1. HISTORICAL FINANCIAL INFORMATION

1.1 Proforma Consolidated Income Statement

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 set out in Section X of this Prospectus:

	< Financial years ended 31 March >				
	1998	**1999**	**2000**	**2001**	**2002**
	RM 000	**RM 000**	**RM 000**	**RM 000**	**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	(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) *Computed based on the consolidated PBT but after MI divided by the number of ordinary shares assumed in issue.*

(3) *Computed based on the consolidated PAT and MI divided by the number of ordinary shares assumed in issue.*

(4) *HIB and its subsidiaries' audited financial statements for the past 5 years have not been subjected to any audit qualifications.*

Commentary:

(a) *Turnover of the Group is derived mainly from the sales of printed garments to both overseas and local market, which are contributed mainly by HASB and HGSB.*

(b) *The turnover of the Group has grown from RM82.10 million in 1998 to RM111.39 million in 2002. The growth in turnover over the 5 years under review is due mainly to:*

(i) In 2000, an increase in Group turnover of 16.31% was recorded mainly due to the increase in HASB's export turnover especially to the Asia Pacific Region and US since HASB adopted a strategy of quality improvement through modernisation of its machines and equipment. The quality improvement of products has resulted in ever increasing demand from overseas agents and customers. Other than the above, the Group's also embarked on a competitive pricing strategy to be responsive to a more competitive market;

(ii) In 2001, the Group's turnover increased by a further 11.07% mainly due to a significant business expansion and aggressive marketing strategy to penetrate new markets by HGSB and WBSB resulting in an increase in market share for both adult and children casual wear; and

However, in 2002, the Group's turnover recorded slight growth of 1.30% mainly due to a reduction in HASB's export sales as a result of the slowdown in the global economy and the 11 September 2001 incident.

(c) *The interest expense of the Group increased over the 5 years under review as the Group utilised more bank borrowings to finance the expansion of the Group's operations.*

(d) *In line with the growth in turnover, the consolidated PBT for the Group for the financial years under review depicts an increasing trend with the exception of 1999 where the Group's PBT decreased by 6.88% compared to 1998 mainly due to additional cost incurred in the opening of new consignment outlets and more promotional activities held to promote sales.*

(e) *The effective tax rates of the Group for the financial years under review are lower than the statutory income tax rates due mainly to reinvestment allowances claimed under Schedule 7A of the Income Tax Act, 1967 by HASB.*

The Group's effective tax rates for 1999 and 2000 were lower than the other financial years under review as a result of the waiver on tax payable on chargeable income other than dividends received in 1999 under the Income Tax (Amendment) Act, 1999. Further, HGSB and HPSB had a different financial year end prior to 31 March 2000 resulting in the taxation of HGSB and HPSB for the 2 financial years ended 31 December 1999 being included in the proforma income statement on a time apportioned basis. As a result, the effects of the waiver on tax payable for HGSB and HPSB have been reflected proportionately in 1999 and 2000. This resulted in the Group showing a taxation expense of RM1.045 million for the financial year ended 31 March 1999 even though it is a tax waiver year.

(f) *There were no extraordinary or exceptional items in the financial years under review.*

1.2 Segmental Analysis

The table below sets out the segmental analysis by subsidiaries for the past 5 financial years ended 31 March 2002 which is prepared based on the proforma consolidated results of the HIB Group on the assumption that the current structure of the HIB Group has been in existence throughout the period under review. The proforma consolidated results are based on the audited accounts of HASB, HGSB, HPSB, HHSB, WBSB, LTSB, HGCL and HIPL and have been prepared on a time apportioned basis, where appropriate.

Analysis of Turnover By Subsidiaries

	Proforma <---- Financial years ended 31 March ---->				
	1998 RM 000	**1999 RM 000**	**2000 RM 000**	**2001 RM 000**	**2002 RM 000**
HIB	-	-	-	-	-
HASB	40,808	37,979	47,586	49,126	46,167
HGSB	32,415	32,828	38,689	40,225	42,262
HPSB	2,458	3,241	2,803	2,603	2,092
HHSB	17	17	17	17	17
WBSB	15,393	15,874	15,062	23,214	29,011
LTSB	6,681	9,996	13,129	13,152	13,351
HGCL	-	-	946	4,559	8,198
HIPL	1,772	3,660	3,912	4,085	5,617
Less: Consolidation adjustments	(17,444)	(18,477)	(23,146)	(27,023)	(35,323)
Total Group	82,100	85,118	98,998	109,958	111,392

Analysis of PAT and MI By Subsidiaries

	Proforma <---- Financial years ended 31 March ---->				
	1998 RM 000	**1999 RM 000**	**2000 RM 000**	**2001 RM 000**	**2002 RM 000**
HIB	-	-	-	-	(1)
HASB	3,254	3,623	4,419	4,531	5,915
HGSB	3,317	3,082	5,170	4,095	4,136
HPSB	64	292	331	248	113
HHSB	(27)	(27)	(15)	(15)	(23)
WBSB	125	123	314	322	433
LTSB	47	746	486	530	313
HGCL	-	-	(628)	398	106
HIPL	71	50	35	34	22
Less: Consolidation Adjustments	-	-	-	(38)	(214)
Total Group	6,851	7,889	10,112	10,105	10,800

2. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES, CAPITAL COMMITMENTS AND MATERIAL LITIGATION

(i) Working Capital

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

(ii) Borrowings

The total outstanding borrowings of the Group as at 16 September 2002 are as follows:

Outstanding borrowings	Payable within 12 months RM 000	Payable after 12 months RM 000
Bank overdraft, trust receipts and bankers acceptances	46,099	-
Term loans	3,546	13,701
Hire-purchase and leases	2,925	4,458
Convertible secured loan stocks	-	1,500
Total	49,612	19,659

All the aforesaid borrowings are interest-bearing. Save as disclosed above, the Group does not have any other loan capital outstanding or loan capital created but unissued, mortgages or charges outstanding.

(iii) Contingent Liabilities

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.

(iv) Capital Commitments

Save as disclosed below, 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:

	RM 000
Authorised and contracted for	-
Authorised but not contracted for:	
Purchase of plant and machinery	1,634

(v) Material Litigation

Neither HIB nor its subsidiaries are engaged in any litigation and/or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of HIB or its subsidiaries and the Board of Directors of HIB 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.

3. CONSOLIDATED PROFIT FORECAST

(Prepared for inclusion in this Prospectus)

HYTEX INTEGRATED BERHAD
(562871-H)

The Board of Directors of HIB forecast that, barring unforeseen circumstances, the consolidated PAT of the HIB Group for the financial year ending 31 March 2003 will be as follows:

	RM 000
Turnover	125,961
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 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.*

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The principal bases and assumptions upon which the consolidated profit forecast have been prepared are as follows:

(a) HIB will carry out the following restructuring and listing exercise:

(i) acquisition of 1,200,000 ordinary shares of RM1.00 each in HHSB, representing the entire issued and paid-up share capital of HHSB, for a total purchase consideration of RM1,935,683 to be satisfied by way of an issue of 3,280,831 new ordinary shares of RM0.50 each in HIB at an issue price of approximately RM0.59 per share;

(ii) acquisition of 4,320,000 ordinary shares of RM1.00 each in HGSB, representing the entire issued and paid-up share capital of HGSB, for a total purchase consideration of RM20,994,525 to be satisfied by way of an issue of 35,584,070 new ordinary shares of RM0.50 each in HIB at an issue price of approximately RM0.59 per share;

(iii) acquisition of 870,000 ordinary shares of RM1.00 each in HPSB, representing the entire issued and paid-up share capital of HPSB, for a total purchase consideration of RM1,909,529 to be satisfied by way of an issue of 3,236,502 new ordinary shares of RM0.50 each in HIB at an issue price of approximately RM0.59 per share;

(iv) acquisition of 9,000,000 ordinary shares of RM1.00 each in HASB, representing the entire issued and paid-up share capital of HASB, for a total purchase consideration of RM32,921,643 to be satisfied by way of an issue of 55,799,598 new ordinary shares of RM0.50 each in HIB at an issue price of approximately RM0.59 per share;

(v) acquisition of 860,000 ordinary shares of RM1.00 each in LTSB, representing the entire issued and paid-up share capital of LTSB, for a total purchase consideration of RM2,761,778 to be satisfied by way of an issue of 4,680,997 new ordinary shares of RM0.50 each in HIB at an issue price of approximately RM0.59 per share;

(vi) upon completion of the acquisition of HGSB, the acquisition of 100,000 ordinary shares of SGD1.00 each in HIPL, representing the entire issued and paid-up share capital of HIPL, from HGSB for a total purchase consideration of RM174,100;

(vii) upon completion of the acquisition of HASB, the acquisition of 100 ordinary shares USD15,000 each in HGCL, representing the entire issued and paid-up share capital of HGCL, from HASB for a total purchase consideration of RM5,695,225;

(viii) rights issue of 24,303,000 new ordinary shares of RM0.50 each in HIB at par on the basis of approximately 2.3691 new ordinary shares for every 10 existing ordinary shares held after the acquisition of the aforementioned companies;

(ix) public issue of 23,115,000 new ordinary shares of RM0.50 each in HIB at an issue price of RM0.65 per share; and

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(x) listing of and quotation for the entire enlarged issued and paid-up capital of HIB, comprising 150,000,000 ordinary shares of RM0.50 each on the Main Board of the KLSE.

(b) The acquisitions of subsidiary companies as mentioned in (a)(i) to (v) above were completed on August 12, 2002 while part (a)(vi) to (vii) were completed on September 3, 2002 and September 13, 2002 respectively. The Rights Issue as mentioned in part (a)(viii) above was completed on September 16, 2002.

(c) There will be no significant changes in the prevailing economic and political conditions in Malaysia and elsewhere that may directly or indirectly affect the activities or performance of the HIB Group and the business of the HIB Group's major customers and suppliers.

(d) There will be no material changes in the present legislation and Government regulations, including taxation, which will adversely affect the HIB Group's operations. The HIB Group will be able to continue to claim reinvestment allowances pursuant to Schedule 7A of the Income Tax Act, 1967 and the amount of the reinvestment allowances assumed to be utilised in the profit forecast will be approved by the Inland Revenue Board.

(e) There will be no significant fluctuations in the rates of exchange in major trading currencies vis-à-vis the Malaysian Ringgit and US Dollar.

(f) Inflation, interest rates and local and foreign income tax rates will not change materially from those presently prevailing.

(g) Existing financing facilities will remain available to the HIB Group and the interest rates applicable will not change materially from those presently prevailing. The HIB Group will also able to obtain additional financing facilities as budgeted.

(h) There will be no significant changes in the present principal activities, management structure, operating and accounting policies adopted by the HIB Group other than those taken into consideration in the forecast.

(i) There will be no major breakdown or disruption in the manufacturing facilities and supply of materials, major industrial disputes or any other abnormal factors or changes that will adversely affect the operations of the HIB Group.

(j) The current trend of increasing demand of the HIB Group's products will be maintained.

(k) There will be no material increase in wages, cost of raw materials and other incidental costs other than those taken into consideration in the forecast.

(l) The HIB Group will be able to maintain the profit margins on its products at the budgeted levels.

(m) There will be no exceptional occurrences of bad debts in excess of levels provided for in the profit forecast.

(n) The HIB Group's capital expenditure plans will be made as budgeted and there will be no other material acquisition or disposal of property, plant and equipment other than those forecasted.

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(562871-H)

(o) The existing terms and conditions for contracts and agreements entered into by the HIB Group will remain in force.

(p) The HIB Group's new retail outlets/boutiques and subsidiary companies will commence operations as scheduled.

(q) The HASB's Convertible Secured Loan Stocks ("CSLS") of RM1.5 million will be fully redeemed at a premium of RM375,000 in November 2002.

(r) All surplus funds will be placed in fixed deposits and will generate interest at an average rate of 2% per annum.

(s) The gross proceeds from the Rights Issue and Public issue are expected to be received by September 2002 and November 2002 respectively and will be utilised as follows:

	RM 000
Procurement of machinery	1,634
Redemption of convertible secured loan stocks	1,875
Repayment of borrowings	12,157
Repayment of advances from directors	1,929
Working capital	7,381
Estimated restructuring and listing expenses	2,200
	27,176

(t) The share premium account of HIB will be utilised to defray the estimated restructuring and listing expenses of RM2.2 million.

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4. REPORTING ACCOUNTANTS' LETTER ON THE CONSOLIDATED PROFIT FORECAST

(Prepared for inclusion in this Prospectus)

Deloitte KassimChan (AF 0080)
Chartered Accountants
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Deloitte KassimChan

September 24, 2002

The Board of Directors
Hytex Integrated Berhad
Level 14, Uptown 1
1 Jalan SS 21/58
Damansara Uptown
47400 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs,

HYTEX INTEGRATED BERHAD
CONSOLIDATED PROFIT FORECAST FOR THE FINANCIAL YEAR ENDING MARCH 31, 2003

We have reviewed the accounting policies and calculations for the consolidated profit forecast of Hytex Integrated Berhad ("HIB") and its subsidiary companies ("HIB Group"), for which the Directors are solely responsible, for the financial year ending March 31, 2003, prepared for inclusion in this Prospectus dated September 30, 2002 in connection with the following exercises:

a) 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; and

b) Listing of and quotation for the entire enlarged issued and fully paid-up share capital of HIB, comprising 150,000,000 ordinary shares of RM0.50 each on the Main Board of the Kuala Lumpur Stock Exchange.

In our opinion, the consolidated profit forecast, insofar 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 Prospectus, and are presented on a basis consistent with the accounting policies normally adopted by the HIB Group.

Yours very truly,

DELOITTE KASSIMCHAN
AF0080
CHARTERED ACCOUNTANTS

HIEW KIM TIAM
1717/8/03 (J)
Partner

Enclosure

Deloitte Touche Tohmatsu

5. DIRECTORS' ANALYSIS AND COMMENTARY ON THE CONSOLIDATED PROFIT FORECAST

The Directors of HIB have reviewed and analysed the bases and assumptions used in arriving at the consolidated profit forecast of the HIB Group for the financial year ending 31 March 2003 and are of the opinion that the consolidated profit forecast is fair and reasonable in light of the prospects of the textile and apparel industry in which it operates and the future plans, strategies and prospects of the HIB Group as set out in Sections V(5) and V(8) of this Prospectus and after taking into consideration the forecast gearing level, liquidity and working capital requirements of the Group.

Profit forecast for the financial year ending 31 March 2003

For the financial year ending 31 March 2003, turnover is forecast at RM125.96 million representing an increase of 13.08% from the proforma consolidated turnover for the financial year ended 31 March 2002 of RM111.39 million. The forecast increase in turnover is mainly due to the expected increase in demand from the export and local market as well as the proposed expansion of Singapore's retail outlets. As a result of the increase in turnover and the implementation of cost savings strategy, the consolidated PAT and MI is forecast to increase by 15.09% to RM12.43 million as compared to RM10.80 million in the financial year ended 31 March 2002.

6. SENSITIVITY ANALYSIS

The principal bases and assumptions upon which the sensitivity analysis on the HIB Group's profit forecast have been made are as follows:

(a) The selected variable item will vary ± 5%, ±10% and ±20%; and

(b) Except for the selected variable items, the same assumptions for the other items as for the base case shall apply.

The following scenarios attempt to show the impact on the forecast consolidated PBT and PAT resulting from changes in selling price, cost of raw materials, operating costs and foreign exchange rates.

(i) Changes in Selling Price

	Financial Year Ending 31 March 2003			
	PBT		PAT	
	RM 000	%	RM 000	%
As per forecast	16,018		12,313	
+ 5%	19,322	+ 21	14,853	+ 21
+ 10%	22,597	+ 41	17,370	+ 41
+ 20%	29,204	+ 82	22,449	+ 82
- 5%	12,686	- 21	9,751	- 21
- 10%	9,382	- 41	7,212	- 41
- 20%	2,775	- 83	2,133	- 83

All other factors remaining equal, an increase in selling prices by 5%, 10% and 20% will result in an increase in the PBT and PAT of the Group by 21%, 41% and 82% and similarly a decrease in selling prices by 5%, 10% and 20% will result in a decrease in the PBT and PAT of the Group by 21%, 41% and 83%.

(ii) Changes in Cost of Raw Materials

	Financial Year Ending 31 March 2003			
	PBT		PAT	
	RM 000	%	RM 000	%
As per forecast	16,018		12,313	
+ 5%	14,578	- 9	11,206	- 9
+ 10%	13,138	- 18	10,099	- 18
+ 20%	10,258	- 36	7,885	- 36
- 5%	17,458	+ 9	13,420	+ 9
- 10%	18,898	+ 18	14,527	+ 18
- 20%	21,778	+ 36	16,741	+ 36

All other factors remaining equal, an increase in cost of raw materials by 5%, 10% and 20% will result in a decrease in the PBT and PAT of the Group by 9%, 18% and 36% and similarly a decrease in cost of raw materials by 5%, 10% and 20% will result in an increase in the PBT and PAT of the Group by 9%, 18% and 36%.

(iii) Changes in Operating Costs

	Financial Year Ending 31 March 2003			
	PBT		PAT	
	RM 000	%	RM 000	%
As per forecast	16,018		12,313	
+ 5%	14,057	- 12	10,806	- 12
+ 10%	12,097	- 24	9,298	- 24
+ 20%	8,175	- 49	6,284	- 49
- 5%	17,979	+ 12	13,820	+ 12
- 10%	19,940	+ 24	15,328	+ 24
- 20%	23,862	+ 49	18,342	+ 49

All other factors remaining equal, an increase in operating costs by 5%, 10% and 20% will result in a decrease in the PBT and PAT of the Group by 12%, 24% and 49% and similarly a decrease in operating costs by 5%, 10% and 20% will result in an increase in the PBT and PAT of the Group by 12%, 24% and 49%.

(iv) Changes in Foreign Exchange Rates

	Financial Year Ending 31 March 2003			
	PBT		PAT	
	RM 000	%	RM 000	%
As per forecast	16,018		12,313	
+ 5%	17,410	+ 9	13,383	+ 9
+ 10%	18,802	+ 17	14,453	+ 17
+ 20%	21,586	+ 35	16,593	+ 35
- 5%	14,626	- 9	11,243	- 9
- 10%	13,234	- 17	10,173	- 17
- 20%	10,450	- 35	8,033	- 35

All other factors remaining equal, an increase in foreign exchange rates by 5%, 10% and 20% will result in an increase in the PBT and PAT of the Group by 9%, 17% and 35% and similarly a decrease in foreign exchange rates by 5%, 10% and 20% will result in a decrease in the PBT and PAT of the Group by 9%, 17% and 35%.

7. DIVIDEND FORECAST

It is the policy of the Directors of HIB in recommending dividends to allow shareholders to participate in the profits of the Company as well as leaving adequate reserves for the future growth of the Group.

Based on the forecast consolidated PAT and MI net of pre-acquisition profit of RM8.994 million for the financial year ending 31 March 2003, the Directors of HIB anticipate that, in the absence of unforeseen circumstances, the Company will be in a position to propose a tax exempt dividend of 1 sen for the financial year ending 31 March 2003, based on the enlarged issued and paid-up share capital of 150,000,000 ordinary shares of RM0.50 each.

The intended appropriation of the forecast consolidated PAT for the financial year ending 31 March 2003 will be as follows:

	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
Less: Proposed dividend	(1,500)
Consolidated retained profits	7,494
Tax exempt dividend per share	1 sen
Tax exempt dividend rate	2.0%
Dividend yield *(based on the issue price of RM0.65 per Issue Share)*	1.5%
Dividend cover	6.00 times

Future dividends may be waived in the event of the following circumstances:

(i) insufficient retained profits to declare as dividends;

(ii) insufficient tax exempt profits to declare as dividends and/or insufficient tax credits to frank its dividends; or

(iii) insufficient cashflows to pay dividends.

8. PROFORMA CONSOLIDATED BALANCE SHEETS

(Prepared for inclusion in this Prospectus)

HYTEX INTEGRATED BERHAD
(562871-H)

September 24, 2002

HYTEX INTEGRATED BERHAD
PROFORMA CONSOLIDATED BALANCE SHEETS AS AT MARCH 31, 2002

The Proforma Consolidated Balance Sheets of the Proforma Group as set out below are provided for illustrative purposes only to show the effects on the financial statements of Hytex Integrated Berhad ("HIB") as at March 31, 2002 had the Acquisitions, Rights Issue, Public Issue and Utilisation of Proceeds been completed on that date.

	Per Audited Financial Statements as of March 31, 2002 RM 000	Proforma I After the Acquisitions RM 000	Proforma II After Proforma I and Rights Issue RM 000	Proforma III After Proforma II, Public Issue and Utilisation of Proceeds RM 000
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 prepaid expenses	-	4,481	4,481	4,481
Deferred expenditure	442	442	442	-
Cash and bank balances	-	1,114	13,265	8,937
	442	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 borrowings	-	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

(Forward)

Lot 25, Jalan E1/5, Kaw. Perindustrian Taman Ehsan, P.O. Box No.6, Kepong, 52100 Kuala Lumpur, Malaysia.
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HYTEX

HYTEX INTEGRATED BERHAD
(562871-H)

	Per Audited Financial Statements as of March 31, 2002 RM 000	Proforma I After the Acquisitions RM 000	Proforma II After Proforma I and Rights Issue RM 000	Proforma III After Proforma II, Public Issue and Utilisation of Proceeds RM 000
Net current assets	(1)	21,674	33,825	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)
NET ASSETS	(1)	71,440	83,591	96,041
Represented by:				
SHARE CAPITAL	*	51,291	63,442	75,000
SHARE PREMIUM	-	9,232	9,232	10,499
RESERVE ON CONSOLIDATION - Net	-	10,917	10,917	10,917
UNAPPROPRIATED PROFIT/ (ACCUMULATED LOSS)	(1)	-	-	(375)
SHAREHOLDERS' EQUITY/ (CAPITAL DEFICIENCY)	(1)	71,440	83,591	96,041
Net Tangible Assets Per Ordinary Share (RM)	**	0.70	0.66	0.64

* This represents RM1.00 comprising 2 ordinary shares of RM0.50 each.
** The Company has not commenced operations as of March 31, 2002. Accordingly, NTA per ordinary share has not been computed.

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NOTES TO PROFORMA CONSOLIDATED BALANCE SHEETS

1. BASIS OF PREPARATION

The Proforma Consolidated Balance Sheets have been prepared for illustrative purposes based on accounting principles and bases consistent with those adopted in the preparation of the audited financial statements of HIB and its subsidiary companies.

2. PROFORMA CONSOLIDATED BALANCE SHEETS

The Proforma Consolidated Balance Sheets are prepared based on the audited financial statements of HIB as of March 31, 2002 and on the assumptions that the following transactions have been effected on that date:

Proforma I

Proforma I incorporates the effects of acquisitions of the following subsidiary companies:

a) acquisition of 1,200,000 ordinary shares of RM1.00 each in Hytex Holdings Sdn Bhd ("HHSB"), representing the entire issued and paid-up share capital of HHSB, for a total purchase consideration of RM1,935,683 to be satisfied by way of an issue of 3,280,831 new ordinary shares of RM0.50 each in HIB at an issue price of approximately RM0.59 per ordinary share;

b) acquisition of 4,320,000 ordinary shares of RM1.00 each in Hytex Garments (M) Sdn Bhd ("HGSB"), representing the entire issued and paid-up share capital of HGSB for a total purchase consideration of RM20,994,525 to be satisfied by way of an issue of 35,584,070 new ordinary shares of RM0.50 each in HIB at an issue price of approximately RM0.59 per ordinary share;

c) acquisition of 870,000 ordinary shares of RM1.00 each in Hytex Products (M) Sdn Bhd ("HPSB"), representing the entire issued and paid-up share capital of HPSB, for a total purchase consideration of RM1,909,529 to be satisfied by way of an issue of 3,236,502 new ordinary shares of RM0.50 each in HIB at an issue price of approximately RM0.59 per ordinary share;

d) acquisition of 9,000,000 ordinary shares of RM1.00 each in Hytex Apparels Sdn Bhd ("HASB"), representing the entire issued and paid-up share capital of HASB, for a total purchase consideration of RM32,921,643 to be satisfied by way of an issue of 55,799,598 new ordinary shares of RM0.50 each in HIB at an issue price of approximately RM0.59 per ordinary share;

e) acquisition of 860,000 ordinary shares of RM1.00 each in Leading Textiles Sdn Bhd ("LTSB"), representing the entire issued and paid-up share capital of LTSB, for a total purchase consideration of RM2,761,778 to be satisfied by way of an issue of 4,680,997 new ordinary shares of RM0.50 each in HIB at an issue price of approximately RM0.59 per ordinary share;

f) upon completion of the acquisition of HGSB, the acquisition of 100,000 ordinary shares of SGD1.00 each in Hytex International Pte Ltd ("HIPL"), representing the entire issued and paid-up share capital of HIPL, from HGSB for a total cash consideration of RM174,000;

g) upon completion of the acquisition of HASB, the acquisition of 100 ordinary shares of USD15,000 each in Hytex Garments (Cambodia) Ltd ("HGCL"), representing the entire issued and paid-up share capital of HGCL, from HASB for a total cash consideration of RM5,695,225;

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Proforma II

Proforma II incorporates the effects of Proforma I and the Rights Issue of 24,303,000 new ordinary shares of RM0.50 each in HIB at par on the basis of approximately 2.3691 new ordinary shares for every 10 existing ordinary shares held after the acquisitions of the aforementioned companies.

Proforma III

Proforma III incorporates the effects of Proforma I, Proforma II and 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.

The proceeds from the Rights Issue and Public Issue are to be utilised as follows:

	RM 000
Procurement of machinery	1,634
Redemption of convertible secured loan stocks	1,875
Repayment of borrowings	12,157
Repayment of advances from directors	1,929
Working capital	7,381
Estimated restructuring and listing expenses	2,200
	27,176

The estimated restructuring and listing expenses amounting to RM2,200,000 of which RM442,000 has been incurred by HIB and shown as deferred expenditure under current assets as of March 31, 2002, have been written off against the share premium account.

3. **SHARE CAPITAL**

	RM 000
As at March 31, 2002 in HIB	-
Issued pursuant to the Acquisitions	51,291
As shown in Proforma I	51,291
Issued pursuant to the Rights Issue	12,151
As shown in Proforma II	63,442
Issued pursuant to the Public Issue	11,558
As shown in Proforma III	75,000

4. **SHARE PREMIUM**

	RM 000
Share premium arising from the Acquisitions	9,232
Share premium arising from the Rights Issue	-
Share premium arising from the Public Issue	3,467
Estimated restructuring and listing expenses	(2,200)
As shown in Proforma III	10,499

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9. REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED BALANCE SHEETS

(Prepared for inclusion in this Prospectus)

Deloitte KassimChan (AF 0080)
Chartered Accountants
Level 19, Uptown 1
1 Jalan SS 21/58, Damansara Uptown
47400 Petaling Jaya, Malaysia

P. O. Box 10093, 50704 Kuala Lumpur
Malaysia

Tel : +60(3) 77236500, 77261833
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aaa@deloitte.com.my

Deloitte KassimChan

September 24, 2002

The Board of Directors
Hytex Integrated Berhad
Level 14, Uptown 1
1 Jalan SS 21/58
Damansara Uptown
47400 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs,

HYTEX INTEGRATED BERHAD
PROFORMA CONSOLIDATED BALANCE SHEETS AS AT MARCH 31, 2002

We have reviewed the presentation of the Proforma Consolidated Balance Sheets of Hytex Integrated Berhad ("HIB") and its subsidiary companies as at March 31, 2002, together with the accompanying notes thereto, for which the Directors are solely responsible, set out in the Prospectus dated September 30, 2002 in connection with the following exercises:

a) 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; and

b) Listing of and quotation for the entire enlarged issued and fully paid-up share capital of HIB, comprising 150,000,000 shares of RM0.50 each on the Main Board of the Kuala Lumpur Stock Exchange.

In our opinion, the Proforma Consolidated Balance Sheets, which are provided for illustrative purposes only, have been properly compiled on a basis consistent with the accounting policies normally adopted by HIB and its subsidiary companies and are presented in a form suitable for inclusion in the abovementioned Prospectus.

Yours very truly,

Deloitte KassimChan

DELOITTE KASSIMCHAN
AF0080
CHARTERED ACCOUNTANTS

HIEW KIM TIAM
1717/8/03 (J)
PARTNER

Enclosure

Deloitte Touche Tohmatsu