

5. PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND EMPLOYEES

5.1 Promoter's Track Record

The promoter of OKA Corporation is Ir Ong Koon Ann, who is also the Executive Chairman and Managing Director of the Group.

Save for changes due to the Listing Proposal, there is no significant change to Ir Ong's direct or indirect shareholdings for the past 3 years.

His profile is set out in Section 5.4 of this Prospectus.

5.2 Substantial Shareholders

The substantial shareholders (with 5% or more shareholding, directly or indirectly) of OKA Corporation upon the completion of the Public Issue and Offer for Sale are as follows:-

Substantial shareholders	Designation	Nationality	After the Public Issue and Offer for Sale			
			Direct		Indirect	
			No of Shares **	%	No of Shares	%
Ir Ong Koon Ann	Executive Chairman and Managing Director	Malaysian	20,213,742	50.53	1,566,941*	3.92
Quah Seok Keng	Executive Director	Singaporean	1,566,941	3.92	20,213,742*	50.53
Sharifuddin bin Shoib, AMP	Non-Independent Non-Executive Director	Malaysian	4,061,395	10.15	-	-

* Deemed interest by virtue of his/her spouse direct shareholdings in OKA Corporation

** Including shares to be issued under "pink form" allocation

5.3 Changes in Promoter/ Substantial Shareholders

Save as disclosed below and as disclosed in the Prospectus for the Acquisition of OKA Concrete Industries Group, there are no changes to the promoter/substantial shareholders of OKA Corporation for the past three (3) financial years ended 31 March 2001 and for the seven (7) months period ended 31 October 2001.

Shareholders	Date acquired	Date disposed/ transferred	Number of Share
Lam Chung Ming	12 July 2000	-	1
	19 October 2000	-	34,999
Chok Hooa @ Chok Yin Fatt	12 July 2000	-	1
	19 October 2000	-	34,998
	14 November 2000	-	1
Sharifuddin bin Shoib	19 October 2000	-	30,000
Ir Ong Koon Ann	12 July 2000	-	1
	-	14 November 2000	(1)

5. PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND EMPLOYEES (Cont'd)

5.4 Board of Directors**(i) Profile**

Ir Ong Koon Ann, a Malaysian aged 57 was appointed to the Board on 21 February 2002. He graduated from the Bolton Institute of Technology in United Kingdom in 1970. He is a registered professional engineer in Malaysia and Singapore and a Chartered Engineer by profession. He is a member of the Institution of Civil Engineers and The Institution of Highways & Transportation United Kingdom, The Institution of Engineers Malaysia and Institution of Engineers Singapore. Before he started OKA Concrete Industries he had served as a Management Consultant in a similar company in 1974 to 1981. Prior to this, he had worked with consultant companies in the United Kingdom dealing in highway and power station projects in Singapore and Malaysia. Ir Ong is well versed in the concrete products industry. An entrepreneur with hands-on management, Ir Ong has brought the Group to its present success.

Madam Quah Seok Keng, a Singaporean (permanent resident of Malaysia) aged 55, was appointed to the Board on 21 February 2002. She is the Executive Director of OKA Concrete Industries since its incorporation in 1981. Her main responsibilities include financial management and managing the Group's sales and purchasing department. She is also currently overseeing the marketing department of OKA Concrete Industries. Prior to joining OKA Corporation Group, Madam Quah pursued her tertiary education in Singapore and was a teacher.

Mr. Lam Chung Ming, a Malaysian aged 40 was appointed to the Board on 12 July 2000 and is presently an Executive Director of Prestar Engineering Sdn Bhd, a subsidiary of Prestar Resources Bhd, a company listed on the KLSE Second Board. He is responsible for the overall management of the company, which includes the formulation, and implementation of business objectives, sales and marketing, factory operations, staff and financial management. Prior to Prestar Engineering Sdn Bhd, he was engaged as a Technical Sales Consultant for Time Metalworks Sdn Bhd, a subsidiary of Time Engineering Bhd, for overseeing the North South Highway Project from 1991 to 1995. He was a site supervisor from 1981 to 1983 before forming his own construction company from 1983 to 1990.

Mr Chok Hooa @ Chok Yin Fatt, PMP, a Malaysian aged 55, was appointed to the Board on 12 July 2000. He is presently an Executive Director of Yee Lee Corporation Bhd, a company listed on the Main Board of KLSE. Mr Chok joined Yee Lee Corporation Bhd in 1982 as Chief Accountant and was appointed to its Board of Directors on 30 April 1990. He is responsible for the Group's financial management, accounting and marketing functions. On 28 December 2001, Mr Chok was appointed to the Board of Spritzer Bhd, a company listed on the Second Board of KLSE as a Non-Executive Director. He obtained a Master of Business Administration from the University of Strathclyde, United Kingdom in 1992 and Bachelor's degree in Business Studies from Curtin University of Technology, Australia (formerly Western Australia Institute of Technology) in 1976. He is a member of the Malaysian Institute of Accountants, Malaysian Association of Certified Public Accountants, CPA Australia and a fellow with the Institute of Chartered Secretaries and Administrators. Prior to joining Yee Lee in 1982, he was attached for 8 years from 1974 to 1982 to UAC Bhd, a company listed on the Main Board of KLSE. Presently, he also sits on the Board of a number of private companies.

5. PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND EMPLOYEES (Cont'd)

Encik Sharifuddin bin Shoib, AMP, a Malaysian aged 54 was appointed to the Board of OKA Corporation Group on 30 August 2000. His contribution to OKA Corporation Group includes providing independent views and advices to the Board on various matters such as business direction, opportunity, business contact and others. He holds a Bachelor of Engineering (Mechanical) from Australia which was obtained in 1974 and became a registered professional engineer and a member of the Institute of Engineers, Malaysia in 1988. Encik Shariffudin had previously joined Jasa Megah Industries Bhd as Factory Manager in July 1983 and was promoted to General Manager and subsequently Executive Director from August 1991 till June 1994. Prior to joining Jasa Megah Industries Bhd, he held various positions in UAC Bhd from 1970 to 1983. He was the Deputy Manager in Heavy Industries Corporation of Malaysia Bhd from January 1983 to July 1983. He is currently a Director of Rubberex Corporation (M) Bhd and the Chairman of Rubber Thread Industries (M) Sdn Bhd.

Mr Gan Boon Koo @ Gan Boon Kiu, a Malaysian aged 40 was appointed to the Board of OKA Corporation Group on 21 February 2002. Mr Gan obtained his Diploma in Business Studies (Financial) from the Tunku Abdul Rahman College and is a member of the Association of Chartered Certified Accountants (UK) and the Malaysian Institute of Accountants. He is presently the Non-Executive Director of L&M Corporation (M) Bhd, a company listed on the Second Board of KLSE. Prior to his present appointment in April 2000, he was engaged as General Manager (Accounts and Finance) of Larut Consolidated Berhad, a company listed on the KLSE Main Board for about two (2) years. From February 1985 to January 1988, he joined Bolton Finance Co. as the Accounts Officer, a position that he has held for one year before joining the Projek Penyelenggaraan Lebuhraya Berhad (PROPEL), a company listed on the Main Board of KLSE as the General Manager in charge of corporate affairs. He was with this company from March 1989 to November 1997.

(ii) Directors' Shareholdings in OKA Corporation upon the completion of the Public Issue and Offer for Sale

Name	Designation	Nationality	No. of Shares			
			Direct	%	Indirect	%
<i>Ir Ong Koon Ann</i>	Executive Chairman and Managing Director	Malaysian	20,213,742	50.53	1,566,941*	3.92
Quah Seok Keng	Executive Director	Singaporean	1,566,941	3.92	20,213,742*	50.53
Lam Chung Ming	Executive Director	Malaysian	68,961	0.17	-	-
Sharifuddin bin Shoib, AMP	Non-Independent Non-Executive Director	Malaysian	4,061,395	10.17	-	-
Chok Hooa @ Chok Yin Fatt, PMP	Independent Non-Executive Director	Malaysian	68,961	0.17	-	-
Gan Boon Koo @ Gan Boon Kiu	Independent Non-Executive Director	Malaysian	16,000	0.04	-	-

* Deemed interest in respect of his/her spouse direct shareholdings in OKA Corporation. The above shareholdings include shares to be issued under "pink form" allocation.

5. PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND EMPLOYEES (Cont'd)
Directors' Shareholdings and Directorship in other public corporations for the past two (2) years

Saved as disclosed below, none of the directors have any other directorships and/or major shareholdings (5% or more of the issued and paid-up share capital) in other public companies for the past two (2) years.

Director	Name of Company	Position held	Shareholding @ the date of this Prospectus			
			Direct '000	%	Indirect '000	%
Encik Sharifuddin bin Shoib, <i>AMP</i>	Rubberex Corporation (M) Bhd	Non- Executive Director	832	1.96	6,882 *	15.97
Mr Chok Hooa @ Chok Yin Fatt, <i>PMP</i>	• Yee Lee Corporation Berhad	Executive Director	8	0.013	-	-
	• Spritzer Bhd	Non- Executive Director	66	0.13	-	-
Mr Gan Boon Koo @ Gan Boon Kiu	L&M Corporation (M) Bhd	Non-Executive Director	-	-	-	-

* Deemed interest through his directorship in Duvest Holdings Sdn Bhd, a substantial shareholder of Rubberex Corporation (M) Bhd.

(iii) Directors' Remuneration and Benefits

The remuneration and benefit-in-kind paid to the Directors of the Group for services rendered in all capacities to the Company and its subsidiaries for the financial year ended 31 March 2001 amounted to RM523,640. The proposed directors' remuneration and benefit-in-kind for the financial year ended/ ending 31 March 2002 and 2003 are expected to amount to RM596,400 and RM792,900 respectively.

(iv) None of the director is or was involved in the following events:-

- (a) A petition under any bankruptcy or insolvency law filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel;
- (b) Conviction in a criminal proceedings or is a named subject of pending criminal proceeding(s);
- (c) The subject of any order, judgement or ruling or any court of competent jurisdiction temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

5. PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND EMPLOYEES (Cont'd)

5.5 Management Team

The management of the Group is headed by Ir. Ong Koon Ann, the Executive Chairman and Managing Director, and he is assisted by a pool of senior managers, executives and engineers. The management team has extensive experience in their respective area of operation, such as finance, production, administration, marketing, quality assurance and technical. The details of the other key management personnel are as follows:-

(i) Profiles

Mr. Eric Ong Koon Eng, a Malaysian aged 48. He is the Factory Manager of OKA Concrete Industries. He is a civil engineer graduated with Honours from Portsmouth in 1977. For three years he was a District Drainage & Irrigation Department Engineer in Kelantan, in charged and managed all projects in the district. Later he moved to a construction company as a Project Engineer to manage projects involving piling and foundation works, drainage and irrigation works and construction of bridges mainly in Kelantan and Terengganu. With his invaluable experience, he joined OKA Concrete Industries in 1983 as a factory engineer to provide technical assistance and monitor the quality of the products. Subsequently he was appointed the Factory Manager in 1984.

Mr Ng Wai Luen, a Malaysian aged 32, is the Finance Manager of OKA Concrete Industries since 1996. He holds a Bachelor of Business Degree in Accounting from RMIT University and is a member of the CPA Australia, Malaysian Association of Certified Public Accountants and Malaysian Institute of Accountants. Prior to joining OKA Concrete Industries he was attached to KPMG for a period of 4 years before joining Ladang Perbadanan Fima Bhd, a company listed on the Main Board of the KLSE as its Internal Audit Manager.

Mr Ong Choo Ian, a Malaysian aged 25 joined OKA Concrete Industries in 1999 and presently holds the position of Purchasing Manager. He obtained a Bachelor of Civil Engineering with Honours and Master of Science in Engineering Business Management from the University of Warwick, United Kingdom in 1997 and 1998 respectively. He is a graduate member of the Institution of Civil Engineers, United Kingdom, Institute of Structural Engineers, United Kingdom and the Institution of Engineers Malaysia. He is a registered member with the Board of Engineers Malaysia.

Ms Ong Ee Dith, a Malaysian aged 26 joined OKA Concrete Industries in October 2001 and presently holds the position of Corporate Communications Manager. Prior to this, she was working in Singapore for about two years. She graduated from the University of Sheffield, United Kingdom in 1997, obtaining her degree in Bachelor of Arts with Honours in Accounting and Financial Management.

Mr Yee Chut Yau, a Malaysian aged 39 joined OKA Concrete Industries in August 2000 as the Quality Control and Technical Manager. He graduated from the Queen's University of Belfast, United Kingdom in 1989 and subsequently was employed as an Assistant Resident Engineer with an international consultant company in the United Kingdom until 1995. Upon returning to Malaysia, he joined Multi Usage Cement Products Sdn Bhd, a subsidiary of a listed company as Operations Manager prior to joining OKA Concrete Industries.

5. PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND EMPLOYEES (Cont'd)

Mr Chan Phooi Hoong, a Malaysian, aged 49 joined OKA Concrete Industries in March 2000 as Assistant Finance and Administration Manager. He was subsequently promoted to Accounts Manager in September 2000. Mr Chan graduated from Nanyang University of Singapore with a Bachelor of Commerce (Accountancy) in 1976. He is a member of the Institute of Certified Public Accountants of Singapore and Malaysian Association of Accounting Administrators. Prior to joining OKA Concrete Industries, he worked in an accounting firm as Audit Supervisor for 17 years before joining another private company as Accounts Manager.

Mr Wong Kee Seong, a Malaysian, aged 57 joined OKA Concrete Industries in February 2001 as the Credit Control Manager. He is a banker by profession. He was formerly a branch manager with Sime Bank in Taiping. He worked for 34 years in UMBC/Sime Bank before joining OKA. Mr Wong had served as Credit Head in 3 different branches of UMBC/Sime Bank for 12 years before being promoted to Deputy Branch Manager, a position which he held for 3 years. He was further promoted to Branch Manager and had served as such for a total of 6 years. He brings with him invaluable experience especially in the area of credit control on customers.

Mr Loh Mun Choong, a Malaysian, aged 60, joined OKA Concrete Industries in May 2000 as Factory Administration Manager. He was formerly a Quarry Manager in Sipitang, Sabah for a total of 17 years. He held various positions in different companies before taking up the managerial position in Sabah quarry. He has invaluable experience especially in human resource management.

Ms Low Hor Foong, a Malaysian aged 48, is the Company Secretary. She holds a Diploma in Commerce from Tunku Abdul Rahman College, Kuala Lumpur and is an associate member of the Institute of Chartered Secretaries and Administrators ("ICSA"), United Kingdom and a member of Malaysian Association of the ICSA. Prior to joining OKA Concrete Industries in May 1997, she was serving as company secretary for 15 years in a firm providing corporate secretarial and consultancy services.

Mr Ng Wai Kum, a Malaysian aged 43, joined OKA Concrete Industries in October 1982 as Production Coordinator. He was promoted to Assistant Production Manager in January 2001. He had worked for more than 5 years in mining company prior to joining OKA Concrete Industries. His almost 20 years service in OKA Concrete Industries has gained him invaluable experience in production planning, coordination and training of workers.

Ahmad Sabry B. Ibrahim, a Malaysian aged 39, has more than 10 years experience in the construction industry before joining OKA Concrete Industries in June 1991 as Assistant Stock Supervisor. He was subsequently promoted to Finished Goods Supervisor in October 1997 and to his present position as Logistic Executive in February 2001. He has invaluable experience in coordinating delivery and transportation.

- (ii) None of the key management personnel is or was involved in the following events:-

5. PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND EMPLOYEES (Cont'd)

- (a) A petition under any bankruptcy or insolvency law filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel;
 - (b) Conviction in a criminal proceedings or is a named subject of pending criminal proceeding(s);
 - (c) The subject of any order, judgement or ruling or any court of competent jurisdiction temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.
- (iii) None of the directors and key management personnel have entered or propose to enter into any service agreements with the Company and/or its subsidiaries.
 - (iv) Other than the pink form allocation, none of the employees of the Group are involved in any capital scheme of the Group.

5.6 Employees

As at 1 April 2002, OKA Corporation Group employed a total work force of 170 employees. Employees are not represented by any union.

5.7 Family Relationship

Madam Quah Seok Keng, Mr Ong Choo Ian, Ms Ong Ee Dith and Mr Eric Ong Koon Eng is the wife, son, daughter and brother of Ir Ong Koon Ann respectively. Save as disclosed, there are no other family relationships among the promoter, major shareholders, directors and senior management team.

5.8 Audit Committee

OKA Corporation has set up an Audit Committee on 22 March 2002. The Committee now comprises the following Board members :-

Name	Responsibility	Designation
Chok Hooa @ Chok Yin Fatt, <i>PMP</i>	Chairman	Independent Non-Executive Director
Gan Boon Koo @ Gan Boon Kiu	Member	Independent Non-Executive Director
Ir Ong Koon Ann	Member	Executive Chairman and Managing Director

The main functions of the Audit Committee include the review of audit plan and audit report with the Auditors, review the Auditors' evaluation of internal accounting controls, review of the scope of internal audit procedures, review of balance sheet and profit and loss account and nomination of Auditors.

5. PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND EMPLOYEES (Cont'd)

5.9 Continuity in Management

Since the inception of OKA Concrete Industries in 1981, the Company has expanded rapidly from operating on a 5-acre piece land to the current 40-acre land and managed by a team of experienced professionals and civil engineers.

As the Company grew, the founder, Ir Ong Koon Ann and his wife, Madam Quah Seok Keng realised the need to organise and restructure the management team of OKA Corporation Group into a professionally managed enterprise. Professional managers and experienced staff from related industries were recruited to boost the strength of the management team. Presently, OKA Corporation Group has a strong management team in place to support the Managing Director in his day-to-day business operations. In the absence of Ir Ong, the Group would still be able to function effectively.

All senior management staff functions and duties are clearly defined. The management is progressing to a more decentralised system, which encourages the participation from management. This would enhance the continuity of management in OKA Corporation Group. In addition, the Group can expect Ir Ong to have many years to contribute to the Group.

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6. INFORMATION ON OKA CORPORATION GROUP

6.1 Related-Party Transactions/ Conflicts Of Interest**6.1.1 Transactions between OKA Corporation Group and its Directors/ Promoter/ Substantial Shareholders**

Save as disclosed below, there are no significant transactions which involves the Directors or Promoter or substantial shareholders of the Company

Type of transaction		Amount from 1	Amount from 1
		April 2000 to	April 2001 to
		31 March 2001	31 October
		RM	2001
			RM
Prestar Engineering Sdn Bhd	Supplier to OKA Corporation Group. Mr Lam Chung Ming sits on the board of both OKA Corporation and Prestar Engineering Sdn. Bhd. All transactions are undertaken on "arms length basis"	428,950	-
Ir Ong Koon Ann	Rental expense in respect of the office building	2,000 per month	2,000 per month

OKA Concrete Industries Group has disposed the present office building to Ir Ong Koon Ann in financial year ended 31 March 2000. The consideration for the disposal of RM423,480, being the net book value of the property and is approximately 9% premium over the market value of the property as valued by an independent professional valuer.

6.1.2 Declaration by the Advisers

Arab-Malaysian hereby confirms that as at the date of the Prospectus, there are no existing or potential conflicts of interest in its capacity as Advisor to OKA Corporation Group for the Public Issue and Offer for Sale.

Messrs. Iza Ng Yeoh & Kit hereby confirms that there are no existing or potential conflicts of interest with respect to their capacity as Solicitors to OKA Corporation Group for the Public Issue and Offer for Sale.

Messrs. KPMG hereby confirms that there are no existing or potential conflicts of interest with respect to their capacity as Auditors and Reporting Accountants to OKA Corporation Group for the Public Issue and Offer for Sale.

Colliers, Jordan Lee & Jaafar Sdn Bhd hereby confirms that there are no existing or potential conflicts of interest with respect to their capacity as Valuers to OKA Corporation Group for the Public Issue and Offer for Sale.

ACNielsen (Malaysia) Sdn Bhd hereby confirms that there are no existing or potential conflicts of interest with respect to their capacity as Marketing and Research Consultant to OKA Corporation Group for the Public Issue and Offer for Sale.

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

6.2 Other Information

6.2.1 Trademark, Licence and Certification

The trademark and licence held by the Group and certifications from relevant authorities are listed below: -

Authority & date of issue	Nature	Status of compliance to conditions imposed (if any)
Trademark Registrar of Trademark (1 October 1997)	Precast concrete products such as concrete piles, concrete tiles, ready mixed concrete and meter boxes	- Trademark No. 94/11539 -
Licence MITI (18 January 1997)	Manufacturing licence	- Manufacturing of precast products (eg pipes, drains, box culverts, RC piles, septic tank, road kerbs, U-drains) and ready mixed concrete Met 85% equity for Malaysian
Approvals SIRIM (valid till 31 December 2002 (PO000401), 31 December 2002 (PO000402), 30 June 2002 (PO000403), 17 November 2002 (PO000404), 30 June 2002 (PO000405) and all are renewable yearly)	Product certification for: <ul style="list-style-type: none"> ▪ reinforced concrete box culverts ▪ concrete porous pipes ▪ precast concrete pipes with flexible joints for drainage and sewerage and precast concrete manholes (heavy duty) ▪ precast reinforced concrete pipes with ogee joints ▪ precast reinforced concrete small box culverts 	- Licence no: PO000401,402,403,404 and 405 -
Contractor Registration Recognition (valid till 28 November 2002 renewable bi-yearly)	Registered with the Ministry of Finance Malaysia as the supplier of building materials.	Registration no: 096460 -
Jabatan Perkhidmatan Pembetulan (effective from 24 May 1999 and 7 November 2000 with renewal every two (2) years)	Approval from the Jabatan Perkhidmatan Pembetulan as an approved manufacturer of reinforced concrete pipes (24 May 1999) and precast reinforced concrete manhole (7 November 2000)	KPKT/JJP(03)/7 Jld.III(112) and KPKT/ JPP(03)/7/161 (28) -
ISO/IEC Guide 62:1996 (valid till 15 December 2003)	Accredited MS ISO 9002: 1994 quality systems – model for quality assurance in production, installation and servicing for the production and delivery of ready-mixed concrete and production of precast concrete products (reinforced concrete pipes, porous pipes, reinforced concrete piles, prestressed piles, box culverts and manhole components)	Registration no: AR 1579 -

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

6.2.2 Summary of Landed Properties

Details of the properties owned by the OKA Corporation Group which have been revalued by an independent professional valuer, Colliers, Jordan Lee & Jaafar Sdn. Bhd. are as shown below

Owner/Title/Location	Description / Existing Use *	Date of purchase	Approximate land / built-up area	Tenure	Purchase price plus development cost RM	Net Book Value @ 31 March 2000 RM	Open Market Value RM	Date of valuation
OKA Concrete Industries Lot 65305, Title No H.S. (D)KA 442/73 Mukim of Sungai Trap, District of Kinta Perak Darul Ridzuan	Industrial	26 June 1997	4.8205 acres	Freehold	39,700.33			
OKA Concrete Industries Lot 65306, H.S. (D)KA 443/73 Mukim of Sungai Trap, District of Kinta Perak Darul Ridzuan	Industrial	26 June 1997	4.9786 acres	Freehold	76,829.00			
OKA Concrete Industries Lot 65315, Title No H.S. (D)KA 452/73 Mukim of Sungai Trap, District of Kinta Perak Darul Ridzuan	Industrial	26 June 1997	4.9916 acres	Freehold	981,329.05	*	*	
OKA Concrete Industries Lot 65316, Title No H.S. (D)KA 453/73 Mukim of Sungai Trap, District of Kinta Perak Darul Ridzuan	Industrial	26 June 1997	5.2471 acres	Freehold	61,235.00			
OKA Concrete Industries Lot 65317, Title No H.S. (D)KA 454/73 Mukim of Sungai Trap, District of Kinta Perak Darul Ridzuan	Industrial	26 June 1997	4.6377 acres	Freehold	70,564.50			

* Refer to page 88 note (a) and (c)

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

Owner/Title/Location	Description / Existing Use *	Date of purchase	Approximate land / built-up area	Tenure	Purchase price plus development cost RM	Net Book Value @ 31 March 2000 RM	Open * Market Value RM	Date of valuation
OKA Concrete Industries Lot 65318, Title No H.S. (D)KA 455/73, Mukim of Sungai Trap, District of Kinta Perak Darul Ridzuan	Industrial	26 June 1997	5.0496 acres	Freehold	80,564.50			
OKA Concrete Industries Lot 65319, Title No H.S. (D)KA 456/73 Mukim of Sungai Trap, District of Kinta Perak Darul Ridzuan	Agricultural	26 June 1997	5.0670 acres	Freehold	104,557.54	*	*	
OKA Concrete Industries Lot 65320, Title No H.S. (D)KA 457/73 Mukim of Sungai Trap, District of Kinta Perak Darul Ridzuan	Agricultural	26 June 1997	5.3567 acres	Freehold	110,462.00			
Sub total (RM)					1,525,241.92	1,420,131	9,130,000	10-01-2001
OKA Concrete Industries Lot 6937N, Geran 38231 Town of Ipoh District of Kinta Perak	Building (Aged 18 years)	5 March 1983	2,220 square feet	Freehold	268,783.25	268,783	160,000	10-01-2001
Grand total (RM)					1,794,025.17	1,688,914	9,290,000	

* Refer to page 88 note (a) and (c)

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

Note:

- (a) Industrial land lots and agriculture land lots are individually valued as one parcel respectively. The total market value of the industrial land and agriculture land are as follows:

	RM
Industrial land	8,090,000
Agriculture land	1,040,000
	<hr/>
	9,130,000
Building	160,000
	<hr/>
	9,290,000

Revaluation surplus arising from the land valuation amounted to RM7,601,086 i.e by comparing with the aggregate net book value of the said industrial and agriculture land of the Group as at 31 March 2000 and was incorporated in the Group's audited financial statements for the 7-month period ended 31 October 2001.

- (b) The above valuations do not require the approval of the Securities Commission.
- (c) The pre-cast reinforced concrete drainage infrastructural/ building sub structural components factory complex are erected on the industrial and agriculture land lots

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7. FINANCIAL INFORMATION

7.1 Consolidated Profit and Dividend Records

The proforma consolidated audited results of the OKA Corporation Group for the past five (5) financial years ended 31 March 2001 and the seven (7) months period ended 31 October 2001 based on the assumption that the Group had been in existence throughout the period under review are as follows:-

	←-----Financial Years Ended 31 March -----→					7-month period ended 31 October 2001
	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000	RM'000
Turnover	26,389	34,908	22,706	28,647	32,058	23,026
EBIDTA	7,061	8,455	7,162	9,097	9,944	6,431
Less:						
Interest						
- overdraft	3	2	-	-	1	-
- hire purchase	85	131	138	84	31	6
Depreciation and amortisation	1,528	1,979	1,915	2,086	2,141	940
Exceptional items	-	-	-	-	-	-
Share of profits and losses of associated corporation and joint ventures	-	-	-	-	-	-
PBT	5,445	6,343	5,109	6,927	7,771	5,485
Less: Taxation	(1,666)	(1,840)	41	(1,634)	(1,978)	(1,488)
Profit from ordinary activities	3,779	4,503	5,150	5,293	5,793	3,997
Less:						
Extraordinary items	-	-	-	-	-	-
Net profit/ (loss)	3,779	4,503	5,150	5,293	5,793	3,997
No. of ordinary shares of RM1.00 each in issue ('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)	10.89	7.12	4.86	6.58	7.39	8.94*
Net basic EPS (RM)	7.56	5.05	4.89	5.03	5.51	6.52*
Diluted EPS (RM)	7.56	5.05	4.89	5.03	5.51	6.52*
Dividend rate (%)	100	100	100	-	550	314

* annualised

Notes:-

- Turnover consists of net invoiced values of prestressed and reinforced concrete piles, readymix concrete and precast concrete products including transportation charges.
- There were no extraordinary items in the financial years/period under review.
- For the financial year ended 31 March 1997, the Group paid an interim tax exempt dividend of 100% on 1 April 1997.
- For the financial year ended 31 March 1998, the Group paid a final tax exempt dividend of 100% on 2 January 1999.
- For the financial year ended 31 March 1999, the Group paid a final tax exempt dividend of 100% on 3 January 2000.
- No dividend was proposed for the year ended 31 March 2000.
- For the financial year ended 31 March 2001, the Group has proposed a final tax exempt dividend of RM5,790,000 which was paid on 23 October 2001.

7. FINANCIAL INFORMATION (Cont'd)

- h) For 7-month period ended 31 October 2001, the Group proposed an interim tax exempt dividend of RM3,300,000.*
- i) The gross earnings per share has been calculated based on the profit before taxation divided by the weighted average number of shares in issue of the respective years/ period.*
- j) The net earnings per share has been calculated based on the profit after taxation divided by the weighted average number of shares in issue of the respective years/ period.*
- k) No provision for taxation was required on business income in financial year 1999 as this was a tax free year. The credit position was in respect of the reversal of potential deferred tax liabilities being partially set off by the under provision of previous years' taxation.*
- l) The effective tax rate for financial year 2000 and 2001 were lower than statutory rate due to the utilisation of reinvestment allowances. Effective tax rates for financial years 1997 and 1998 were consistent with their respective statutory rates*

7.2 Analysis And Commentary On Financial Performance
1997

The group expanded rapidly by increasing the production capacity to capture a larger percentage of the market. This is due to few huge projects of the country such as Kuala Lumpur International Airport, Pos Slim-Cameron Highlands highway, Pilmore Estate – Sime UEP Housing, Light Railway Transit project in Kuala Lumpur . The Group supplied most of the special design pipes used beneath the runway and parking tarmac. The increased in sales demand was met by the additional five (5) production lines installed during year 1997.

1998

The group's turnover in the financial year 1998 was significantly higher compared to all other years due to the favourable economic growth in construction industry in 1996 and early 1997 coupled with the Group's plant expansion in the financial years 1997 and 1998. Major infrastructure projects launched by the Government such as Putrajaya, Formula One Sepang Racetrack has significantly boosted demand. In addition, the OKA Readymixed and OKA Engineering started operations in the financial year 1997 to assist in securing wider market share for readymix concrete, prestressed and reinforced concrete piles.

1999

Turnover decreased due to the economic downturn, which affected the Asia region during the last quarter of 1997. However, the crisis has resulted to a drastic drop in the demand for raw materials. This has further forced down the prices for the raw materials and resulted to a higher gross margin for the group. This has helped to cushion the reduction in turnover during the year. In addition, with the declaration by the Government as tax-free year, profit after tax has increased as compared to year 1998.

7. FINANCIAL INFORMATION (Cont'd)**2000**

Turnover has increased in year 2000 as compared to 1999 mainly contributed by the increase in the infrastructure projects which includes drainage and sewerage. This has resulted to the increase in demand for precast concrete products. On the other hand, with the group's strong financial standing with near to zero gearing, opportunities created as a result of the recession were taken full advantage of by the group. This includes the purchase of machinery at a discount. The group is poised to capture a higher market share once the demand is normalise and the economy is in full swing.

2001

Turnover in financial year 2001 has increased by approximately 12% as compared to year 2000 mainly due to sales of square piles by OKA Engineering to various projects. OKA Engineering had commenced in producing square piles, readymix concrete and box culverts from 1 July 2000 onwards.

Turnover, on an annualised basis for the seven-month period ended 31 October 2001 has increased mainly due to additional sales made during the period as a result from higher demand for concrete products from several major infrastructure projects implemented by the government during the financial period namely East Coast Expressway, Putra Development and upgrading of Federal roads.

7.3 Analysis of Revenue by Products

	←-----Financial Year Ended 31 March-----→					7-month period ended 31 October 2001
	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000	RM'000
U Drains	-	4,345	1,686	1,816	3,131	2,464
Box culverts	6,535	6,525	3,920	4,853	2,810	2,420
Porous pipes	775	565	496	565	318	265
Spun pipes	12,683	15,828	10,307	10,121	9,429	8,171
L-shape retaining wall	-	408	98	380	558	176
Manholes	-	602	2,082	3,661	5,594	3,438
Square piles	4,116	5,299	2,637	4,749	6,207	2,787
Readymixed concrete	2,145	961	1,269	2,112	2,914	2,329
Large diameter pipes	-	-	-	-	954	876
Others	135	375	211	390	143	100
	26,389	34,908	22,706	28,647	32,058	23,026

7.4 Directors' Declaration on Financial Performance

As at 23 April 2002, being the latest practicable date prior to the printing of this Prospectus, the financial conditions and operations of the OKA Corporation Group is not affected by any of the following:-

- i) Known trends, demands, commitments, events or uncertainties that have had or that the Group reasonably expects to have a material favourable or unfavourable impact on the financial performance, position and operations of the OKA Corporation Group;
- ii) Material commitment for capital expenditure;

7. FINANCIAL INFORMATION (Cont'd)

- iii) Unusual, infrequent events or transactions or any significant economic changes that materially affected the financial performance, position and operations of the Group; and
- iv) Known events, circumstances, trends, uncertainties and commitments that are reasonably likely to make the historical financial statements not indicative of future financial performance and position.

7.5 Basis of Accounting Policies

The proforma consolidated results of the Group have been prepared under the acquisition method of accounting. The financial information has been prepared in accordance with approved accounting standards in Malaysia.

There has been no significant change in the accounting policies and practices applied by the Group for the past five (5) years.

7.6 Working Capital, Borrowings, Litigation and Contingent Liabilities
7.6.1 Working Capital

The Directors of the Company are of the opinion that after taking into consideration the cashflow forecast including the proceeds from the Public Issue and banking facilities available, the OKA Corporation Group will have adequate working capital for its present and foreseeable future requirements.

7.6.2 Borrowings

As at 23 April 2002, (being the latest practical date prior to printing of the Prospectus) the Group does not have any outstanding bank borrowing other than hire purchase commitment that is not material.

7.6.3 Contingent liabilities and Litigations/ Arbitration

Save as disclosed below, as at 23 April 2002 (being the latest practicable date prior to printing of the Prospectus) the Directors are not aware of any contingent liability and litigation/ arbitration which, upon becoming enforceable, may have material impact on the profit or net asset value of the Group.

Ipoh High Court Suit No 22-165-2001

- A claim is pending against OKA Engineering for damages allegedly due to loss of reputation over an execution of a writ of seizure and sale. An earlier claim by the same claimant, namely Maker Concrete Industry was struck out by the High Court on 12 December 2001. However, the claimant has filed a fresh summons quantified at the date of filing to be in the sum of RM1,603,000. The Company's solicitors have written to the Company to advise the abovementioned case and they are of the opinion that Maker Concrete Industry has filed a frivolous case against the Company as some of the evidence adduced are fictitious. Arab-Malaysian and KPMG have reviewed the letter from the solicitors. The solicitors are of the opinion that there should be no liability attached to the Company or whatsoever. As such, no provision has been made in the accounts of OKA Engineering as the Directors of the Group are of the opinion that the case is of no importance to OKA Engineering or the Group.

7. FINANCIAL INFORMATION (Cont'd)

7.7 Dividend Estimate And Forecast

- *Dividend policy*

OKA Corporation intends to pursue a dividend policy in line with its profitability, which would allow its shareholders to participate in the profits of the Group as well as leaving adequate reserves for its future and expansion. The Group expects it is in a position to recommend a gross dividend of 8% for the year ending 31 March 2003 as follows:

	Estimate Year 2002 (RM'000)	Forecast Year 2003 (RM'000)
Consolidated PBT	9,555	10,932
Less : Taxation	(2,673)	(1,744)
Consolidated PAT	<u>6,882</u>	<u>9,188</u>
Less: Dividend (Gross dividend of RM3.2 million less 28% tax)	-	(2,304)
	<u>6,882</u>	<u>6,884</u>
Enlarged issued and paid up share capital ('000)	33,197	40,000
Weighted average share capital ('000)	22,309	39,433
Gross EPS based on weighted average share capital (sen)	42.83	27.72
Net EPS based on weighted average share capital (sen)	30.85	23.30
Gross dividend rate (%)	-	8
Net dividend rate (%)	-	5.76
Gross dividend cover (times)	-	2.87
Net dividend cover (times)	-	3.99
	Estimate Year 2002 (RM'000)	Forecast Year 2003 (RM'000)
Gross dividend yield (%) (based on issue price of RM1.80)	-	4.44
Net dividend yield (%) (based on issue price of RM1.80)	-	3.20

Net dividend amounting to RM2,304,000 is forecasted to be declared and paid in the financial year ending 31 March 2003 assuming that a dividend cover of at least 1.25 is achieved in the said year.

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7. FINANCIAL INFORMATION (Cont'd)**7.8 Consolidated Profit Estimate and Forecast**

The Directors of OKA Corporation forecast that, barring unforeseen circumstances, the consolidated profit after taxation and minority interests for the financial years ended/ ending 31 March 2002 and 2003 respectively would be as follows -

	Estimate 2002 RM '000	Forecast 2003 RM'000
Revenue	38,870	40,869
Profit before tax	9,555	10,932
Less: Taxation	(2,673)	(1,744)
Profit after tax and minority interest	6,882	9,188
Enlarged issued and paid-up share capital	33,197	40,000
Weighted average share capital	22,309	39,433
Gross EPS based on weighted average share capital (sen)	42.83	27.72
Net EPS based on weighted average share capital (sen)	30.85	23.30
Gross PE multiple based on the Public Issue/Offer price of RM1.80 per share (times)	4.20	6.49
Net PE multiple based on Public Issue/Offer price RM1.80 per share (times)	5.83	7.72

Directors' Commentary on Achievability of Consolidated Profit Estimate and Forecast

The Board of OKA Corporation confirms that the consolidated profit estimate and forecast of OKA Corporation for financial years ended/ ending 31 March 2002 and 2003 respectively have been prepared on the bases and accounting principles consistent with those previously adopted in the preparation of the audited financial statements. The Board also confirms that the underlying bases and assumptions stated therein have been reviewed by them after due and careful enquiry and after taking into account the future prospects of the industry, the future plans of OKA Corporation Group and its level of gearing, liquidity and working capital requirements. The Board confirms that the profit estimate and forecast of the Group are achievable and the assumptions made are reasonable, barring unforeseen circumstances.

Nevertheless, in the light of the current economic environment in Malaysia, certain assumptions, including interest and exchange rates, may defer significantly from actual should the economic situation differ significantly from the date of this Prospectus and this may have a material impact on OKA Corporation Group's profit estimate and forecast.

7.9 Sensitivity Analysis

- **Deviation of 5% on selling prices**

	As estimated/ forecasted/ RM'000	Assumming selling price increase by 5% RM'000	%	Assumming selling price decrease by 5% RM'000	%
			change		change
Year ended 31 March 2002					
Net revenue	38,870	40,814	5	36,927	(5)
Profit before taxation	9,555	11,499	20	7,612	(20)
Year ending 31 March 2003					
Net revenue	40,869	42,912	5	38,826	(5)
Profit before taxation	10,932	12,975	19	8,889	(19)

7. FINANCIAL INFORMATION (Cont'd)

- **Deviation of 5% on cost of production**

	As estimated/ forecasted/ RM'000	Assuming cost increase by 5% RM'000	% change	Assuming cost decrease by 5% RM'000	% change
Year ended 31 March 2002					
Cost of production	(27,049)	(28,401)	5	(25,697)	(5)
Profit before taxation	9,555	8,203	(14)	10,907	14
Year ending 31 March 2003					
Cost of production	(28,375)	(29,794)	5	(26,956)	(5)
Profit before taxation	10,932	9,513	(13)	12,351	13

The directors have assessed the sensitiveness of the estimate and forecast to fluctuation in major variables thereof. The directors' view is that the main vulnerability, in so far as the achievement of the estimate and forecast is concerned, are fluctuations in the selling price and cost of raw material.

The directors are of the opinion that the estimated and forecasted selling price and raw material are realistic. The directors are satisfied with the adequacy and reliability of management accounting and estimate and forecast procedures and are confident of the achievability of the estimate and forecast.

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7. FINANCIAL INFORMATION (Cont'd)

7.9.1 Auditors' Letter On The Consolidated Profit Forecast



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The Board of Directors
OKA Corporation Bhd
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Off Persiaran Kampar
30250 Ipoh
Perak Darul Ridzuan

Your ref

Our ref 831/CST/HCY

22 APR 2002

Dear Sirs

OKA CORPORATION BHD

**Consolidated profit estimate and forecast for financial year ended 31 March 2002
and year ending 31 March 2003**

We have reviewed the accounting policies and calculations for the consolidated profit estimate and forecast after taxation of OKA Corporation Bhd and its subsidiaries ("the Proforma Group") for which the Directors are solely responsible, for the financial year ended 31 March 2002 and year ending 31 March 2003, as set out in the accompanying statement for the purpose of inclusion in the Prospectus in connection with the listing of OKA Corporation Bhd on the Second Board of the Kuala Lumpur Stock Exchange.

In our opinion, the consolidated profit estimate and forecast so far as the accounting policies and calculations are concerned, have been properly compiled on the basis of the assumptions made by the Directors as set out in the accompanying statement and are presented on a basis consistent with the accounting policies normally adopted by the Group.

Yours faithfully



7. FINANCIAL INFORMATION (Cont'd)

OKA CORPORATION BHD

CONSOLIDATED PROFIT ESTIMATE AND FORECAST
AND ASSUMPTIONS THEREON

The Directors of OKA Corporation Bhd (OKAC) estimate and forecast that barring unforeseen circumstances, the consolidated profit after taxation of OKAC Proforma Group for the financial year ended 31 March 2002 and year ending 31 March 2003 will be as follows:-

Financial year ending 31 March	Proforma Estimate 2002	Forecast 2003
	RM'000	RM'000
Consolidated profit before taxation	9,555	10,932
Less: Taxation	<u>(2,673)</u>	<u>(1,744)</u>
Consolidated profit after taxation	<u>6,882</u>	<u>9,188</u>
No. of share in issue ('000)	<u>33,197</u>	<u>40,000</u>
Net earnings per ordinary share based on weighted average number of shares (sen)	<u>30.8</u>	<u>23.3</u>

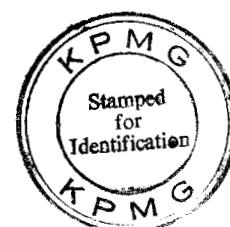
Note : The proforma estimate and forecast results are prepared on bases and accounting principles consistent with those previously adopted in the preparation of the audited financial statements.

In light of the current uncertainties in the global economic environment, certain assumptions made by the Directors in arriving at the estimate and forecast may differ significantly from that to be actually encountered and this may materially impact the profit estimate and forecast. However, based on the current information, the Directors are of the opinion that there will be no major impact on the following assumptions upon which the profit estimate and forecast have been prepared:-

- OKAC acquired the entire issued and paid-up share capital of OKA Concrete Industries Sdn Bhd (OCI) by issuance of 21,838,748 new ordinary shares of RM1 each at an issue price of RM1.29 per ordinary share on 20 February 2002 and undertook a rights issue of 11,258,252 new ordinary shares of RM1 per ordinary share at an issue price of RM 1.29 each on the basis of 1 new share for every 1.9 ordinary shares after the acquisition on 18 March 2002. After the acquisition and rights issue, OKAC proposes a public issue of 6,803,000 new ordinary shares of RM1 each at an issue price of RM1.80 per ordinary share. However, for the purpose of arriving at the proforma consolidated profit estimate for the year ended 31 March 2002 the acquisition is assumed to have been effected on 1 April 2001.

Other than the above, there will be no material changes in the structure and principal activities of the Group.

- There will be no significant changes in the prevailing economic conditions which will adversely affect the Group.

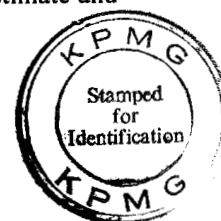


7. FINANCIAL INFORMATION (Cont'd)

3. There will be no major breakdowns or disruptions to the manufacturing facilities arising from machine failures, industrial disputes, labour shortage, climate conditions, economic, political and technology changes and any abnormal circumstances which will adversely affect the operations of the Group or the markets in which it operates.
4. There will be no significant changes in the present legislation or governmental regulations, bases and rates of duties, levies and taxes that will adversely affect the activities of the Group or the market in which it operates.
5. There will be no unforeseen circumstances involving personnel, key personnel, key customers and suppliers that may adversely affect the operations of the Group.
6. The demand and the selling prices of concrete products manufactured and marketed by the Group as estimated and forecasted will not be affected to a material extent by changes in market conditions.
7. The average selling prices for concrete product, piles and readymix are assumed to be consistent throughout the estimate and forecast years as follows:-

Financial year ending 31 March	Estimate	Forecast
	2002	2003
	RM/unit	RM/unit
Concrete product	257.00/MT	257.03/MT
Piles	270.28/MT	270.37/MT
Readymix	108.13/M ³	108.18/ M ³

8. Production capacity will be achieved as planned.
9. The production volume and cost of production will not be adversely affected to a material extent by unfavourable operational conditions.
10. There will be no major disruption to the supply of raw materials and the cost of raw materials as estimated and forecasted will not be affected to a material extent by changes in market conditions.
11. The operating costs, administrative costs and overhead expenses are assumed to increase 3% to 4% per annum in line with the inflation rate except the following:-
 - depreciation charges are based on actual calculation on the existing and addition of fixed assets planned for the projection years
 - doubtful debts are based on 2% of the net sales for the estimate and forecast years
 - hire purchase interest will be based on actual repayment schedules
 - bank overdraft interest which is charged at 9.5% per annum.
12. The rate of inflation will not vary significantly from current level which is assumed to be between 3% to 4%.
13. The average direct material cost is assumed to be consistent throughout the estimate and forecast years as follows:-



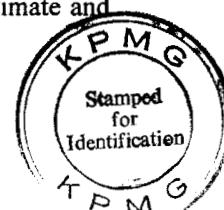
7. FINANCIAL INFORMATION (Cont'd)**Financial years ending 31 March 2002 and 2003**

Direct Materials	RM/MT
Cement	194
Aggregate	14
Washed sand	4
Steel bar	1,198
Prestressed wire	2,090
Hard drawn wire	1,280

14. There will be no major disruption to the supply of labour to the Group.
15. The required financing activities will be available and there will be no major adverse fluctuations in interest rates.
16. There will be no material changes in the existing accounting, management, and operating policies adopted by the Group.
17. The timing and mix of sales will be achieved as planned and there will be no unusual quality issues resulting in reject of goods by customers.
18. There will be no material fluctuations in foreign currency exchange rates from prevailing rates, including the exchange rate of United States Dollar (USD)1.00 to RM3.80.
19. Capital expenditure programmes are based on Directors' estimation and will be implemented and incurred on schedule and there will be no material acquisition or disposal of property, plant and equipment other than those projected. Capital expenditure programmes will be financed by the proceeds of the rights and public issue. Any excess funds required for the capital expenditure will be financed by internally generated funds.
20. The gross proceeds of RM26,768,545 arising from the rights and public issue will be available to the Group by 30 April 2002 and utilised in the following manner:-

	RM'000
Estimated listing expenses	1,600
Capital expenditures	21,500
Working capital purposes	<u>3,669</u>
	<u><u>26,769</u></u>

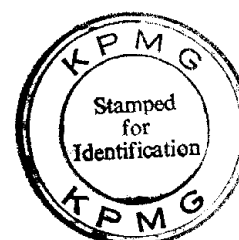
21. Taxation rate will remain at current level i.e. 28% and will not vary significantly during the years under review.
22. Deferred taxation is provided on the liability method for the anticipated timing difference between the accounting and taxation treatment of depreciation and capital allowances respectively and other timing difference except where no liability is expected to arise in the foreseeable future.
23. Fixed deposits interest rate will remain at 4.5% per annum throughout the estimate and forecast years.



7. FINANCIAL INFORMATION (Cont'd)

24. Dividend amounting to RM2,304,000 is forecasted to be declared and paid in the financial year ending 31 March 2003 assuming that a dividend cover of at least 1.25 is achieved in the said year. Except for special dividend of RM3,300,000 which was declared in September 2001, no other dividend is assumed declared for the year ended 31 March 2002.
25. The weighted average number of shares for the years ending 31 March 2002 to 2003 is calculated based on the following assumptions:-
- The weighted average number of shares as at 31 March 2002 assumes that OKAC has acquired OCI on 1 April 2001 with the issuance of 21,838,748 ordinary shares and a rights issue of 11,258,252 was undertaken on 18 March 2002.
 - The weighted average number of shares as at 31 March 2003 assumes that the public issue would be completed by 30 April 2002 with the enlarged share capital of 40,000,000 shares.

	2002	2003
Weighted average number of ordinary shares after the public and rights issue	22,308,882	39,433,083



7. FINANCIAL INFORMATION (Cont'd)

7.10 Proforma Consolidated Balance Sheets of OKA Corporation

The Proforma Consolidated Balance Sheets of OKA Corporation as at 31 October 2001 as set out below have been prepared for illustrative purposes only to show the effects of the Acquisition of OKA Concrete Industries Group, the Rights Issue and the Public Issue:-

	OKA Corporation As at 31 October 2001 RM'000	I After Acquisition of OKA Concrete Industries Group RM'000	II After I and Rights Issue RM'000	III After II and Public Issue RM'000	IV After III and utilisation of proceeds from Rights Issue and Public Issue RM'000
FIXED ASSETS	-	14,356	14,356	14,356	35,856
EXPENDITURE CARRIED FORWARD	143	143	143	143	143
CURRENT ASSETS					
Stock	-	9,093	9,093	9,093	9,093
Trade debtors	-	13,262	13,262	13,262	13,262
Other debtors, deposits and prepayment	-	312	312	312	312
Short term deposit with a licenced bank	-	3,043	3,043	3,043	3,043
Cash and bank balances	56	243	14,766	25,411	3,911
	56	25,953	40,476	51,121	29,621
CURRENT LIABILITIES					
Trade creditors	-	5,993	5,993	5,993	5,993
Other creditors and accruals	376	448	448	448	448
Hire purchase creditors	-	72	72	72	72
Bank overdraft (secured)	-	541	541	541	541
Provision for taxation	-	1,211	1,211	1,211	1,211
Proposed dividend	-	3,300	3,300	3,300	3,300
	376	11,565	11,565	11,565	11,565
Net Current Assets	(320)	14,388	28,911	39,556	18,056
DEFERRED TAXATION HIRE PURCHASE CREDITORS	-	(125)	(125)	(125)	(125)
	(177)	28,696	43,219	53,864	53,864
SHARE CAPITAL SHARE PREMIUM RESERVES	100	21,939	33,197	40,000	40,000
	-	6,333	9,598	13,440	13,440
	(277)	424	424	424	424
	(177)	28,696	43,219	53,864	53,864
NTA per share (RM)	(1.77)	1.30	1.30	1.34	1.34

7. FINANCIAL INFORMATION (Cont'd)

7.10.1 Auditors' Letter on the Proforma Consolidated Balance Sheets



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The Board of Directors
OKA Corporation Bhd
6 Lebuhraya Chateau
Off Persiaran Kampar
30250 Ipoh
Perak Darul Ridzuan

Your ref

Our ref 831/CST/HCY

22 APR 2002

Dear Sirs,

PROFORMA CONSOLIDATED BALANCE SHEETS
Listing on the Second Board of the Kuala Lumpur Stock Exchange

We have reviewed the Proforma Consolidated Balance Sheets of OKA Corporation Bhd and its subsidiary companies together with the notes thereon, for which the Directors of OKA Corporation Bhd are solely responsible, prepared for the inclusion in the Prospectus in connection with the above exercise.

In our opinion, the Proforma Consolidated Balance Sheets which are provided for illustrative purpose only, have been properly prepared on the basis set out in the notes to the Proforma Consolidated Balance Sheets.

Yours faithfully



KPMG, KPMG, a partnership established under Malaysian law, is a member of KPMG International, a Swiss association.

7. FINANCIAL INFORMATION (Cont'd)

Proforma Consolidated Balance Sheets Of
OKA Corporation Bhd As At 31 October 2001

	← Scenario →				After (III) and Utilisation of Proceeds from Rights and Public Issue RM'000
	(I)	(II)	(III)	(IV)	
	Audited Accounts As At 31 October 2001 RM'000	After Acquisition of OKA Concrete Industries Group RM'000	After (I) and Rights Issue RM'000	After (II) and Public Issue RM'000	
PROPERTY, PLANT AND EQUIPMENT	-	14,356	14,356	14,356	35,856
EXPENDITURE CARRIED FORWARD	143	143	143	143	143
CURRENT ASSETS					
Stocks	-	9,093	9,093	9,093	9,093
Trade receivables	-	13,262	13,262	13,262	13,262
Other receivables and prepayments	-	312	312	312	312
Short term deposit with a licensed bank	-	3,043	3,043	3,043	3,043
Cash and bank balances	56	243	14,766	25,411	3,911
	<u>56</u>	<u>25,953</u>	<u>40,476</u>	<u>51,121</u>	<u>29,621</u>
CURRENT LIABILITIES					
Trade payables	-	5,993	5,993	5,993	5,993
Other payables and accruals	376	448	448	448	448
Hire purchase creditors	-	72	72	72	72
Bank overdraft (secured)	-	541	541	541	541
Provision for taxation	-	1,211	1,211	1,211	1,211
Proposed dividend	-	3,300	3,300	3,300	3,300
	<u>376</u>	<u>11,565</u>	<u>11,565</u>	<u>11,565</u>	<u>11,565</u>
Net current assets/(liabilities)	(320)	14,388	28,911	39,556	18,056
DEFERRED TAXATION	-	(125)	(125)	(125)	(125)
HIRE PURCHASE CREDITORS	-	(66)	(66)	(66)	(66)
	<u>(177)</u>	<u>28,696</u>	<u>43,219</u>	<u>53,864</u>	<u>53,864</u>
SHARE CAPITAL	100	21,939	33,197	40,000	40,000
SHARE PREMIUM	-	6,333	9,598	13,440	13,440
RESERVES	(277)	424	424	424	424
	<u>(177)</u>	<u>28,696</u>	<u>43,219</u>	<u>53,864</u>	<u>53,864</u>
NTA per share (RM/share)	(1.77)	1.30	1.30	1.34	1.34



7. FINANCIAL INFORMATION (Cont'd)

NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS OF OKA CORPORATION BHD AS AT 31 OCTOBER 2001**1. Basis of preparation**

- (A) The proforma consolidated balance sheets have been prepared based on the audited financial statements of OKA Corporation Bhd (OKAC) and OKA Concrete Industries Sdn Bhd (OCI) and its subsidiaries as at 31 October 2001.
- (B) The proforma consolidated balance sheets have been prepared based on accounting principles and basis consistent with those previously adopted in the preparation of the audited financial statements.
- (C) The proforma consolidated balance sheets illustrate the effects of the proposed restructuring which comprises the following (collectively called the Proposals) which are assumed to be effected on 31 October 2001:-
1. The acquisition by OKAC from Ir Ong Koon Ann and Madam Quah Seok Keng, the entire equity interest in OCI by issuance of 21,838,748 new ordinary shares at an issue price of RM1.29 each which was on 20 February 2002.
 2. The rights issue of 1 new ordinary share for approximately every 1.9 existing ordinary shares held after the completion of the acquisition on 25 March 2002. The new ordinary shares of 11,258,252 shares will be issued at an issue price of RM1.29 each and rank pari passu in all respects with the existing ordinary shares of OKAC. The proceeds from the rights issue will be utilised for the purposes set out in Note 4.
 3. The proposed public issue by OKAC of 6,803,000 new ordinary shares of RM1.00 each at an issue price of RM1.80 per ordinary share for the purposes as set out in Note 4. In conjunction with this, OKAC will seek listing of and quotation of the entire enlarged issued and paid-up share capital comprising 40,000,000 ordinary shares of RM1.00 each on the Second Board of the KLSE.
 4. The rights issue and public issue are expected to raise in aggregate RM26,768,545 to the OKAC, which will be utilised as follows:-

	RM'000
Purchase of new plant and machinery	10,300
Purchase of land	6,200
Automation and upgrading of existing factory	5,000
Financing of working capital	3,669
Defraying estimated expenses of the Proposals	1,600
	26,769



7. FINANCIAL INFORMATION (Cont'd)

2. Net tangible assets per share of the proforma balance sheets at 31 October 2001

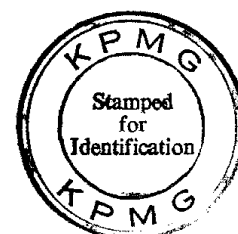
Net tangible assets (NTA) per share for each of the following scenarios are calculated based on the net tangible assets (but excluding goodwill arising from consolidation), divided by fully paid ordinary shares of RM1.00 each respectively.

<i>Scenario</i>	<i>Number of the ordinary shares ('000)</i>	<i>NTA per share (RM/share)</i>
As per audited financial statements	100	(1.77)
Scenario I		
- after acquisition OKA Concrete Industries Group	21,939	1.30
Scenario II		
- after scenario I and rights issue	33,197	1.30
Scenario III		
- after scenario II and public issue	40,000	1.34
Scenario IV		
- after scenario III and utilisation of proceeds from the rights and public issue	40,000	1.34

3. Share capital of OKAC

The movement of the issued and paid-up share capital of OKAC is as follows :-

	RM
As at 31 October 2001	100,000
Issue of new ordinary shares of RM1.00 each pursuant to the acquisition of OCI Group	21,838,748
	<hr/>
	21,938,748
Rights issue of 11,258,252 new ordinary shares of RM1.00 each	11,258,252
Public issue of 6,803,000 new ordinary shares of RM1.00 each	6,803,000
	<hr/>
Enlarged issued and paid-up capital	40,000,000
	<hr/> <hr/>



7. FINANCIAL INFORMATION (Cont'd)

4. Share Premium Account of OKAC

The movement of share premium account of OKAC is as follows :-

	RM
Share premium arising from :-	
Acquisition of OCI Group by the issuance of 21,838,748 ordinary shares of RM1.00 each at RM1.29 each	6,333,237
Rights issue of 11,258,252 ordinary shares of RM1.00 each at an issue price of RM1.29 each	3,264,893
	<hr/>
	9,598,130
Public issue of 6,803,000 ordinary shares of RM1.00 each at an issue price of RM1.80 each	5,442,400
Less : Estimated listing expenses	(1,600,000)
	<hr/>
	<u>13,440,530</u>

