

THE SECURITIES COMMISSION ("SC") HAS APPROVED THE PUBLIC ISSUE AND THE APPROVAL OF THE SC SHALL NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE PUBLIC ISSUE AND/OR THE FLOTATION OF HYTEX INTEGRATED BERHAD ("HIB" OR THE "COMPANY") ON THE KUALA LUMPUR STOCK EXCHANGE ("KLSE"). THE SC SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND ASSUMES NO RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENTS MADE OR OPINIONS OR REPORTS EXPRESSED IN THIS PROSPECTUS. INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF ANY INVESTMENT IN HIB.

THE KLSE ASSUMES NO RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENTS MADE OR OPINIONS OR REPORTS EXPRESSED IN THIS PROSPECTUS. ADMISSION TO THE OFFICIAL LIST OF THE MAIN BOARD OF THE KLSE IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF HIB OR OF ITS ORDINARY SHARES.

A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED BY THE SC AND LODGED WITH THE CHIEF EXECUTIVE OFFICER OF THE COMPANIES COMMISSION OF MALAYSIA ("CCM"), MALAYSIA, AND NEITHER THE SC NOR THE CCM TAKES ANY RESPONSIBILITY FOR ITS CONTENTS.

THIS PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE DIRECTORS AND PROMOTERS OF HIB AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION GIVEN AND CONFIRM THAT, AFTER HAVING MADE ALL REASONABLE ENQUIRIES AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO FALSE OR MISLEADING STATEMENT OR OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT HEREIN FALSE OR MISLEADING.

CIMB ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE PUBLIC ISSUE AND CIMB HAS SATISFIED ITSELF THAT THE PROFIT FORECAST (FOR WHICH THE DIRECTORS OF HIB ARE FULLY RESPONSIBLE) PREPARED FOR INCLUSION IN THIS PROSPECTUS HAS BEEN STATED BY THE DIRECTORS OF HIB AFTER DUE AND CAREFUL ENQUIRY AND HAS BEEN DULY REVIEWED BY THE REPORTING ACCOUNTANTS.

INDICATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for the entire enlarged issued and paid-up share capital of HIB on the KLSE is set out below:

Event	Date
Opening of Application List	30 September 2002
Closing of Application List	14 October 2002
Tentative Balloting Date	October 2002
Tentative Date of Dispatch of Notices of Allotment to successful applicants	October 2002
Tentative Listing Date of HIB's entire enlarged issued and paid-up share capital on the Main Board of the KLSE	November 2002

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DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following abbreviations shall apply throughout:

“ACNielsen”	: ACNielsen (Malaysia) Sdn Bhd (<i>Company No.: 10909-V</i>)
“ADA”	: Authorised Depository Agent
“Acquisition of HASB”	: Acquisition of the entire issued and fully paid-up share capital of HASB comprising 9,000,000 ordinary shares of RM1.00 each for a total purchase consideration of RM32,921,643 to be satisfied by the issuance of 55,799,598 new ordinary shares of RM0.50 each in HIB at approximately RM0.59 per share
“Acquisition of HGCL”	: Acquisition of the entire issued and fully paid-up share capital of HGCL comprising 100 ordinary shares of USD15,000 each from HASB by HIB, after completion of the Acquisition of HASB, for a total cash consideration of RM5,695,225
“Acquisition of HGSB”	: Acquisition of the entire issued and fully paid-up share capital of HGSB comprising 4,320,000 ordinary shares of RM1.00 each for a total purchase consideration of RM20,994,525 to be satisfied by the issuance of 35,584,070 new ordinary shares of RM0.50 each in HIB at approximately RM0.59 per share
“Acquisition of HHSB”	: Acquisition of the entire issued and fully paid-up share capital of HHSB comprising 1,200,000 ordinary shares of RM1.00 each for a total purchase consideration of RM1,935,683 to be satisfied by the issuance of 3,280,831 new ordinary shares of RM0.50 each in HIB at approximately RM0.59 per share
“Acquisition of HIPL”	: Acquisition of the entire issued and fully paid-up share capital of HIPL comprising 100,000 ordinary shares of SGD1.00 each from HGSB by HIB, after completion of the Acquisition of HGSB, for a total cash consideration of RM174,100
“Acquisition of HPSB”	: Acquisition of the entire issued and fully paid-up share capital of HPSB comprising 870,000 ordinary shares of RM1.00 each for a total purchase consideration of RM1,909,529 to be satisfied by the issuance of 3,236,502 new ordinary shares of RM0.50 each in HIB at approximately RM0.59 per share
“Acquisition of LTSB”	: Acquisition of the entire issued and fully paid-up share capital of LTSB comprising 860,000 ordinary shares of RM1.00 each for a total purchase consideration of RM2,761,778 to be satisfied by the issuance of 4,680,997 new ordinary shares of RM0.50 each in HIB at approximately RM0.59 per share
“Acquisitions”	: The Acquisition of HASB, Acquisition of HGCL, Acquisition of HGSB, Acquisition of HHSB, Acquisition of HIPL, Acquisition of HPSB and Acquisition of LTSB collectively
“ADA Code”	: ADA (Broker) Code
“AFTA”	: Association of South East Asian Nations Free Trade Area
“Application Form(s)”	: The printed application form(s) for the application for the Issue Shares
“Application”	: The application for the Issue Shares by way of Application Forms or by way of Electronic Share Application
“ATM”	: Automated Teller Machine
“BND”	: Brunei Dollar
“CAD”	: Computer Aided Designing
“CAM”	: Computer Aided Manufacturing

DEFINITIONS (CONT'D)

“CDS”	:	Central Depository System
“CIMB”	:	Commerce International Merchant Bankers Berhad (<i>Company No.: 18417-M</i>)
“Electronic Share Application”	:	The application for the Issue Shares through a Participating Financial Institution’s ATM
“EPS”	:	Earnings per share
“FIC”	:	Foreign Investment Committee
“HASB”	:	Hytex Apparels Sdn Bhd (<i>Company No.: 168091-M</i>)
“HGBSB”	:	Hytex Garments (B) Sdn Bhd (<i>Company No.: AGO/RC/5404</i>)
“HGCL”	:	Hytex Garment (Cambodia) Ltd. (<i>Commercial Registration No.: Inv. 593/99E</i>)
“HGSB”	:	Hytex Garments (M) Sdn Bhd (<i>Company No.: 78374-M</i>)
“HHSB”	:	Hytex Holdings Sdn Bhd (<i>Company No. : 284489-X</i>)
“HIB” or “Company”	:	Hytex Integrated Berhad (<i>Company No.:562871-H</i>)
“HIB Group” or “Group”	:	HIB and its subsidiaries
“HIPL”	:	Hytex International Pte Ltd (<i>Company No.:199402550-G</i>)
“HPSB”	:	Hytex Products (M) Sdn Bhd (<i>Company No.: 111159-P</i>)
“Issue Share(s)”	:	23,115,000 new ordinary shares of RM0.50 each in HIB to be issued pursuant to the Public Issue at an issue price of RM0.65 per ordinary share
“KLSE”	:	Kuala Lumpur Stock Exchange (<i>Company No.: 30632-P</i>)
“Listing”	:	The admission to the Official List and the listing of and quotation for 150,000,000 ordinary shares of RM0.50 each representing the entire enlarged issued and paid-up share capital of HIB on the Main Board of the KLSE
“LTSB”	:	Leading Textiles Sdn Bhd (<i>Company No.: 308079-K</i>)
“MCD”	:	Malaysian Central Depository Sdn Bhd (<i>Company No.: 165570-W</i>), a subsidiary of the KLSE
“MI”	:	Minority interests
“MIDA”	:	Malaysian Industrial Development Authority
“MIH”	:	Malaysian Issuing House Sdn Bhd (<i>Company No.: 258345-X</i>)
“MITI”	:	Ministry of International Trade and Industry
“NTA”	:	Net tangible assets
“Participating Financial Institution(s)”	:	The participating financial institution(s) for Electronic Share Application as listed in Section XIV(5)(ii)(o) of this Prospectus
“PAT”	:	Profit after taxation
“PBT”	:	Profit before taxation

DEFINITIONS (CONT'D)

“PE Multiple(s)”	:	Price earnings multiple(s)
“Prescribed Security”	:	Ordinary shares of a company prescribed by the KLSE to be deposited into the CDS
“Public Issue”	:	The public issue of 23,115,000 new ordinary shares of RM0.50 each in HIB at an issue price of RM0.65 per ordinary share to the Malaysian public, eligible Directors, employees, customers and suppliers of the HIB Group, subject to the terms and conditions of this Prospectus
“R&D”	:	Research and Development
“Rights Issue”	:	Rights issue of 24,303,000 new ordinary shares of RM0.50 each in HIB at par credited as fully paid-up on the basis of approximately 2.3691 new ordinary shares for every 10 ordinary shares held after the Acquisitions
“RM”	:	Ringgit Malaysia
“SC Guidelines”	:	Policies and Guidelines on Issue/Offer of Securities issued by the SC
“SC”	:	Securities Commission
“SGD”	:	Singapore Dollar
“sq. ft.”	:	Square feet
“US”	:	United States of America
“USD”	:	United States Dollars
“WBSB”	:	WOC Boutique Sdn Bhd (<i>Company No.: 421256-U</i>), a wholly-owned subsidiary of HHSB
“WOC”	:	World of Cartoons Boutique

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I. CORPORATE DIRECTORY**DIRECTORS**

The Board of Directors of HIB is as follows:

Name	Address	Occupation	Nationality
Sau Kim Hing @ Soo Kim Sin <i>(Executive Chairman)</i>	18, Jalan SS20/24 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Saw Kam Fock @ Saw Kim Hock <i>(Managing Director)</i>	No. 40, Jalan Burhanuddin Helmi Taman Tun Dr. Ismail 60000 Kuala Lumpur	Company Director	Malaysian
Saw Guat Choo <i>(Executive Director)</i>	No. 1796, Jalan E5/6 Taman Ehsan Kepong 52100 Kuala Lumpur	Company Director	Malaysian
Saw Kim Chuan <i>(Executive Director)</i>	No 1807, Jalan E5/6 Taman Ehsan Kepong 52100 Kuala Lumpur	Company Director	Malaysian
Dato' Syed Azman Bin Syed Ibrahim <i>(Independent Non-Executive Director)</i>	No. 27, Jalan Bukit Mewah 2 Bukit Antarabangsa 68000 Ampang Selangor Darul Ehsan	Company Director	Malaysian
Lam Kee Soon <i>(Independent Non-Executive Director)</i>	No. 2, Jalan SS14/5F 47500 Subang Jaya Selangor Darul Ehsan	Company Director	Malaysian

AUDIT COMMITTEE

Name	Responsibility	Directorship
Lam Kee Soon	Chairman of the Committee	Non-Executive and Independent
Dato' Syed Azman Bin Syed Ibrahim	Member of the Committee	Non-Executive and Independent
Saw Kam Fock @ Saw Kim Hock	Member of the Committee	Executive

COMPANY SECRETARIES

Ng Yen Hoong (f)
(LS NO. 008016)
101 SS26/21
Taman Mayang Jaya
47301 Petaling Jaya
Selangor Darul Ehsan

Tan Ai Peng (f)
(MAICSA 7018419)
51, Jalan Damai Perdana
1/4D, Bandar Damai Perdana
56000 Cheras, Kuala Lumpur

I. CORPORATE DIRECTORY (CONT'D)

REGISTERED OFFICE	Level 14, Uptown 1 No. 1, Jalan SS21/58 Damansara Uptown 47400 Petaling Jaya Selangor Darul Ehsan Tel: 03-77252888 Email: corpserv@pfa.com.my
HEAD OFFICE	Lot 25, Jalan E1/5 Kawasan Perindustrian Taman Ehsan P.O. Box No. 6, Kepong 52100 Kuala Lumpur Tel: 03-62732323 Email: enquiry@hytex.com.my
PRINCIPAL BANKERS	Citibank Berhad 42nd Floor, Menara Citibank 165, Jalan Ampang 50450 Kuala Lumpur Bank Pembangunan & Infrastruktur Malaysia Berhad Menara Bank Pembangunan Jalan Sultan Ismail Peti Surat 12352 50774 Kuala Lumpur HSBC Bank Malaysia Berhad 2nd Floor, 2, Leboh Ampang 50100 Kuala Lumpur Southern Bank Berhad Level 5, Menara Southern Bank 83, Medan Setia 1 Plaza Damansara Bukit Damansara 50772 Kuala Lumpur
AUDITORS & REPORTING ACCOUNTANTS	Deloitte KassimChan Chartered Accountants Level 19, Uptown 1 1, Jalan SS 21/58 Damansara Uptown 47400 Petaling Jaya Selangor Darul Ehsan Malaysia
REGISTRAR	PFA Registration Services Sdn Bhd Level 13, Uptown 1 1, Jalan SS 21/58 Damansara Uptown 47400 Petaling Jaya Selangor Darul Ehsan
SOLICITORS	Wong, Beh & Toh Level 12, West Block Wisma Selangor Dredging Jalan Ampang 50450 Kuala Lumpur Malaysia

I. CORPORATE DIRECTORY (CONT'D)

ISSUING HOUSE

Malaysian Issuing House Sdn Bhd
27th Floor, Menara Multi-Purpose
Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur

**MARKET RESEARCH
COMPANY**

ACNielsen (Malaysia) Sdn Bhd
19th Floor, Menara MPPJ
Jalan Tengah
46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia

**ADVISER, MANAGING
UNDERWRITER AND
PLACEMENT AGENT**

Commerce International Merchant Bankers Berhad
7th Floor, Bangunan CIMB
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan

UNDERWRITERS

Southern Investment Bank Berhad
16th Floor Wisma Genting
Jalan Sultan Ismail
50250 Kuala Lumpur
Wilayah Persekutuan

PM Securities Sdn Bhd
5th Floor MUI Plaza
Jalan P. Ramlee
50250 Kuala Lumpur
Wilayah Persekutuan

LISTING SOUGHT

Main Board of the KLSE

II. INFORMATION SUMMARY

THIS SECTION OF THE PROSPECTUS REPRESENTS ONLY A SUMMARY OF THE SALIENT INFORMATION IN RELATION TO THE HIB GROUP AND INVESTORS SHOULD READ AND UNDERSTAND THE FULL TEXT OF THIS PROSPECTUS PRIOR TO DECIDING WHETHER TO INVEST IN THE ISSUE SHARES.

1. HISTORY AND BUSINESS

HIB was incorporated in Malaysia under the Companies Act, 1965 on 27 October 2001 as a public company under the name of Hytex Integrated Berhad. The principal activities of the Company are investment holding and provision of management services whilst the principal activities of its subsidiaries are as follows:

Company	Principal Activities
HGSB	Sub-outward contract manufacturing and trading of printed garments and wearing apparels
HASB	Manufacture and distribution of printed garments
HHSB	Investment holding
HPSB	Producer and dealer of textile products
LTSB	Manufacture, marketing and distribution of garments
WBSB*	Retailing of printed garments, wearing apparels and accessories
HIPL	Traders, retailers and wholesalers of wearing apparels and sports equipment
HGCL	Providing garment accessories, packing materials and sub-contracting services to garment manufacturers
HGBSB	Dormant

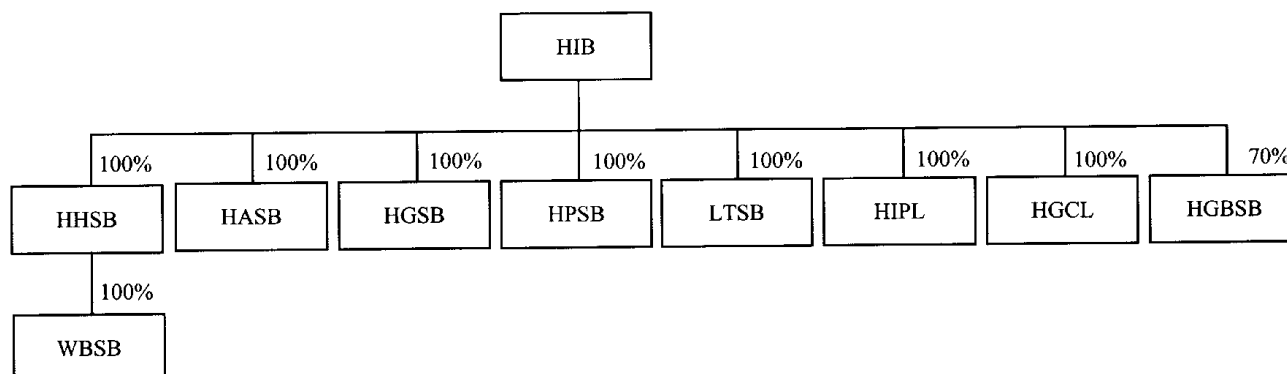
Note:

* *Wholly-owned subsidiary of HHSB.*

As at the date hereof, HIB does not have any associated company.

The HIB Group is a fully integrated garment manufacturer with in-house facilities and services within a combined 450,000 sq. ft. built up of factories located in Taman Ehsan Industrial Area Kepong, Sungai Buloh, Banting, Kajang, Rawang and Phnom Penh, Cambodia. The facilities and services offered includes designing, knitting, bleaching, dyeing and finishing, pigment dye and garment wash, screen printing, embroidery, cutting, sewing, pressing and packaging. Currently, the HIB Group’s operations encompass a diversified portfolio of original equipment manufacturing, original design manufacturing and original brand manufacturing services. As an integrated garment manufacturer, the HIB Group offers to their customers a fully integrated garment manufacturing process coupled with stringent quality controls. For further details on the business overview and the principal activities of the subsidiaries of the Group, please refer to Sections V(3.1) and V(4) of this Prospectus.

The group structure of the HIB Group is as follows:



II. INFORMATION SUMMARY (CONT'D)

2. OWNERSHIP AND MANAGEMENT

The management team of the HIB Group is headed by its Executive Chairman, Sau Kim Hing @ Soo Kim Sin, who is the founder of HGSB, the first company incorporated in the HIB Group and has 21 years of experience in the garment and apparels industry. The key management team of the HIB Group comprises people with proven capabilities in their respective fields including production, quality control, research and development, finance, marketing, human resource and business development.

Save as disclosed below, none of the Directors, promoters, major shareholders and key management, has any shareholdings, direct or indirect, in HIB after the Public Issue:

Designation(s)	Direct*		Indirect*		
	No. of ordinary shares	Percentage of issued and paid-up share capital %	No. of ordinary shares	Percentage of issued and paid-up share capital %	
Directors					
Sau Kim Hing @ Soo Kim Sin	Executive Chairman	22,282,650	14.86	⁽¹⁾ 52,895,915	35.26
Saw Kam Fock @ Saw Kim Hock	Managing Director	18,530,346	12.35	⁽²⁾ 56,648,219	37.77
Saw Guat Choo	Executive Director	5,352,138	3.57	⁽⁴⁾ 69,826,427	46.55
Saw Kim Chuan	Executive Director	13,593,542	9.06	⁽⁶⁾ 61,585,023	41.06
Dato' Syed Azman Bin Syed Ibrahim	Independent and Non-Executive Director	-	-	-	-
Lam Kee Soon	Independent and Non-Executive Director	-	-	-	-
Promoters					
Sau Kim Hing @ Soo Kim Sin	Executive Chairman	22,282,650	14.86	⁽¹⁾ 52,895,915	35.26
Saw Kam Fock @ Saw Kim Hock	Managing Director	18,530,346	12.35	⁽²⁾ 56,648,219	37.77
Soo Kim Tek @ Saw Kim Teik	Executive Director, HGSB, HHSB and WSB	6,978,859	4.65	⁽⁵⁾ 68,199,706	45.47
Saw Kam Weng	Executive Director, HGSB, LTSB, HHSB and WSB	8,441,030	5.63	⁽³⁾ 66,737,535	44.49
Saw Kim Chuan	Executive Director	13,593,542	9.06	⁽⁶⁾ 61,585,023	41.06
Saw Guat Choo	Executive Director	5,352,138	3.57	⁽⁴⁾ 69,826,427	46.55
Major shareholders					
Sau Kim Hing @ Soo Kim Sin	Executive Chairman	22,282,650	14.86	⁽¹⁾ 52,895,915	35.26
Saw Kam Fock @ Saw Kim Hock	Managing Director	18,530,346	12.35	⁽²⁾ 56,648,219	37.77
Saw Kam Weng	Executive Director, HGSB, LTSB, HHSB and WSB	8,441,030	5.63	⁽³⁾ 66,737,535	44.49
Saw Guat Choo	Executive Director	5,352,138	3.57	⁽⁴⁾ 69,826,427	46.55
Soo Kim Tek @ Saw Kim Teik	Executive Director, HGSB, HHSB and WSB	6,978,859	4.65	⁽⁵⁾ 68,199,706	45.47
Saw Kim Chuan	Executive Director	13,593,542	9.06	⁽⁶⁾ 61,585,023	41.06
Mohamed Azahari Bin Mohamed Kamil	-	31,842,641	21.23	-	-

II. INFORMATION SUMMARY (CONT'D)

	Designation(s)	←-----Direct*-----→		←-----Indirect*-----→	
		No. of ordinary shares	Percentage of issued and paid-up share capital %	No. of ordinary shares	Percentage of issued and paid-up share capital %
Key Management					
Saw Kam Weng	Executive Director, HGSB, LTSB, HHSB and WBSB	8,441,030	5.63	⁽³⁾ 66,737,535	44.49
Soo Kim Tek @ Saw Kim Teik	Executive Director, HGSB, HHSB and WBSB	6,978,859	4.65	⁽⁵⁾ 68,199,706	45.47
Ong Toon Woo	General Manager, HGSB	-	-	-	-
Drusylla Tung Swec Wah	Assistant General Manager, WBSB	-	-	-	-
Loo Yew Cheong	Assistant General Manager, HGSB	-	-	-	-
Chew Kee Hiang	Financial Controller, HASB	-	-	⁽⁷⁾ 18,530,346	12.35
Yong Siew Kee	Accountant, WBSB	-	-	-	-
Lee Ching Yee	Accounts Manager, HGSB	-	-	-	-
Tan Mei Mei	Management Information Systems Manager, HGSB	-	-	-	-
Goh Kai Lip	General Manager, HIPL	-	-	-	-
Soo Meei Yuen	Merchandising Manager, HIPL	-	-	⁽⁸⁾ 6,978,859	4.65
Soo Sui Liong	Export Manager, HASB	-	-	⁽⁹⁾ 6,978,859	4.65
Mah Ai Choo	Merchandising Manager, HASB	-	-	-	-
Chua Chong Chai	Senior Creative Designer, HGSB	-	-	-	-
Teo Liang Hee	Factory Manager, HGCL	-	-	-	-
Ng Chin Huat	Knitting Manager, HASB	-	-	-	-
Abd. Halim Bin Saleh	Printing Manager, HASB	-	-	-	-
Leong Ooi Lin	Production Manager, HASB	-	-	-	-

Notes:

* Prior to allocations of Issue Shares to eligible Directors, employees, customers and suppliers of the HIB Group.

- (1) Deemed interested by virtue of the shareholdings of his brothers, Saw Kam Fock @ Saw Kim Hock, Soo Kim Tek @ Saw Kim Teik, Saw Kam Weng, Saw Kim Chuan and his sister Saw Guat Choo.
- (2) Deemed interested by virtue of the shareholdings of his brothers, Sau Kim Hing @ Soo Kim Sin, Soo Kim Tek @ Saw Kim Teik, Saw Kam Weng, Saw Kim Chuan and his sister Saw Guat Choo.
- (3) Deemed interested by virtue of the shareholdings of his brothers, Sau Kim Hing @ Soo Kim Sin, Saw Kam Fock @ Saw Kim Hock, Soo Kim Tek @ Saw Kim Teik, Saw Kim Chuan and his sister Saw Guat Choo.

II. INFORMATION SUMMARY (CONT'D)

- (4) *Deemed interested by virtue of the shareholdings of her brothers, Sau Kim Hing @ Soo Kim Sin, Saw Kam Fock @ Saw Kim Hock, Soo Kim Tek @ Saw Kim Teik, Saw Kam Weng and Saw Kim Chuan.*
- (5) *Deemed interested by virtue of the shareholdings of his brothers, Sau Kim Hing @ Soo Kim Sin, Saw Kam Fock @ Saw Kim Hock, Saw Kam Weng, Saw Kim Chuan and his sister Saw Guat Choo.*
- (6) *Deemed interested by virtue of the shareholdings of his brothers, Sau Kim Hing @ Soo Kim Sin, Saw Kam Fock @ Saw Kim Hock, Soo Kim Tek @ Saw Kim Teik, Saw Kam Weng, and his sister Saw Guat Choo.*
- (7) *Deemed interested by virtue of the shareholdings of her spouse, Saw Kam Fock @ Saw Kim Hock.*
- (8) *Deemed interested by virtue of the shareholdings of her father, Soo Kim Tek @ Saw Kim Teik.*
- (9) *Deemed interested by virtue of the shareholdings of his father, Soo Kim Tek @ Saw Kim Teik.*

Further details of the Directors, major shareholders, promoters, and key management are set out in Section VI of this Prospectus.

3. LICENCES

The HIB Group has licenses from world-class international brands to design, manufacture and retail. Some of the well known labels includes “Mickey Unlimited”, “Mickey for Kids”, “Winnie the Pooh” from The Walt Disney Company (Singapore) Pte Ltd and the “Superman”, “Batman”, “Looney Tunes”, “Baby Looney Tunes”, from Warner Bros. Division of Time Warner Entertainment Company. For further details on the Group’s major licensing agreements, please refer to Section V(3.10).

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II. INFORMATION SUMMARY (CONT'D)

4. FINANCIAL HIGHLIGHTS

The table below sets out a summary of the proforma consolidated income statement of the HIB Group for the past 5 financial years ended 31 March 2002 prepared based on the assumption that the current structure of the HIB Group has been in existence throughout the period under review. The proforma consolidated income statement are presented for illustrative purposes only and should be read in conjunction with the accompanying notes and assumptions included in the Accountants' Report as set out in Section X of this Prospectus:

	< ----- Financial years ended 31 March ----- >				
	1998 RM 000	1999 RM 000	2000 RM 000	2001 RM 000	2002 RM 000
Turnover	82,100	85,118	98,998	109,958	111,392
Consolidated profit before interest, depreciation, amortisation of expenditure carried forward, expenditure carried forward written off and taxation	17,215	18,203	23,045	26,569	25,851
Interest income	44	80	9	-	*
Interest expense	(3,359)	(3,500)	(3,498)	(4,147)	(4,957)
Depreciation	(4,306)	(5,849)	(8,042)	(9,179)	(7,746)
Amortisation of expenditure carried forward	-	-	(85)	-	-
Expenditure carried forward written off	-	-	-	(256)	-
Consolidated PBT	9,594	8,934	11,429	12,987	13,148
Taxation ⁽⁴⁾	(2,743)	(1,045)	(1,317)	(2,882)	(2,348)
Consolidated PAT before MI	6,851	7,889	10,112	10,105	10,800
MI	-	-	*	*	-
Consolidated PAT and MI	6,851	7,889	10,112	10,105	10,800
No. of ordinary shares assumed in issue (000) ⁽¹⁾	102,582	102,582	102,582	102,582	102,582
Gross EPS (sen) ⁽²⁾	9.35	8.71	11.14	12.66	12.82
Net EPS (sen) ⁽³⁾	6.68	7.69	9.86	9.85	10.53

Notes:

* Less than RM500.

(1) Being the number of ordinary shares assumed in issue before the Rights Issue and the Public Issue.

(2) The gross EPS is computed based on the consolidated PBT but after MI divided by the number of ordinary shares assumed in issue.

(3) The net EPS is computed based on the consolidated PAT and MI divided by the number of ordinary shares assumed in issue.

(4) The under/overprovision of taxation has been adjusted to the relevant financial years concerned.

(5) There were no extraordinary items or exceptional items during the financial years under review.

HIB and its subsidiaries' audited financial statements for the past 5 years have not been subjected to any audit qualifications. Detailed information on the financial performance of the HIB Group is set out in Section X of this Prospectus.

II. INFORMATION SUMMARY (CONT'D)

5. SUMMARY PROFORMA CONSOLIDATED BALANCE SHEETS

The proforma consolidated balance sheets as set out below are prepared for illustrative purposes only to show the effects on the financial statements of HIB as at 31 March 2002 had the Acquisitions, Rights Issue, Public Issue and the listing of and quotation for the entire enlarged issued and paid-up share capital on the Main Board of the KLSE, and the utilisation of proceeds been completed on that date and should be read with the notes and assumptions to the proforma consolidated balance sheets set out in Section X of this Prospectus.

	Audited accounts as of 31 March 2002 RM 000	Proforma I After Acquisitions RM 000	Proforma II After Proforma I and Rights Issue RM 000	Proforma III After Proforma I, II, Public Issue and Utilisation of Proceeds RM 000
ASSETS				
Property, plant and equipment	-	70,655	70,655	72,289
Current Assets				
Inventories	-	61,804	61,804	61,804
Trade receivables	-	16,620	16,620	16,620
Other receivables and prepayments	-	4,481	4,481	4,481
Deferred expenditure	442	442	442	-
Cash and bank balances	*	1,114	13,265	8,937
	-	84,461	96,612	91,842
Current liabilities				
Trade payables	-	4,996	4,996	4,996
Other payables and accrued expenses	443	12,768	12,768	12,768
Bank borrowing	-	37,897	37,897	36,044
Amount owing to Directors	-	1,929	1,929	-
Tax liabilities	-	5,197	5,197	5,197
	443	62,787	62,787	59,005
Net Current (Liabilities)/Assets	(1)	21,674	32,825	32,837
Long-Term and Deferred Liabilities				
Long-term loans	-	15,267	15,267	4,963
Convertible secured loan stocks	-	1,500	1,500	-
Hire-purchase payables	-	3,803	3,803	3,803
Finance lease payables	-	249	249	249
Deferred tax liabilities	-	70	70	70
	-	20,889	20,889	9,085
Net (Liabilities)/Assets	(1)	71,440	83,591	96,041

II. INFORMATION SUMMARY (CONT'D)

	Audited accounts as of 31 March 2002 RM 000	Proforma I After Acquisitions RM 000	Proforma II After Proforma I and Rights Issue RM 000	Proforma III After Proforma I, II, Public Issue and Utilisation of Proceeds RM 000
Represented by:				
Share capital	**	51,291	63,442	75,000
Share premium	-	9,232	9,232	10,499
Reserve on consolidation	-	10,917	10,917	10,917
Accumulated loss	(1)	-	-	(375)
Shareholders' Equity/ (Capital Deficiency)	(1)	71,440	83,591	96,041
NTA PER SHARE (RM)	^	0.70	0.66	0.64

Notes:* *Less than RM500.*** *This represents RM1 comprising 2 ordinary shares of RM0.50 each.*^ *The NTA per share as at 31 March 2002 has not been computed as the Company has yet to commence operations.***6. RISK FACTORS**

Applicant for the Issue Shares should carefully consider the following risk factors (which may not be exhaustive) summarised from Section IV of this Prospectus, in addition to the other information contained elsewhere in this Prospectus, before applying to subscribe for the Issue Shares:

- (i) No prior market for HIB shares
- (ii) Control by major shareholders
- (iii) Business risks
- (iv) Operational risks
- (v) Political and economic considerations
- (vi) Foreign market risk and foreign currency fluctuations risk
- (vii) Competition
- (viii) Dependence on key personnel
- (ix) Government regulations on foreign labour and consumer protection
- (x) Brand loyalty
- (xi) Trademark licences
- (xii) Domestic borrowings
- (xiii) Adequacy of insurance coverage on the Group's assets

II. INFORMATION SUMMARY (CONT'D)

- (xiv) Technology used or to be used by the HIB Group and the rapid development of technological change
- (xv) Restrictive covenants under credit facility agreements
- (xvi) Operations in Cambodia
- (xvii) Dependence on key customers
- (xviii) Seasonality
- (xix) Expansion plans
- (xx) Underwriting risks
- (xxi) Profit forecast
- (xxii) Forward looking statements
- (xxiii) Failure/Delay in Listing Exercise

7. PRINCIPAL STATISTICS

(i) Share Capital	RM
<i>Authorised</i>	
200,000,000 ordinary shares of RM0.50 each	100,000,000
<i>Issued and fully paid-up as at the date of this Prospectus</i>	
126,885,000 ordinary shares of RM0.50 each	63,442,500
<i>To be issued pursuant to the Public Issue</i>	
23,115,000 new ordinary shares of RM0.50 each	11,557,500
	75,000,000
(ii) Classes of shares and ranking	
There is only one class of shares in the Company, being ordinary shares of RM0.50 each. The Issue Shares will rank pari passu in all respects with the other existing issued and paid-up ordinary shares of the Company including voting rights and will be entitled to all rights and dividends and distribution that may be declared subsequent to the date of this Prospectus.	
(iii) Issue price for each Issue Share	RM0.65
(iv) Proforma Group NTA as at 31 March 2002	
Proforma Group NTA (RM 000)	RM96,041
<i>(after deducting total estimated listing expenses amounting to RM2.2 million)</i>	
Proforma Group NTA per share	RM0.64
<i>(based on the enlarged issued and paid-up share capital of 150,000,000 ordinary shares of RM0.50 each)</i>	

Details of the proforma consolidated balance sheets of the HIB Group are set out in Sections II(5) and IX(8) of this Prospectus.

II. INFORMATION SUMMARY (CONT'D)

(v) Consolidated profit forecast for the financial year ending 31 March 2003	RM 000
Consolidated PBT	16,018
Taxation	(3,705)
Consolidated PAT before MI	12,313
MI	118
Consolidated PAT and MI	12,431
Less : Pre-acquisition profit	(3,437)
Consolidated PAT and MI net of pre-acquisition profit	8,994
Gross EPS based on the forecast consolidated PBT but after MI and net of pre-acquisition profit of RM11.483 million (sen)	
- Based on 150,000,000 ordinary shares of RM0.50 each, being the enlarged issued and paid-up share capital of HIB	7.66
- Based on the weighted average number of ordinary shares in issue ⁽¹⁾	13.17
Net EPS based on the forecast consolidated PAT and MI net of pre-acquisition profit of RM8.994 million (sen)	
- Based on 150,000,000 ordinary shares of RM0.50 each, being the enlarged issued and paid-up share capital of HIB	6.00
- Based on the weighted average number of ordinary shares in issue ⁽¹⁾	10.32
Gross PE Multiple (times) [@]	
- Based on 150,000,000 ordinary shares of RM0.50 each, being the enlarged issued and paid-up share capital of HIB	8.49
- Based on the weighted average number of ordinary shares in issue ⁽¹⁾	4.93
Net PE Multiple (times) [@]	
- Based on 150,000,000 ordinary shares of RM0.50 each, being the enlarged issued and paid-up share capital of HIB	10.83
- Based on the weighted average number of ordinary shares in issue ⁽¹⁾	6.30

Notes:

⁽¹⁾ Computed based on the weighted average number of ordinary shares in issue of 87,165,581 ordinary shares of RM0.50 each on the assumption that the Public Issue will be completed by end-October 2002.

[@] Based on the issue price of RM0.65 per Issue Share.

Details of the profit forecast of the HIB Group is set out in Section IX(3) of this Prospectus.

II. INFORMATION SUMMARY (CONT'D)**(vi) Dividend forecast for the financial year ending 31 March 2003**

Tax-exempt dividend per ordinary share	1 sen
Dividend yield <i>(based on the issue price of RM0.65 per Issue Share)</i>	1.5%
Dividend cover	6.00 times

Details of the dividend forecast of the HIB Group is set out in Section IX(7) of this Prospectus.

8. PROCEEDS FROM THE RIGHTS ISSUE AND PUBLIC ISSUE AND THE UTILISATION THEREOF

The gross proceeds receivable by HIB from the Rights Issue and Public Issue of RM27.176 million will be utilised as follows:

	RM 000
Procurement of machinery	1,634
Redemption of convertible loan stocks	1,875
Repayment of borrowings	12,157
Repayment of advances from Directors	1,929
Working capital	7,381
Estimated expenses	2,200
	<u>27,176</u>

Details of the utilisation of the gross proceeds receivable from the Rights Issue and Public Issue are set out in Section III(7) of this Prospectus.

9. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

As at 16 September 2002, the Directors are not aware of any contingent liabilities which, upon becoming enforceable, may have a material impact on the profit or net assets value of the Group.

Save for the capital commitments as set out in Section IX(2) of this Prospectus, as at 16 September 2002, the Directors are not aware of any capital commitments which, upon becoming enforceable, may have a material impact on the profit or net assets value of the Group.

10. MATERIAL LITIGATION

As at 16 September 2002, neither HIB nor its subsidiaries is engaged in any litigation, either as plaintiff or defendant, which has a material effect on the financial position of HIB or its subsidiaries and the Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of HIB or its subsidiaries.