

5. PROMOTERS, DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

The Group is led by strong and committed promoters, Directors and management with extensive experience in the PVF, plumbing materials and general hardware industry.

5.1 Promoters

The promoters of Engtex are Ng Hook, Ng You Chai, Ng Chin Man, Ng Chooi Guan and Ng Yik Soon. Their profiles are set out in Section 5.2 and 5.3 of this Prospectus.

None of the Promoters hold or has held any directorships or shareholdings of five percent (5%) or more of the issued and paid-up share capital in other public corporations for the past two(2) years.

5.2 Board of Directors

i) Profile

Brief profile of the Board of Directors of Engtex are as follows:-

DATO' HAJI ABDUL RAHIM BIN HAJI ABDUL RAZAK, aged 48, was appointed as the Chairman on 3 June 2002. He holds a Bachelor of Arts degree in History from University of Malaya in 1977. Dato' Haji Abdul Rahim began public service as a University of Malaya history tutor upon his graduation and was made the Administrative and Diplomatic officer to the Public Service Department in 1978. He was appointed as Senior Private Secretary to the Ministry of Trade and Industry in 1981 and was later made Special Officer to the Prime Minister in the Prime Minister Department in 1983. He was subsequently appointed as Senior Private Secretary to the Minister of the Ministry of Foreign Affairs, Ministry of Information, Ministry of Defence in succession from 1986 to 1999. His last appointment in the public service sector was with the Ministry of Home Affairs where he served as Senior Private Secretary to the Minister of Home Affairs from 8 January 1999 to 1 January 2001.

Dato' Haji Abdul Rahim currently sits on the Board of Vads Berhad and is also a shareholder of several private limited companies in Malaysia.

The Group views that with his extensive working experience, he will contribute positively to the Group.

NG HOOK, aged 46, was appointed to the Board on 3 June 2002. He is the Group Managing Director and overall in-charge of the Group. He started his career after completion of his secondary education in 1973. His first job was as a Sales Representative with a hardware distribution company in Jalan Ipoh where he served for 7 years until 1980.

In 1980, he set up his own trading company dealing with hardware products. With the assistance of his brothers, the company grew and in 1983, he established ESB and subsequently transferred all his businesses to ESB.

Mr. Ng has been involved in the hardware, PVF industry until today. With more than 25 years of hands-on experience in the business, he is primarily responsible for the success of the Group.

With his skills and acute business vision, he is able to develop the Group's businesses and the continuing growth of the Group. Under his leadership, the Group has posed significant expansion over the years to be the market leader, thus securing an enviable share in the hardware industry.

Mr. Ng sits on the Board of several subsidiary companies and also several other private limited companies.

5. PROMOTERS, DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES (Cont'd)

NG CHOOI GUAN, aged 38 was appointed as a Director of Engtex on 3 June 2002. He is also the General Manager of ESB. He commenced his career upon completion of his secondary education in 1980. Ng Chooi Guan joined a local hardware store as a Sales Representative from 1981 to 1983 and was responsible for the sales of hardware products.

He has 4 years of successful experience in the rapid growth of hardware industry before joining ESB upon its inception in 1984 as a Sales Representative and progressed with the company to become the Sales Manager. In 1996, he was promoted to General Manager.

His responsibilities include sales and marketing, business development, procurement of new products for distribution, securing new exclusive distributorships/agencies and developing house-brand products.

NG YIK SOON, aged 34 was appointed as Director on 3 June 2002. He obtained his Professional Diploma in Sales and Marketing from the University of Malaya Centre for Continuing Education in May 2002. He has been with ESB since completion of his secondary education in 1985. He progressed together with the growth of ESB since its inception.

He was attached to the store and operations division in ESB as an apprentice and was subsequently transferred to the sales division as a Sales Representative in 1987. Since then, he has been actively involved in identifying and developing markets for ESB products in the central and northern regions of Peninsular Malaysia from 1987 to 1989. Equipped with 5 years experience in sales and marketing, he explored into the hardware market in the east coast and the southern region of Peninsular Malaysia from 1990 to 1994. He is credited for his achievability in expanding ESB's market share to a significant level in the two regions.

With his wealth of customer contacts and experience, he was promoted to Assistant Trading Sales Manager in 1995 and to Trading Sales Manager in 1997 where he was in-charged of the supply chain activities of the distribution and wholesale divisions. With his experience in the entire supply chain in the Group's distribution business from procurement, warehousing & operations to sales, he was promoted to Group Supply Chain Manager in 2001 and is currently responsible for the Group's procurement and supply-chain management.

SYED AZMIN BIN MOHD NURSIN @ SYED NÖR, aged 38, was appointed as Director of Engtex on 3 June 2002. He holds a Bachelor of Science degree, majoring in Business Management from University of Berkeley, United States of America. Upon his graduation in 1984, he has been involved in several private business ventures, which include trading, housing development, manufacturing and stockbroking.

In 1993, he joined Timber Master Industries Berhad and was later appointed as Executive Director in 1994. He is responsible for the corporate affairs and business development of the group until 1996. He was appointed as Executive Director of CN Asia Corporation Berhad in 1997, responsible for the same capacity and in 1999 he was one of the directors/founders of an IT company, Commercedotcom Sdn Bhd which had undertaken one of the government electronic commerce projects, ePerolehan.

He currently sits on the Board of CN Asia Corporation Berhad and Amtek Holdings Berhad and is also a director and/or shareholders of several private limited companies.

The Group views that his extensive experience in trading, manufacturing and IT would augur well for Engtex.

5. PROMOTERS, DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES (Cont'd)

CHIN MEE FOON, aged 48 was appointed as the Director of Engtex on 3 June 2002. She is currently the Chief Finance Officer since 1999 and Company Secretary of Fiamma Holdings Berhad. She is also a fellow member of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Accountants. She is also an associate member of the Institute of Chartered Secretaries and Administrators. She joined Fiamma Holdings Berhad as an Accountant in July 1989 and was promoted to Finance and Administration Manager of the Group in January 1992. She is responsible for the overall financial management, accounting, secretarial and corporate functions of the group. Prior to joining Fiamma, Ms Chin was with Ernst & Young, a professional accounting firm from 1984 to 1989 where she was involved in both tax compliance and advisory work. She was an Assistant Tax Manager in Ernst & Young when she left the firm in June 1989.

YAP SENG KUAN, aged 44 was appointed as the Director of Engtex on 3 June 2002. She is the Group Treasury & Credit Control Manager. Her portfolio includes the day-to-day credit and cashflow, monitoring debtors' collection and treasury functions of the Group.

After completion of her secondary education, Madam Yap joined a local hardware store as Administration & Accounts Supervisor from 1977 to 1979. Prior to joining ESB in 1994, she managed her own beauty care business. She served in several positions in ESB prior to assuming her current position.

5.2.1 Directors' Shareholdings in Engtex

The shareholdings of the Directors in Engtex after the Public Issue will be as follows:-

	Before Public Issue				After Public Issue*			
	Direct		Indirect		Direct		Indirect	
	No of shares	%	No of shares	%	No of shares	%	No of shares	%
Dato' Haji Abdul Rahim bin Haji Abdul Razak	-	-	-	-	15000	0.03	-	-
Ng Hook	13,794,847	27.10	13,088,184 [^]	25.72	13,809,847	23.02	13,268,184 [^]	22.11
Ng Chooi Guan	2,784,720	5.47	24,098,311 [#]	47.35	2,799,720	4.67	24,263,311 ^{\$}	40.44
Ng Yik Soon	1,392,360	2.74	25,490,671 ^{&}	50.08	1,407,360	2.35	25,655,671 ^{&}	42.76
Syed Azmin bin Mohd Nursin @ Syed Nor	-	-	-	-	15,000	0.03	-	-
Chin Mee Foon	-	-	-	-	10,000	0.02	-	-
Yap Seng Kuan	-	-	-	-	15,000	0.03	13,809,847 ^φ	23.02

Notes:

- * Includes the allocation of shares issued pursuant to the pink form allocation scheme.
- [^] Deemed interested through his spouse and brothers, Ng You Chai, Ng Chin Man, Ng Chooi Guan, Ng Ai Swee, Ng Ah Leong and Ng Yik Soon's direct interest in Engtex.
- ^{\$} Deemed interested through his brothers, Ng Hook, Ng You Chai, Ng Chin Man, Ng Ai Swee, Ng Ah Leong and Ng Yik Soon's direct interest in Engtex.
- [&] Deemed interested through his brothers, Ng Hook, Ng You Chai, Ng Chin Man, Ng Chooi Guan, Ng Ai Swee and Ng Ah Leong's direct interest in Engtex.
- ^φ Deemed interested through her spouse, Ng Hook's direct interest in Engtex.

5. PROMOTERS, DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES (Cont'd)

5.2.2 Directors' Directorships and Substantial Shareholdings in other Public Companies for the past two(2) years

Save as disclosed in Section 5.2 of this Prospectus, none of the Directors holds or has held any directorships or shareholdings of five percent (5%) or more of the issued and paid-up share capital in other public companies for the past two(2) years.

5.2.3 Directorships' Remuneration and Benefits

The remuneration in the form of emoluments and fees paid to the Directors of the Group for services tendered in all capacities to the Company and its subsidiaries for the financial year ended 31 December 2001 amounted to RM1,478,565. For the financial year ending 31 December 2002, the remuneration payable to the Directors is estimated at RM1,800,000.

5.3 Management Team
i) Profile

Brief profile of the Management Team of Engtex are stated below:-

CHEAH HOCK KEE, aged 39 joined Domino in 2000 and is currently the General Manager – Manufacturing, Sales & Marketing. He holds a Diploma in Management from the Malaysian Institute of Management in 1988. Mr Cheah started his career in 1984 as an Estimator with Petro-Pipe Industries and was later promoted to Marketing Manager in 1989. As the Marketing Manager, he was in-charge of marketing and sales of pipes and fittings. In 1993, he joined Accurate Industrial Steel Sdn Bhd as the General Manager. During his tenure until 1999, his responsibilities include overseeing the whole operations of the steel pipes factory.

With 17 years of vast experience in the steel pipes industry, Mr Cheah was put-in-charge of providing direction and leadership to the senior management team, overseeing the company operations, financial management, project implementation, logistics and marketing aspect of the company.

CHEONG SOO FENG, aged 42 is currently the Human Resources ("HR") & Administration Manager of Engtex. She holds a Post-graduate Diploma in Human Resource Management from Strategic Business School in association with Glasgow Caledonia University, Scotland. She is a member of the Management Institute of Management (MIM) since 1996 and Malaysian Institute of Human Resource Management (MIHRM) in 2001.

She commenced her career in 1978 in the finance department of Smithkline Beecham. In 1981, she joined Associated Pan Malaysian Cement Berhad (APMC) as Purchasing Assistant. She has been attached with APMC for 13 years. Her last designation was the Secretary to the Assistant General Manager of CMCM Perniagaan Sdn Bhd, a subsidiary of APMC. From 1993 to 1997, she was the Personnel Officer of Essilor (M) Sdn Bhd, given the responsibility of human resource and administration functions. Prior to joining Engtex in 2001, she served HeartScan (M) Sdn Bhd from 1998 to 2000 as the HR & Administrative Executive where she was responsible for setting up the HR and Administration Department.

She has been exposed to a wide spectrum of human resource and administrative functions over her working years. She is responsible for the overall human resources and administration management of the Group.

5. PROMOTERS, DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES (Cont'd)

HOW KON FOOK, aged 45 commenced his career in 1974 when he joined a hardware store as a store hand. He served for 2 years before he moved to Hup Huat Hardware Sdn Bhd as a counter sales personnel from 1978 to 1980. He was subsequently employed as a Sales Representative in Yong Hardware Sdn Bhd for 9 years prior to joining Benton. With his hands-on and pro-active management style together with his emphasis on product development, he spearheaded the incorporation of Benton in 1989 and was appointed as a Director.

As a Director of the Benton, he is overall in-charge of the distribution of PVF, general hardware and plumbing materials primarily to East Malaysia.

KHOO CHONG KEONG, aged 33 is currently the Group Internal Audit and Enterprise Risk Management Manager. He is a member of The Chartered Association of Certified Accountants and the Malaysian Institute of Certified Public Accountants since 1994 and the Malaysian Institute of Accountants since 1996.

He started his career as an articled student with Arthur Andersen & Co. in 1990 and left the accounting firm in 2000 as an Audit Manager. During his tenure in Arthur Andersen & Co., he was involved in the auditing and business advisory services in various industries such as transportation, hospitality, education, construction and property development, manufacturing etc.

Prior to joining Engtex, he was with Selangor Properties Berhad, a public listed company, as Finance Manager, primarily responsible for the group management accounting function, business performance review and other ad-hoc management assignments.

His current portfolio in Engtex involves the setting up of the Internal Audit Department, defining the internal audit function and the Group's risk management framework, provision of identified training programs, supervising the internal audit work, reporting audit finding and other ad-hoc management assignments.

KHOO TEIK CHUAN, aged 31 is the Accountant of the Group. He is a member of Chartered Institute of Management Accountants, U.K. (CIMA) and the Malaysian Institute of Accountants since 2001. His first attachment upon completion of his Diploma in Commerce from TAR College in 1995 was with H H Tan & Co as an Audit Senior. Prior to joining ESB in 1999, he was the Assistant Accountant of a multi-national paint manufacturing company, DNT Malaysia Sdn Bhd, overseeing the company's financial accounts.

Currently, he is responsible for the Group's financial accounts. His portfolio involves preparation and reviewing of monthly management reports and financial statements, supervising a team of accounts staff to ensure timely closing of month-end accounts, cashflow projections and forecasts,

LAU JOO HING, aged 31 is the Warehouse Manager of ESB. He holds a second class upper Degree in Science (Mathematics) from the University of Malaya in 1994. He commenced his career in Goh Ban Huat Bhd (GBH) as an Executive and over his 6 years of service, he was promoted to several managerial positions and was the Senior Manager of GBH before he left to join ESB in 2000. He was in-charge of managing the MS ISO 9002 Quality System, customer service, logistics and production planning. During his tenure with Goh Ban Huat Bhd, he was also actively involved in the SIRIM Standard Development Committee (sanitaryware) and was responsible for the upgrading and revision of the Malaysian Standard for sanitaryware.

He is currently in-charge of the warehouse and logistics division; oversees, coordinates and manages the day to day warehouse and logistics operations.

5. PROMOTERS, DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES (Cont'd)

LOH EAM CHONG, aged 42 is currently the Executive Director of ELHT/ELHH. He commenced his career upon completion of his secondary education in 1974 as shop assistant in Lam Hong Hardware Sdn Bhd. In 1978 he was promoted and was responsible for counter sales and store management. In 1985, he was the Sales Executive responsible for sales in Ipoh, Kuala Lumpur and Kelantan regions before he left to venture into his business in ELHT in 1993.

Equipped with an extensive experience of more than 26 years in sales and hands-on knowledge of the plumbing material business, he is the driving force in the growth of ELHT.

NG YOU CHAI, aged 44 is currently the Group Logistics & Operations Manager. His first job experience after completion of his secondary education was in the grocery business from 1973 to 1977. In 1977, he joined Selangor Motor Sdn Bhd, a spare part company as a counter sales personnel. He served the company for 4 years before he decided to start up his own business with one of his brothers, Ng Chin Man and other partners, involving in the manufacturing of iron grills and steel products. He left the company in 1984 to join ESB as a sales representative until 1993 and was promoted to his present position. With his vast experience and hands-on experience, he was put in-charge of the distribution operations and logistics.

NG CHIN MAN, aged 42 is currently the Factory Manager of Allpipes. He commenced his career upon completion of his secondary education as a welder in Ban Lee Iron Works from 1974 to 1978. In 1978 he obtained sub-contract works from iron works companies and thereafter, left Ban Lee Iron Works. In 1981, he joined his siblings to set up their own business specialising in the manufacturing of iron grills and steel products. Since then he has been actively involved in the business of manufacturing of steel related products.

He has been actively involved in ESB since 1986. With his vast practical experience of 22 years in the steel manufacturing industry, he is currently heading the company's cement-lined manufacturing steel pipes factory in Serendah, overseeing the production operations and management.

TAN KIAN KOK, aged 50 is the Director of ESB. He has been with ESB since its inception on 31 December 1983. His first attachment after completion of his secondary school in 1966 was with Cin Cin Tin Mines in Melaka for 5 years as a Machine Operator. Thereafter, he was attached to Yew Foo Manufacturing in Shah Alam as Production Operator. In 1972 he joined Chee Cheong Hardware Merchants Sdn Bhd as counter sales personnel for 13 years. During his tenure, he was extensively exposed to various hardware operations.

He oversees the trading and dealers sales division.

TEH CHEE GHEE, aged 35 is currently the Group's Financial Controller. He holds a Master of Business Administration (MBA) from University of Malaya. He graduated from University Malaya in 1990 with an Honours Degree in Accounting and is a member of the Malaysian Institute of Certified Public Accountants (MICPA) since 1994 and the Malaysian Institute of Accountants (MIA) since 1993. He is a fellow member of the Chartered Association of Certified Accountants, U.K. (ACCA) since 2001 and the Malaysian Institute of Taxation since 2000.

Mr Teh commenced his career in 1990 when he joined Arthur Andersen-HRM (Management Services) Sdn Bhd as an associate consultant and subsequently joined the audit and business advisory division of Arthur Andersen & Co in November 1990. He was seconded to lead the Kuala Terengganu office of Arthur Andersen & Co in 1993 and was there until 1994. Thereafter, he was the Finance & Administration Manager in CWS Hygiene Sdn Bhd (CWS) and when the Zuellig Group acquired CWS in 1995, he was appointed as the Regional Financial Controller

5. PROMOTERS, DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES (Cont'd)

of Gold Coin Feedmills (M) Sdn Bhd in 1995. He was also in-charge of the group accounts of Gold Coin (Malaysia) Bhd.

Mr. Teh joined ESB in 1996 as the Group Financial Controller and has been with the Group for 6 years. In addition, he further assumed the position of Personal Assistant to the Group Managing Director since 3 January 2000. He is overseeing the financial and corporate management of the Group and assists the Group Managing Director in strategic planning, co-ordinating and managing all operating centres of the Group.

He currently sits on the Board of Fiamma Holdings Berhad as an independent non-executive director.

WONG AH CHOO, aged 49 is the Director of EMarketing. He joined EMarketing in 1996 as Director cum Sales Manager. He is extensively responsible for implementing sales and marketing strategies of the products manufactured by EMetals and also the management and operations of the factory. He has been involved in the steel related products industry for 29 years, therefore his portfolio of overseeing the factory operation is believed to be accountable.

He started his career in 1972 after completion of his A-level education as a Sales Representative with Subsidiary Borneo Co and was there for 3 years. In 1975 he joined Hong Leong Trading Co as a Sales Representative, involved in the sales of hardware products. In the same year, he joined Berjaya Kawat Bhd as a Sales Executive and was promoted to Senior Sales Executive in 1977, and was made in-charge of sales of steel wire and wire rope. From 1985 to 1990, he served as Sales & Factory Manager of D & B Trading Sdn Bhd and was responsible for the sales and production of steel, wire mesh and bars. In 1990 he joined Wing Tiek Metals Sdn Bhd as a Marketing Manager for steel, wire mesh, stainless steel bars and shaft and left the company in 1996.

WONG SUN CHOY, aged 45 is presently the Managing Director of LYE and is overall in-charge of the operations of LYE.

Mr. Wong joined his family-owned foundry business (which was founded by his father) after his secondary education in 1975. He was then involved in the production section. The family-owned business was subsequently converted into LYE in 1977 and with his ability and active involvement in all aspects of LYE operations, he was appointed as the Managing Director of LYE in 1978. With his vast experience and knowledge in marketing, technical and product development, he is very much involved in the marketing and development of new casting industrial products over the past years.

ii) Key management staff shareholding in Engtex

	Before Public Issue				After Public Issue*			
	Direct		Indirect		Direct		Indirect	
	No of shares	%	No of shares	%	No of shares	%	No of shares	%
Cheah Hock Kee	-	-	-	-	20,000	0.03	-	-
Cheong Soo Feng	-	-	-	-	10,000	0.02	-	-
How Kon Fook	1,001,020	1.97	-	-	1,051,020	1.75	-	-
Khoo Chong Keong	-	-	-	-	10,000	-	-	-
Khoo Teik Chuan	-	-	-	-	15,000	-	-	-
Lau Joo Hing	-	-	-	-	10,000	-	-	-
Loh Eam Chong	720,136	1.41	-	-	770,136	1.28	-	-
Ng Chin Man	2,784,720	5.47	24,098,311#	47.35	2,834,720	4.72	24,228,311#	40.38
Ng You Chai	3,063,192	6.02	23,819,839@	46.80	3,113,192	5.19	23,949,839@	39.92
Tan Kian Kok	465,284	0.91	-	-	515,284	0.86	-	-
Teh Chee Ghee	-	-	-	-	-	-	-	-
Wong Ah Choo	-	-	-	-	-	-	-	-
Wong Sun Choy	-	-	-	-	-	-	-	-

5. PROMOTERS, DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES (Cont'd)

Notes:

** Includes the allocation of shares issued pursuant to the pink form allocation scheme.*

Deemed interested through his spouse and brothers, Ng Hook, Ng You Chai, Ng Chooi Guan, Ng Ai Swee, Ng Ah Leong and Ng Yik Soon's direct interest in Engtex.

@ Deemed interested through his brothers, Ng Hook, Ng Chooi Guan, Ng Chin Man, Ng Ai Swee, Ng Ah Leong and Ng Yik Soon's direct interest in Engtex.

5.4 Family Relationship

Save for the following, none of the Directors and Senior Management of Engtex Group are related to each other:

- a. Ng Hook, Ng You Chai, Ng Chin Man, Ng Chooi Guan and Ng Yik Soon are siblings; and
- b. Yap Seng Kuan is the spouse of Ng Hook.

5.5 Audit Committee

Engtex has set up an Audit Committee on 3 June 2002 which comprises the following Board members:-

Name	Designation	Directorship
Dato' Haji Abdul Rahim bin Haji Abdul Razak	Chairman	Independent Non-Executive Director
Ng Hook	Member	Managing Director
Chin Mee Foon	Member	Independent Non-Executive Director

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

5.6 Changes in Major Shareholders, Promoters and Shareholdings for the Past Three(3) Years

There are no changes to the major shareholders, promoters and their shareholdings of Engtex since its date of incorporation save as disclosed in Section 1.2 of this Prospectus.

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6. FINANCIAL INFORMATION

6.1 Consolidated Profit and Dividend Record

A summary of the proforma consolidated audited results of the Engtex Group for the five(5) financial years ended 31 December 1997 to 2001 has been prepared for illustrative purposes only based on the audited accounts of the Engtex Group and the assumption that the current structure of the Group has been in existence throughout the period under review:-

	Financial Year Ended				
	31.12.1997	31.12.1998	31.12.1999	31.12.2000	31.12.2001
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	197,561	136,122	149,957	190,720	222,431
EBIDTA	6,036	11,359	17,831	24,388	27,803
Interest expense	(1,516)	(2,746)	(1,632)	(2,361)	(3,523)
Interest income	9	1	146	6	22
Depreciation	(1,347)	(1,442)	(1,809)	(3,079)	(4,840)
Profit before exceptional items	3,182	7,172	14,536	18,954	19,462
Exceptional item	-	-	-	(412) *	-
Share of profits/losses of associated companies	-	-	-	-	-
PBT	3,182	7,172	14,536	18,542	19,462
Taxation	(1,006)	(2,131)	(130)	(5,040)	(6,440)
Profit from ordinary activities	2,176	5,041	14,406	13,502	13,022
Extraordinary item	-	-	-	-	-
MI	(174)	(475)	(860)	(774)	(579)
Pre-acquisition loss**	-	-	-	-	30
Net profit	2,002	4,566	13,546	12,728	12,473
No. of Shares assumed to be in issue of RM1.00 each ('000)***	22,445	22,445	22,445	22,445	22,445
Gross EPS (sen)****	13.4	29.8	60.9	79.2	84.1
Net EPS (sen)	8.9	20.3	60.4	56.7	55.6

* The exceptional items relates to expenses and write-offs incurred as a result of flooding in the premises of LYE in November 2000.

** The net pre-acquisition loss relates to the acquisition of additional equity interest in Mega and LYE by ESB in 2001.

*** The number of ordinary shares assumed in issue throughout the financial years under review is the number of ordinary shares in issue after the acquisition of ESB and its subsidiary companies by Engtex, i.e. 22,444,774 Shares.

**** In calculating gross EPS, earnings consist of PBT after MI and extraordinary item.

6.2 Analysis and Commentary on Financial Performance

- i) The Engtex Group's revenue decreased in 1998 despite an increase in profit. An increment of 125% was reported in the Group's PBT in 1998 due to the Group's changes in strategy and focus to concentrate on selling products with higher gross margins such as PVF. In addition, during the recession period, many small suppliers had to close down, allowing Engtex Group to consolidate its position and have a better pricing for its products.
- ii) Years 2000 and 2001 saw an increase in revenue due to an improvement in the country's economy and thus an increase in demand for Engtex Group's products.

6. FINANCIAL INFORMATION (Cont'd)

6.3 Directors' Declaration on Financial Performance

As at 31 May 2002, (being the latest practicable date prior to the printing of this Prospectus), the financial conditions and operations of the Company and its subsidiaries are 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 Engtex Group;
- ii) Material commitment for capital expenditure;
- iii) Unusual, infrequent events or transactions or any significant economic changes that materially affected the financial performance, position and operations of the Engtex Group; and
- iv) Known events, circumstance, trends, uncertainties and commitments that are reasonably likely to make the historical financial statements not indicative of future financial performance and position.

6.4 Working Capital, Borrowings and Contingent Liabilities**6.4.1 Working Capital**

The Directors of Engtex are of the opinion that after taking into account the cashflow forecast, banking facilities available and gross proceeds from the Public Issue, the Group will have adequate working capital for its present and foreseeable requirements.

6.4.2 Borrowings

As at 31 May 2002 (being the last practicable date prior to the printing of this Prospectus), the total borrowings of the Engtex Group amounted to approximately RM63.3 million comprising of term loans, hire purchase liabilities, overdrafts, bankers' acceptance, letter of credit and trusts receipts.

6.4.3 Contingent Liabilities and Capital Commitments

As at 31 May 2002 (being the last practicable date prior to the printing of this Prospectus), the Group does not have any contingent liabilities or capital commitments save for the following:

	RM
ESB	
<i>Contingent Liabilities</i>	
Corporate guarantee relating to borrowings of subsidiary company	12,500,000
Bankers' guarantee utilized by subsidiaries	1,000,000
	<u>13,500,000</u>
<i>Capital Commitment</i>	
Property, plant and equipment	
Authorised but not contracted for	5,449,000
Contracted but not provided for in the financial statements	540,000
	<u>5,989,000</u>

6. FINANCIAL INFORMATION (Cont'd)

6.5 Consolidated Profit Forecast and Assumptions

(Prepared for inclusion in this Prospectus)

**Engtex Group Berhad
And Its Subsidiaries (the Group)**

Consolidated Profit Forecast For The Year Ending 31 December 2002

The Directors forecast that, barring unforeseen circumstances, the consolidated profit after taxation and minority interests for the year ending 31 December 2002 will be as follows:

	<i>31.12.2002</i> <i>RM'000</i>
Consolidated profit before taxation	22,116
Taxation	(6,627)

Consolidated profit after taxation	15,489
Minority interests	(334)

Consolidated profit after taxation and minority interests	15,155
Less: Pre-acquisition profits*	(6,315)

	8,840
	=====

* Based on pro-rated 5 months profit up to the date of the acquisitions as at May 2002

The principal bases and assumptions upon which the above consolidated profit forecast have been made have been reviewed for reasonableness by the Directors of Engtex who are responsible for the forecast and assumptions thereto. They are as follows:

1. There will be no material changes in the present legislation or government regulations, rates and duties, levies and taxes which will adversely affect the operations of the Group or the markets in which it operates.
2. Production/Processing costs will not be adversely affected by any abnormal circumstances or events.
3. There will be no significant changes in the political, economic and market conditions which will materially affect the activities of the Group and the demand, saleability and pricing of its products and services or the markets in which it operates.
4. Existing financing facilities will remain available to the Group and interest rates will not change significantly from those presently prevailing. In addition, the Group will be able to obtain financing facility at the present prevailing interest rates.
5. There will be no significant changes in the existing accounting, management and operational policies of the Group that will adversely affect the activities and performance of the Group.

6. FINANCIAL INFORMATION (Cont'd)

6. There will be no changes in the present structure or principal activities of the Group.
7. There will be no material changes in salaries, fuel cost, raw material cost, transportation cost and other costs.
8. There will be no changes in the existing key personnel and management of the Group which will affect the marketing and production capability of the Group.
9. There will be no major capital and revenue cost items variations that are beyond the control of the Group.
10. Inflation rates and exchange rates of foreign currencies will not change materially from their present levels. The foreign currency exchange rate used in the profit forecast is USD\$1.00 : RM3.80.
11. The current trend of increasing demand for the Group's products and services will be maintained.
12. There will be no material changes in sales mix and margins on its products and services.
13. Capital Expenditure programmes will be implemented on schedule and there will be no material acquisitions or disposal of property, plant and equipment other than those planned.
14. There will be no material fluctuations in manufacturing costs (including labour, cost of materials and other production overheads).
15. The following restructuring exercise of the Group had been completed in May 2002:

Acquisition of the entire issued and paid-up share capital of Engtex Sdn Berhad by Engtex comprising 5,611,443 ordinary shares of RM1.00 each for a purchase consideration of RM26,933,726 fully satisfied by the issuance of 22,444,772 new ordinary shares of RM1.00 each in Engtex at an issue price of approximately RM1.20 per share. The purchase consideration is based on the audited net tangible assets of ESB as at 31 December 2000 adjusted for the following acquisitions:

- Acquisition of the remaining 30% of the issued and paid-up share capital of Benton Corporation Sdn. Bhd. comprising 300,000 ordinary shares of RM1.00 each at a purchase consideration of RM1,059,379 fully satisfied by the issuance of 220,714 new ordinary shares in ESB at an issue price of approximately RM4.80 per share. The purchase consideration is based on the audited net tangible assets of Benton Corporation Sdn. Bhd. as at 31 December 2000.
- Acquisition of the remaining 40% of the issued and paid-up share capital of Eng Lian Hup Trading Sdn. Bhd. comprising 280,000 ordinary shares of RM1.00 each at a purchase consideration of RM1,524,240 fully satisfied by the issuance of 317,564 new ordinary shares in ESB at an issue price of approximately RM4.80 per share. The purchase consideration is based on the audited net tangible assets of Eng Lian Hup Trading Sdn. Bhd. as at 31 December 2000.
- Acquisition of 5% of the issued and paid-up share capital of Allpipes Technology Sdn. Bhd. comprising 250,000 ordinary shares of RM1.00 each at a purchase consideration of RM309,736 fully satisfied by the issuance of 64,531 new ordinary

6. FINANCIAL INFORMATION (Cont'd)

shares in ESB at an issue price of approximately RM4.80 per share. The purchase consideration is based on the audited net tangible assets of Allpipes Technology Sdn. Bhd. and its subsidiaries as at 31 December 2000.

- Acquisition of 7% of the issued and paid-up share capital of Mega Alliance Builder Supplies Sdn. Bhd. comprising 7,000 ordinary shares of RM1.00 each at a purchase consideration of RM41,441 fully satisfied by the issuance of 8,634 new ordinary shares in ESB at an issue price of approximately RM4.80 per share. The purchase consideration is based on the audited net tangible assets of Mega Alliance Builder Supplies Sdn. Bhd. as at 31 December 2000.

16. Payment of the following dividends prior to the restructuring exercise as stated above:

- Allpipes Technology Sdn Bhd declared and paid a tax-exempt dividend of RM200,000 to its existing shareholders at 31 December 2001 for the financial year ended on that date;
- Benton Corporation Sdn Bhd declared and paid a tax-exempt dividend of RM200,000 and ordinary dividend of RM1,100,000 less tax, totalling RM992,000 to its existing shareholders at 31 December 2001 for the financial year ended on that date;
- Mega Alliance Builder Supplies Sdn Bhd declared and paid a tax-exempt dividend of RM180,000 and ordinary dividend of RM150,000 less tax, totalling RM288,000 to its existing shareholders at 31 December 2001 for the financial year ended on that date;
- Eng Lian Hup Trading Sdn Bhd declared and paid a tax-exempt dividend of RM280,000 and ordinary dividend of RM1,050,000 less tax, totalling RM1,036,000 to its existing shareholders at 31 December 2001 for the financial year ended on that date;
- Hachita Enterprise Sdn Bhd declared and paid a tax-exempt dividend of RM952,508 to its existing shareholders at 31 December 2001 for the financial year ended on that date;
- Engtex (Selatan) Sdn Bhd declared and paid a tax-exempt dividend of RM80,000 and ordinary dividend of RM200,000 less tax, totalling RM224,000 to its existing shareholders at 31 December 2001 for the financial year ended on that date; and
- Engtex Sdn Berhad declared and paid a tax-exempt dividend of RM1,700,000 and ordinary dividend of RM12,500,000 less tax, totalling RM10,700,000 to its existing shareholders at 31 December 2001 for the financial year ended on that date. The total amount of dividends payment to the existing shareholders of ESB are advanced to the company and thereon will be utilised to subscribe for the proposed rights issue.

6. FINANCIAL INFORMATION (Cont'd)

17. Rights Issue of 28,455,226 of new ordinary shares of RM1.00 each in Engtex at an issue price of RM1.09 per ordinary share on the basis of approximately one hundred and twenty seven (127) new ordinary shares for every hundred (100) existing ordinary shares had been completed in June 2002.

The subscription of approximately 23,945,000 new ordinary shares of the rights issue totalling RM26,100,000 will be via the capitalisation of the amount due to the former shareholders of ESB.

18. The proceeds from the Rights Issue and Public Issue amounting to RM4,916,000 and RM20,020,000 respectively are expected to be received by June and July 2002 respectively. The proceeds will be utilised as planned.

6. FINANCIAL INFORMATION (Cont'd)

6.5.1 Directors' commentary on achievability of profit forecast

The Board confirm that the proforma consolidated profit forecast of the Engtex Group for the financial year ending 31 December 2002 together with the underlying bases and assumptions stated therein have been reviewed by the Directors after due and careful enquiry, and that the Directors, having taken into account the future prospects of the industry, future plans of Engtex Group and its level of gearing liquidity and working capital requirements, are of opinion that the profit forecast of the Engtex Group is achievable and the assumptions made are reasonable.

Nevertheless, in the light of the current economic environment in Malaysia and in the Asia Pacific region, certain assumptions, including interest and exchange rates, may differ significantly from actual should the economic situation differ significantly from the date of this profit forecast and this may have a material impact on Engtex's profit forecast and projection.

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6. FINANCIAL INFORMATION (Cont'd)

6.6 Auditors' Letter on the Consolidated Profit Forecast of the Engtex Group for the Financial Year Ending 31 December 2002 (Prepared for inclusion in this Prospectus)



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The Board of Directors
Engtex Group Berhad
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Damansara Heights
50490 Kuala Lumpur

Our ref: DHSL/MAMS/OPL/BSB/2

24 June 2002

Dear Sirs

Reporting Accountants' Letter on the Consolidated Profit Forecast of Engtex Group Berhad For The Year Ending 31 December 2002

We have reviewed the accounting policies and calculations for the consolidated profit forecast of Engtex Group Berhad ("Engtex") and its subsidiaries ("the Group") for the financial year ending 31 December 2002 for which the Directors are solely responsible, as set out in the Prospectus to be dated 27 June 2002 in connection with:

- i) the public issue of 9,100,000 new ordinary shares of RM1.00 each in Engtex at an issue price of RM2.20 per share payable upon application, comprising:
 - a) 2,100,000 new ordinary shares of RM1.00 each available for application by the Malaysian public;
 - b) 3,000,000 new ordinary shares of RM1.00 each available for directors, eligible employees and business associates of Engtex and its subsidiaries; and
 - c) 4,000,000 new ordinary shares of RM1.00 each by way of placement;and
- ii) the listing of and quotation for Engtex's issued and paid up share capital on the Main Board of the Kuala Lumpur Stock Exchange.

In our opinion, the consolidated profit forecast for the year ending 31 December 2002 so far as the accounting policies and calculations are concerned, has been properly compiled on the basis of assumption made by the Directors as set out in the Prospectus, and are presented on a basis consistent with the accounting policies normally adopted by the Group

Yours faithfully

KPMG
Firm number: AF 0758
Chartered Accountants

Lim Hun Soon @ David Lim
Partner
Approval number: 1514/5/04(J)



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

6. FINANCIAL INFORMATION (Cont'd)**6.7 Dividend Forecast and Policy**

On the basis of the consolidated profit forecast and on the assumption that the present basis for calculating taxation and the rates of taxation will remain unchanged, the Directors of Engtex Group anticipate that they will be in a position to propose, based on the enlarged issued share capital of 60,000,000 Shares, a gross dividend of 7% for the financial year ending 31 December 2002.

It will be the policy of the Directors in recommending dividends to allow shareholders to participate in the profits of the Group as well as leaving adequate reserves for the future growth of the Engtex Group.

The intended appropriation of the forecasted consolidated profit for the financial year ending 31 December 2002 will be as follows:-

	Forecast Financial Year Ending 31 December 2002 RM'000
Consolidated PBT	22,116
Less : Taxation	(6,627)
MI	(334)
Consolidated PAT after MI	15,155
Less : Pre-acquisition profits	(6,315)
Consolidated PAT after MI and pre-acquisition profits	8,840
Less : Proposed dividend	(3,024)
Consolidated retained profit for the year	5,816
Dividend yield based on the issue price of RM2.20 per Share (%)	2.3
Net dividend cover (times)	5.0

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6. FINANCIAL INFORMATION (Cont'd)**6.8 Proforma Consolidated Balance Sheets of Engtex Group**
(Prepared for inclusion in this Prospectus)**The Proforma Consolidated Balance Sheets
Of Engtex Group Berhad
And Its Subsidiaries As At 31 December 2001**

	<i>Company Audited at 31 December 2001</i>	<i>Proforma (1) After acquisitions</i>	<i>Proforma (2) After Proforma (1) and Rights Issue</i>	<i>Proforma (3) After Proforma (2) and Public Issue</i>	<i>Proforma (4) After Proforma (3) and utilisation of proceeds</i>
<i>Note</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Property, plant and equipment	-	60,357	60,357	60,357	67,257
Other investments	-	5	5	5	5
Current assets					
Inventories	-	33,105	33,105	33,105	33,105
Trade and other receivables	-	68,433	68,433	68,433	68,433
Cash and cash equivalents	-	1,589	6,505	26,525	6,034
	-	103,127	108,043	128,063	107,572
Current liabilities					
Trade and other payables	10	62,581	36,481	36,481	36,481
Borrowings	-	53,994	53,994	53,994	42,403
Taxation	-	5,255	5,255	5,255	5,255
	10	121,830	95,730	95,730	84,139
Net Current (Liabilities) /Assets	(10)	(18,703)	12,313	32,333	23,433
	(10)	41,659	72,675	92,695	90,695
Financed by: -					
Share capital	4	*	22,445	50,900	60,000
Share premium	4	-	4,489	7,050	17,970
Reserve on consolidation	-	-	2,790	2,790	2,790
Accumulated losses	(10)	(10)	(10)	(10)	(10)
(Deficit)/Surplus in shareholders' funds	(10)	29,714	60,730	80,750	78,750
Minority interests	-	2,638	2,638	2,638	2,638
Bank borrowings	-	7,577	7,577	7,577	7,577
Deferred taxation	-	1,730	1,730	1,730	1,730
	(10)	41,659	72,675	92,695	90,695
Net Tangible (Liabilities) / Assets Per Share (RM)	(5,000)	1.32	1.19	1.35	1.31

* RM2

6. FINANCIAL INFORMATION (Cont'd)

**Notes To The Proforma Consolidated Balance Sheets
Of Engtex Group Berhad
And Its Subsidiaries As At 31 December 2001**

1. The Proforma Consolidated Balance Sheets have been prepared for illustrative purposes only and are based on the audited financial statements of Engtex as at 31 December 2001 and its subsidiaries as at 31 December 2001, adjusted for the following final dividends payable by the following subsidiaries which were approved by their shareholders at their respective Annual General Meetings held after the balance sheet date:
- Allpipes Technology Sdn Bhd declared and paid a tax-exempt dividend of RM200,000 for the financial year ended 31 December 2001;
 - Benton Corporation Sdn Bhd declared and paid a tax-exempt dividend of RM200,000 and ordinary dividend of RM1,100,000 less tax, totalling RM992,000 for the financial year ended 31 December 2001;
 - Mega Alliance Builder Supplies Sdn Bhd declared and paid a tax-exempt dividend of RM180,000 and ordinary dividend of RM150,000 less tax, totalling RM288,000 for the financial year ended 31 December 2001;
 - Eng Lian Hup Trading Sdn Bhd declared and paid a tax-exempt dividend of RM280,000 and ordinary dividend of RM1,050,000 less tax, totalling RM1,036,000 for the financial year ended 31 December 2001;
 - Hachita Enterprise Sdn Bhd declared and paid a tax-exempt dividend of RM952,508 for the financial year ended 31 December 2001;
 - Engtex (Selatan) Sdn Bhd declared and paid a tax-exempt dividend of RM80,000 and ordinary dividend of RM200,000 less tax, totalling RM224,000 for the financial year ended 31 December 2001; and
 - Engtex Sdn Berhad (“ESB”) declared and paid a tax-exempt dividend of RM1,700,000 and ordinary dividend of RM12,500,000 less tax, totalling RM10,700,000 for the financial year ended 31 December 2001. The total amount of dividends payment to the existing shareholders of ESB are advanced to the company and thereon will be utilised to subscribe for the rights issue;

The abovementioned dividends were paid to the shareholders of the respective companies prior to the restructuring scheme stated in Note 3 below.

2. The Proforma Consolidated Balance Sheets of the Group have been prepared based on accounting principles and bases consistent with those previously adopted in the preparation of the audited financial statements of the Group.

6. FINANCIAL INFORMATION (Cont'd)

3. The Proforma Consolidated Balance Sheets incorporate on a proforma basis, the following transactions as though they were effected on 31 December 2001: -

Proforma (1)

Proforma (1) incorporates the followings:

Acquisition of the entire issued and paid-up share capital of ESB by Engtex comprising 5,611,443 ordinary shares of RM1.00 each for a purchase consideration of RM26,933,726 fully satisfied by the issuance of 22,444,772 new ordinary shares of RM1.00 each in Engtex at an issue price of approximately RM1.20 per share. The purchase consideration is based on the audited net tangible assets of ESB as at 31 December 2000 adjusted for the following acquisitions:

- Acquisition of the remaining 30% of the issued and paid-up share capital of Benton Corporation Sdn. Bhd. comprising 300,000 ordinary shares of RM1.00 each at a purchase consideration of RM1,059,379 fully satisfied by the issuance of 220,714 new ordinary shares in ESB at an issue price of approximately RM4.80 per share. The purchase consideration is based on the audited net tangible assets of Benton Corporation Sdn. Bhd. as at 31 December 2000.
- Acquisition of the remaining 40% of the issued and paid-up share capital of Eng Lian Hup Trading Sdn. Bhd. comprising 280,000 ordinary shares of RM1.00 each at a purchase consideration of RM1,524,240 fully satisfied by the issuance of 317,564 new ordinary shares in ESB at an issue price of approximately RM4.80 per share. The purchase consideration is based on the audited net tangible assets of Eng Lian Hup Trading Sdn. Bhd. as at 31 December 2000.
- Acquisition of 5% of the issued and paid-up share capital of Allpipes Technology Sdn. Bhd. comprising 250,000 ordinary shares of RM1.00 each at a purchase consideration of RM309,736 fully satisfied by the issuance of 64,531 new ordinary shares in ESB at an issue price of approximately RM4.80 per share. The purchase consideration is based on the audited net tangible assets of Allpipes Technology Sdn. Bhd. and its subsidiaries as at 31 December 2000.
- Acquisition of 7% of the issued and paid-up share capital of Mega Alliance Builder Supplies Sdn. Bhd. comprising 7,000 ordinary shares of RM1.00 each at a purchase consideration of RM41,441 fully satisfied by the issuance of 8,634 new ordinary shares in ESB at an issue price of approximately RM4.80 per share. The purchase consideration is based on the audited net tangible assets of Mega Alliance Builder Supplies Sdn. Bhd. as at 31 December 2000.

6. FINANCIAL INFORMATION (Cont'd)

Proforma (2)

Proforma (2) includes the transactions in Proforma (1) and the followings:

Rights issue of 28,455,226 new ordinary shares of RM1.00 each in Engtex at an issue price of RM1.09 per share on the basis of approximately one hundred and twenty seven (127) new ordinary shares for every hundred (100) existing ordinary shares after the acquisitions in Proforma 1 stated above.

The subscription of approximately 23,945,000 new ordinary shares of the rights issue totalling RM26,100,000 will be via the capitalisation of the amount due to former shareholders of ESB.

Proforma (3)

Proforma (3) includes the transactions in Proforma (1) and (2) and the followings:

Public issue of 9,100,000 new ordinary shares in Engtex at an issue price of RM2.20 per share.

Proforma (4)

Proforma (4) includes the transactions in Proforma (1), (2) and (3) and the followings:

- a. Listing expenses estimated at RM2,000,000 will be set-off against share premium reserve.
- b. The proceeds from the rights issue and proposed public issue will be utilised as follows: -

	Amount RM'000
Proceeds from rights issue	4,916
Proceeds from public issue	20,020

	24,936
	=====
<i>Utilisation:</i>	
Repayment of borrowings and financing the acquisition of a land and construction of factory building for its subsidiary company*	5,000
Expansion plans for manufacturing plants	2,200
Implementation of Enterprise Resource Planning System for Engtex Group	600
Repayment of bank borrowings	10,691
Working capital	4,445
Estimated listing expenses	2,000

	24,936
	=====

* As at 31 December 2001, RM900,000 has been drawn down to pay for the acquisition of the abovementioned piece of land.

6. FINANCIAL INFORMATION (Cont'd)

4. Share capital and share premium	Share capital RM'000	Share premium RM'000
At 31 December 2001	*	-
Issuance of 22,444,772 new ordinary shares of RM1.00 each at an issue price of approximately RM1.20 per share for the acquisition of ESB	22,445	4,489
As per Proforma (1)	----- 22,445	----- 4,489
Rights issue of 28,455,226 new ordinary shares of RM1.00 at an issue price of approximately RM1.09 per share	28,455	2,561
As per Proforma (2)	----- 50,900	----- 7,050
Proposed public issue of 9,100,000 new ordinary shares of RM1.00 each at an issue price of RM2.20 per share	9,100	10,920
As per Proforma (3)	----- 60,000	----- 17,970
Estimated listing expenses of RM2,000,000 set-off against share premium reserve	-	(2,000)
As per Proforma (4)	----- 60,000 =====	----- 15,970 =====

* RM2.00

6. FINANCIAL INFORMATION (Cont'd)

6.9 Auditors' Letter on the Proforma Consolidated Balance Sheets
(Prepared for inclusion in this Prospectus)



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50490 Kuala Lumpur

Our ref: DHSL/MAMS/OPL/BSB/1

24 June 2002

Dear Sirs


Reporting Accountants' Letter on the Proforma Consolidated Balance Sheets of Engtex Group Berhad As At 31 December 2001

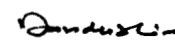
We have reviewed the presentation of the Proforma Consolidated Balance Sheets of Engtex Group Berhad ("Engtex") and its subsidiaries ("the Group") as at 31 December 2001 for which the Directors are solely responsible, together with the notes thereon as set out in the Prospectus to be dated 27 June 2002 in connection with:

- i) the public issue of 9,100,000 new ordinary shares of RM1.00 each in Engtex at an issue price of RM2.20 per share payable upon application, comprising:
 - a) 2,100,000 new ordinary shares of RM1.00 each available for application by the Malaysian public;
 - b) 3,000,000 new ordinary shares of RM1.00 each available for directors, eligible employees and business associates of Engtex and its subsidiaries; and
 - c) 4,000,000 new ordinary shares of RM1.00 each by way of placement;and
- ii) the listing of and quotation for Engtex issued and paid up share capital on the Main Board of the Kuala Lumpur Stock Exchange.

In our opinion, the proforma consolidated balance sheets together with the accompanying notes thereon have been prepared for illustrative purposes only, have been properly prepared on a basis consistent with the accounting policies normally adopted by the Group.

Yours faithfully


KPMG
Firm number: AF 0758
Chartered Accountants


Lim Hun Soon @ David Lim
Partner
Approval number: 1514/5/04(J)



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