdn Bhd. The company assumed its present name on 3 August 1995. OKA Engineering operates in Ipoh and the principal activities of is trading of prestressed and reinforced concrete piles. The products are marketed all over Malaysia, which cover up to Johor and Kelantan states. OKA Engineering is one of the largest suppliers of small size piles, which are normally used for single and double storey houses and shops replacing the traditional timber piles. Small quantities are also sold to customers in Labuan and Myanmar. The company has commenced manufacturing operations for readymix, prestressed and reinforced concrete piles and other concrete products commencing July 2000.

(ii) Share Capital

The present authorised share capital is RM100,000 comprising 100,000 ordinary shares of RM1.00 each of which RM2 have been issued and fully paid-up comprising 2 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of OKA Engineering since its incorporation are as follows:-

Date of allotment	No. of shares allotted	Par value (RM)	Consideration	Total issued and paid-up share capital (RM)
07.01.95	2	1.00	Subscribers' shares	2

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4. INFORMATION ON OKA CORPORATION GROUP (Cont'd)

(iii) Financial Information based on audited accounts for the past five (5) financial years ended 31 March 1997 to 2001 and 7-month period ended 31 October 2001 are as follows:

	Financial Year Ended 31 March					
	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000	7-Month Period Ended 31 October 2001 RM'000
Revenue	4,116	5,299	2,637	4,749	8,069	6,919
EBIDTA	321	341	(75)	82	73	191
Less:						
Interest						
- overdraft	-	-	-	-	-	-
- hire purchase	4	4	4	-	-	-
Depreciation and amortisation	21	21	21	21	64	40
Exceptional item	-	-	-	-	-	-
Share of profits and losses of associated corporations and joint ventures	-	-	-	-	-	-
Profit/ loss before taxation	296	316	(100)	61	9	151
Taxation	(90)	(81)	(4)	(18)	4	(28)
Profit/ loss from ordinary activities	206	235	(104)	43	13	123
Extraordinary item	-	-	-	-	-	-
Net profit/ loss	206	235	(104)	43	13	123
Number of shares ('000)	*	*	*	*	*	*
Gross basic EPS (RM'000)	148	158	(50)	30	4	129**
Net basic EPS (RM'000)	103	118	(52)	22	7	105**
Fully diluted EPS (RM)	103	118	(52)	22	7	105**
Gross dividend rate (%)	-	-	-	-	-	-

* 2 ordinary share of RM1.00 each

** Annualised

Commentary on the past 5 years financial information:

- 1997 turnover has recorded a substantial increase as compared to 1996 due to the boom in the construction industry and demand for housing towards the first three quarters of the year. The global economic crisis during the end of 1997 has resulted in the drastic decrease in the results of the year concerned.
- However, with the government home ownership campaign, demand for low to medium costs houses has increased significantly. This has resulted in positive results in year 2000 and 2001. Furthermore, with the transfer of some manufacturing activities from the OKA Concrete Industries to OKA Engineering during financial year ended 31 March 2001, OKA Engineering turnover has increased tremendously. Despite the increase in its turnover, profits for the year has decreased mainly due to lower profit margin earned for the year. Prior to the transfer, OKA Engineering earned a fixed 10% profit as the marketing agent to OKA Concrete Industries.

4. INFORMATION ON OKA CORPORATION GROUP (Cont'd)

- In addition, the government has proceeded with the construction of schools and clinics, which has further increased the demand for reinforced concrete piles. (OKA Engineering mainly deals in the manufacturing and marketing of reinforced and prestressed concrete piles.)
- No provision for taxation is required for financial year 1999 as this was a tax free year. In addition, there was no provision for financial year 2001 due to utilisation of capital allowances. The effective tax rates for financial years 1997, 1998 and 2000 were consistent with the statutory rates in the respective years.

(iv) **Major Shareholder**

OKA Engineering is a wholly owned subsidiary of OKA Concrete Industries.

(v) **Subsidiary and Associated Companies**

OKA Engineering does not have any subsidiary or associated companies.

**Real Charisma
(Company No: 442658-1)**

i) **History and Business**

Real Charisma was incorporated in Malaysia under the Companies Act, 1965 on 13 August 1997 and operates in Ipoh. The principal activities are provision of transportation services and other related services. Hence, the main revenue is rental of cargo and readymix lorries. In addition, the company plays an important role in provision of transportation services to companies within the Group.

(ii) **Share Capital**

The present authorised share capital is RM100,000 comprising 100,000 ordinary shares of RM1.00 each of which RM100,000 have been issued and fully paid-up comprising 100,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of Real Charisma since its incorporation are as follows:-

Date of allotment	No. of shares allotted	Par value (RM)	Consideration	Total issued and paid-up share capital (RM)
13.08.97	2	1.00	Subscribers' shares	2
01.09.97	99,998	1.00	Cash	100,000

4. INFORMATION ON OKA CORPORATION GROUP (Cont'd)

(iii) **Financial Information based on audited accounts since incorporation on 13 August 1997 to the financial year ended 31 March 2001 and the 7-month period ended 31 October 2001 are as follows:-**

	Period from 13.08.97 to 31.12.98 RM'000	Period from 1.01.99 to 31.03.00 RM'000	Financial Year Ended 31 March 2001 RM'000	Period from 1.04.01 to 31.10.01 RM'000
Revenue	-	184	288	168
EBIDTA	(2)	71	98	42
Less:				
Interest				
- overdraft	-	-	-	-
- hire purchase	-	-	-	-
Depreciation and amortisation	-	58	100	59
Exceptional item	-	-	-	-
Share of profits and losses of associated corporations and joint ventures	-	-	-	-
Profit before taxation	(2)	13	(2)	(17)
Taxation	-	(4)	1	3
Profit/ loss from ordinary activities	(2)	9	(1)	(14)
Extraordinary item	-	-	-	-
Net profit/ loss	(2)	9	(1)	(14)
Number of shares ('000)	100	100	100	100
Gross basic EPS (RM)	(0.02)	0.13	(0.02)	(0.29)*
Net basic EPS (RM)	(0.02)	0.09	(0.01)	(0.24)*
Fully diluted EPS (RM)	(0.02)	0.09	(0.01)	(0.24)*
Gross dividend rate (%)	-	-	-	-

* *Annualised*

(iv) Major Shareholder

Real Charisma is a wholly owned subsidiary of OKA Concrete Industries.

(v) Subsidiary and Associated Companies

Real Charisma does not have any subsidiary or associated companies.

4.5 Business Overview**(a) Principal Products And Services**

OKA Corporation Group manufactures and produces a wide range of concrete products to cater for various requirements of the market. Its products are mainly for use in drainage and sewerage works. Brief details on the existing products of OKA Corporation Group are as follows:-

4. INFORMATION ON OKA CORPORATION GROUP (Cont'd)

i) Reinforced precast concrete box culverts

- OKA Corporation Group's precast concrete box culverts are suitable for use in culvert works.
- They are designed to withstand direct traffic loads and can be placed directly under the road surfacing or pavement level and able to take more severe loading than the standard culvert pipes.
- These culvert boxes are suitable for construction of tunnels, open drains and sumps.

ii) Reinforced concrete U-shape drains

These are divided into two different categories ie open "U" shape drain and open "U" shape drain with a dry weather flow section. Both drains are designed for waterways where an open channel is necessary.

iii) Reinforced concrete piles

OKA Corporation Group reinforced concrete piles are used for foundation purpose.

iv) Reinforced concrete L-shape retaining walls

These are common in use for constructing retaining walls, open drains and storage walls.

v) Prestressed concrete square piles

- Prestressed piles are produced by installing pretensioned longitudinal steel, which are stressed to between 70% and 80% of its characteristics breaking stress.
- They are most suitable for the low and medium rise building; pedestrian and other short span bridges, factories construction, retaining walls, large drains and culverts, road and bridge embankments and for temporary structures.
- These piles are in great demand in the light engineering structures and a direct replacement for timber piles .

vi) Concrete porous pipe

- OKA Corporation Group concrete porous pipes are manufactured by a combination of high frequency vibration and extrusion method which produces a strong pipe of high and consistent quality and are extensively used for sub-soil drainage.
- Concrete porous pipe is suitable to be used in a humid climate like Malaysia, as its strength is much greater than the ordinary clay subsoil pipe. Its strength increases with age as it remain unaffected by the absorption of moisture or variations in climate condition. Hence, it is a superb choice for land drainage purposes.
- These pipes ensure rapid removal of all surplus water, yet by capillary attraction, retain sufficient moisture in the soil to promote healthy condition of the turf.
- These pipes are being used in ever-increasing numbers under road-verges for subsoil drainage and the removal of surplus water on railways, highways, aerodromes, golf courses, housing sites, recreation ground, race tracks, tennis courts etc.

4. INFORMATION ON OKA CORPORATION GROUP (Cont'd)

vii) Vertical cast reinforced concrete pipe culverts and Spun reinforced concrete pipes culverts

- The difference between these products is the manufacturing process. The vertical casting machine, which is faster as compared to production of spun reinforced concrete pipe culverts using the spinning machine, produces vertical cast reinforced concrete pipe culverts.
- Concrete pipe culverts are used for concealed drainage or sewerage application.
- Concealed drainage, is gaining increasing popularity due to space savings as compared to surface drainage.
- Pipe culverts are also used for road crossings which enable the drains to flow beneath the roads.

viii) Reinforced concrete manholes

Reinforced concrete manholes are commonly used by housing developers and the usage is specified by the Jabatan Perkhidmatan Pembetulan and Indah Water for sewerage application.

ix) Reinforced concrete large diameter pipe

These large diameter pipes are designed and manufactured to stand abrasion effect. They are used for installation of large water tanks, storage tank silos, storm water drains and constructing of service tunnels.

Most of OKA Corporation Group's products are approved by the Standards & Industrial Research Institute of Malaysia (SIRIM). All designs and specifications of OKA Corporation's products conform with the requirements of the relevant Malaysian authorities such as JKR and Jabatan Perkhidmatan Pembetulan.

(b) Estimated Market Share

OKA Corporation Group management believes that they have captured approximately 12% of the precast concrete products market for drainage and sewerage applications.

(c) Production Facilities

The Group's administrative office is presently at a rented premise belonging to Ir Ong Koon Ann and situated not far away from its manufacturing plant. Its present manufacturing plant is strategically located in lots 65305, 65306, 65315, 65316, 65317, 65318, 65319 and 65320, Mukim of Sungai Trap, District of Kinta i.e. about eighteen (18) km from Ipoh, Perak. The manufacturing plant has expanded considerably since its incorporation in year 1981 under the stewardship of Ir Ong Koon Ann, the founder of the Group. The plant covers a total land area of 40-acre and the Group manufactures wide range of products, which includes a comprehensive range of concrete products for use mainly in the infrastructure sector.

4. INFORMATION ON OKA CORPORATION GROUP (Cont'd)

As at to date OKA Corporation Group has the following production lines:

- i) Spinning machines for the production of RC spun pipes for drainage and sewerage application
- ii) Automated vertical cast machines for the production of automated vertical cast pipes and vertical cast porous pipes
- iii) Reinforced box culverts/ "U" drains for the production of reinforced concrete box culverts
- iv) Reinforced and prestressing concrete piles sections
- v) Manual vertical cast machines for the production of porous pipes
- vi) Manual vertical cast machines for the production of large diameter pipes
- vii) Computerised readymix batching plants
- viii) Lorries for transportation of products

Presently, OKA Corporation's manufacturing plant operates on a single shift and produces up to 700 to 900 metric tonnes of concrete products daily. This represents approximately 50% of its daily production capacity. Currently more than 80% of the Group's concrete products are produced manually or with minimum automation.

Details of OKA Corporation Group's sales volume for year ended 31 March 2001 and 7-month period ended 31 October 2001 in accordance with type of products are as below:-

	Volume			
	Year ended 31 March 2001		7-month period ended 31 October 2001	
	Metric Tonnes'000	%	Metric Tonnes'000	%
U- drains	18.6	8.5	14.7	9.3
Box culverts	16.8	7.7	14.5	9.2
Porous pipes	0.8	0.4	0.7	0.5
Spun pipes	49.9	22.7	43.2	27.4
L- shape retaining wall	3.4	1.6	1.1	0.7
Manholes	18.7	8.5	11.5	7.3
Square piles	37.6	17.1	13.1	8.3
Large diameter pipes	3.8	1.7	3.5	2.2
Readymix concrete	69.6	31.7	55.0	34.9
Others	0.3	0.1	0.2	0.2
	219.5	100.0	157.5	100.0

(d) Principal markets, methods and network of distribution

OKA Corporation Group sells its products directly to contractors as well as through distributors. More than 90% of the Group sales are within all states of Peninsular Malaysia whilst the balance is distributed in East Malaysia (except for Sarawak). OKA Corporation Group supplies to contractors and developers who are mainly engaged in infrastructure projects, which involve drainage, sewerage, construction of new roads and extension of existing roads. Some of these contractors are involved in high profile works such as detailed below:-

4. INFORMATION ON OKA CORPORATION GROUP (Cont'd)

Projects	Customers	Approximate Sales value RM	Types of products supplied	Year of completion
Putrajaya Development	<ul style="list-style-type: none"> - Hong Leong Marketing Co Berhad; - Felda Ekovest Sdn Bhd; - Peremba Trading Sdn Bhd; - Perwik Sdn Bhd - KCB Trading Sdn Bhd; - Satria Desa Corporation Sdn Bhd; - CMCM Perniagaan Sdn Bhd; - Pati Sdn Bhd; - Advancecon Sdn Bhd; - Firmas Concreate Sdn Bhd; - Jadi CL Marketing Sdn Bhd; - Keng Jaya Sdn Bhd; - Kamunting Construction Sdn Bhd; - LBS Binamaju Sdn Bhd; - Lankhorst Pancabumi Contractors Sdn Bhd; - Putra Perdana Construction Sdn Bhd; - Tong Hup Trading Sdn Bhd; and - Wengcon Marketing Sdn Bhd 	7,500,000	Reinforced box culverts, reinforced pipe culverts and sewerage manholes	On-going
East Coast Expressway	<ul style="list-style-type: none"> - MTD & WCT Construction 	5,000,000	Reinforced pipe culverts and reinforced box culverts	On going
Kuala Lumpur International Airport, Sepang	<ul style="list-style-type: none"> - Cosmos Construction Sdn Bhd; - Ireka – Negeri Roadstone-Daewoo Joint Venture; - Prestar Engineering Sdn Bhd; - Pembinaan Mitrajaya Sdn Bhd; - Muhibbah Engineering (M) Sdn Bhd; - Promijaya Sdn Bhd; - Lankhorst Pancabumi Contractors Sdn Bhd; and - Sungai Way Builders Sdn Bhd 	4,550,000	Reinforced pipe culverts	1997
Cyberjaya Development	<ul style="list-style-type: none"> - Pati Technology Sdn Bhd; - Peremba Trading Sdn Bhd; - Nasmaya Juara Sdn Bhd; and - Sunlight Engineering Sdn Bhd 	4,000,000	Reinforced box culverts, reinforced pipe culverts and sewerage manholes	On-going
Pilmore Estate	<ul style="list-style-type: none"> - Prestar Engineering Sdn Bhd 	3,425,000	Reinforced box culverts	1997
Formula One Race Track, Sepang	<ul style="list-style-type: none"> - WCT Products Sdn Bhd 	1,159,000	Reinforced pipe culverts	1998
Kompleks Belia dan Kebudayaan Selangor	<ul style="list-style-type: none"> - Target Resources Sdn Bhd 	840,000	Reinforced pipe culverts	1997

4. INFORMATION ON OKA CORPORATION GROUP (Cont'd)

Projects	Customers	Approximate Sales value RM	Types of products supplied	Year of completion
Station 18, Ipoh	- Keris Engineering & Communication Sdn Bhd	723,000	Reinforced box culverts, reinforced pipe culverts and sewerage manholes	1999
Behrang 2020	- Behrang 2020 Sdn Bhd	700,000	Reinforced box culverts and reinforced pipe culverts	On-going
Lembah Beringin	- Loh & Loh Construction Sdn Bhd	580,000	Reinforced box culverts	1997
Pajam, Seremban Phase 2	- Pembinaan Tasja Sdn Bhd	522,310	Reinforced sewerage manholes	1999
Guthrie Corridor Expressway	- WCT Products Sdn Bhd	374,814	Reinforced pipe culverts	On-going
Bukit Tinggi Southern Loop	- Ipmuda Bhd	295,832	Reinforced pipe culverts	On-going
Western Traffic Dispersal Package C	- Gamuda Trading Sdn Bhd	274,845	Reinforced pipe culverts	On-going
Putrajaya Precinct 15	- Pati Sdn Bhd	231,840	Reinforced box culverts	On-going
Putrajaya Parcel Z	- RB Trading Sdn Bhd	214,648	Reinforced pipe culverts	On-going
Valencia Development	- Gamuda Trading Sdn Bhd	152,752	Reinforced pipe culverts	On-going
Memperelokkan Jalan Changlun-Sintok	- PKNS Infra Sdn Bhd	133,000	Reinforced pipe culverts	1997
Projek Melebarkan Jalan Persekutuan 98 dari Temerloh ke Jerantut	- Bina Puri Sdn Bhd	127,890	Reinforced box culverts	On-going
North Klang Bypass Expressway	- Felda Engineering Services Sdn Bhd	113,000	Reinforced pipe culverts	2000
New Pantai Expressway	- RB Trading Sdn Bhd	90,700	Reinforced pipe culverts	On-going
Jalan Lubuk Merbau/ Sg Kura Padang Terap	- JKR Padang Terap	58,000	Reinforced box culverts	1998
Penyelenggaraan Jalan Negeri Perlis	- JKR Perlis	47,000	Reinforced box culverts	1999

4. INFORMATION ON OKA CORPORATION GROUP (Cont'd)

As concrete products are generally bulky and heavy, it may not be economical for the Group to supply concrete products to its customers located far away from Ipoh as it will incur high transportation. Hence, it will be advantageous for OKA Corporation to expand geographically to be nearer to its customers in order to minimise the escalating costs and enable competitive strategy based on terms of services and delivery promptness.

OKA Corporation Group has retained a panel of distributors to distribute its products as follows:-

Distributors	Length of relationship (years)
Pan Sarawak Company Sdn Bhd	15
Tong Hup Trading Sdn Bhd	10
Syn Tai Hung Trading Sdn Bhd	9
Peremba Trading Sdn Bhd	8
Intraco Hardware (M) Sdn Bhd	7
Firmas Concrete Sdn Bhd	5
Hong Leong Marketing Co Bhd	5
Ipmuda Utara Sdn Bhd	4
Ipmuda Selatan Sdn Bhd	3
KCB Trading Sdn Bhd	3
Ipmuda Bhd	2
Harrisons Trading (Pen) Sdn Bhd	2

Products distributed through distributors only contributes approximately 24% of total turnover. As at 31 October 2001, the latest audited accounts, none of the above distributors contribute more than 10% of the Group's turnover.

(e) Trademarks, Licence and Approvals

OKA Corporation Group's plant has a manufacturing licence issued by the Ministry of International Trade and Industry, approval from the Jabatan Perkhidmatan Pembetulan and certification from relevant authorities as listed in Section 6.2.1 of the Prospectus.

OKA Corporation Group's products are traded using the following brands namely *OKA*, *OKA-PILE* and *OKA-READYMIX*. OKA Corporation's present business symbol is a registered trademark.

(f) Source and availability of raw materials

The basic raw materials used in the manufacturing of concrete products are cement, aggregates, sand and steel. Most of these raw materials are available in abundance in Malaysia. Generally, production cost of concrete products can be analysed into 40% cement, 30% steel, 15% sand and/or aggregates and remaining 15% comprise of labour and energy costs. In addition, raw material like steel bar is used to reinforce concrete piles for building foundation; wiremesh is used for the pipes and prestressed wires ie pretensioned longitudinal steel for prestressing process before producing the prestressed square piles. OKA Corporation Group believes that it is not likely to experience any shortage of raw materials supply in the near future. The abundant availability of raw materials will enable the Group to capitalise on competitive prices, terms and flexibility of purchases.

4. INFORMATION ON OKA CORPORATION GROUP (Cont'd)

OKA Corporation Group has good relationship with its raw materials suppliers. The following are the main suppliers with the various goods supplied.

Name of suppliers	Goods supplied	Length of relationship (years)
Granite Indah Sdn Bhd	Aggregates	14
Pan Sarawak Company Sdn Bhd	Cement	12
Syn Tai Hung Sdn Bhd	Steel bar	10
Sungei Way Marketing Sdn Bhd	Steel bar	10
Sri Merbuk Sdn Bhd	Wiremesh	8
Prestar Engineering Sdn Bhd	Steel bar and high alumina cement	5
CMCM Perniagaan Sdn Bhd	Cement	5
Ipmuda Utara Sdn Bhd	Cement	5

(g) Quality Control

Quality control of all materials and components in concrete products manufacturing is an essential part of OKA Corporation Group's operations to ensure consistency in its quality. In achieving this, regular testing is carried out and maintained in accordance with SIRIM standards and specifications. Results are recorded graphically to ensure trends can be recognised early and for the ease of reference. Each finished product carries an identification number to allow audit trail. OKA Concrete Industries has been accredited with MS ISO 9002 since 7 December 1998. Among the many tests that are carried out are as follows:

Daily analysis on sand and aggregates

- Sieve analysis on aggregates and sand sample for grading; and
- Silt content analysis to segregate layers of organic and dirt from the sand and aggregates

Test conducted on mixing for every batch of 50 finished products

- Slump cone test on concrete batches to test the contents of water during mixing process and proper mixing; and
- Cube test ie compression test of concrete cube

Mould

- Cleaning and oiling of every steel mould to ensure moulds are in good condition.

Reinforcement test conducted on every reinforcement cage made

- Stringent checks on reinforcement cages for steel quality, spacing and stirrups pitch

Bending/fabrication test on steel bar for every reinforcement cage made

- Check on the shape and dimension of the steel bar to ensure the suitability for concrete types.

Welding test conducted on every reinforcement cage made

- Checking on the length and spacing of nibs to ensure steel bars are properly covered for smooth concrete surface.

Mould assembly concreting test conducted on every mould

- Checks on bolts or nuts of moulds to ensure moulds are properly installed;
- Check on the concrete mixing to ensure suitability of concrete design; and
- Poker vibration and compact test on every mould

4. INFORMATION ON OKA CORPORATION GROUP (Cont'd)

Finished products

- Checks on finished piles for straightness, cross-section, alignment of joint and fittings;
- Perform load test on concrete cubes after twenty eight (28) days for compressive strength;
- Water absorption test on concrete cubes to test water content in concrete for grading of concrete; and
- Final touch up of concrete during final visual inspection

Mr Yee Chut Yau, the Quality Control and Technical Manager, heads the Quality Control team and is assisted by other experienced team members.

(h) Research and Development

To maintain its competitiveness, it is crucial for OKA Corporation to be able to innovate and to maintain a competitive edge above its competitors. The Research and Development ("R&D") department is actively involved in sourcing cost effective substitutes for both raw materials and process to enable the Group to emerge as one of the efficient manufacturers of concrete products. The Group's R&D team consists of two personnel and is led by Mr Yee Chut Yau. OKA Corporation's policy on its R&D is to continuously design, improve and develop both the existing and new products. With the existing laboratory equipped with adequate facilities such as the testing facilities and computer aided design facilities, the Group has managed to continuously improve its manufacturing process to achieve high efficiency, productivity and quality of products.

Generally, majority of the Group's R&D work is focused on product developments, which encompass the design of new products, design of fabrication of moulds and design of manufacturing process. In addition, the R&D work will also include the effort to enhance cost savings such as to source lower cost raw materials with satisfactory quality to replace the existing one. For example, the Group has conducted research to replace the use of High Alumina Cement ("HAC"), which is imported from France with Pulverised Fuel Ash ("PFA") obtained locally. HAC cement is used for pipes lining which is abrasive resistant. Some of other products that were introduced in the last five (5) years are the sewerage manholes, telecommunication manholes, vertical cast pipe culverts and large diameter pipe culverts. Currently, the department is working on two (2) new products namely special design manholes for cable and pollutant traps. In conclusion, the R&D activities are important to keep OKA Corporation's products competitive in the market.

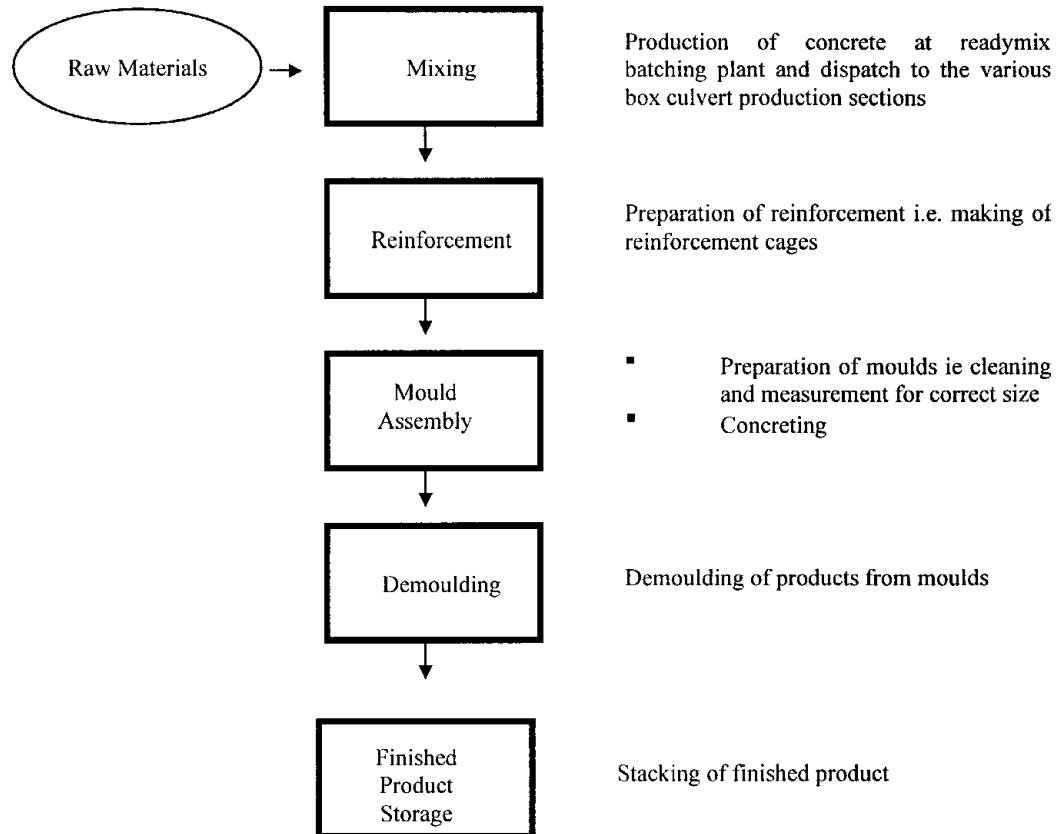
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4. INFORMATION ON OKA CORPORATION GROUP (Cont'd)

(i) Production processes

Descriptions of the production process of the various concrete products produced by the Group are as follows:

REINFORCED CONCRETE BOX CULVERTS, REINFORCED CONCRETE MANHOLE COMPONENTS AND U-SHAPE DRAINS



4. INFORMATION ON OKA CORPORATION GROUP (Cont'd)

REINFORCED CONCRETE SPUN PIPES

