

THIS PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE DIRECTORS AND PROMOTERS OF EMAS KIARA INDUSTRIES BERHAD ("EKIB") AND THE OFFERORS AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF ALL INFORMATION CONTAINED HEREIN AND CONFIRM, AFTER HAVING MADE ALL REASONABLE ENQUIRIES, THAT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS, THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT HEREIN FALSE AND/OR MISLEADING. THE DIRECTORS HEREBY ACCEPT FULL RESPONSIBILITY FOR THE PROFIT ESTIMATE AND FORECAST INCLUDED IN THIS PROSPECTUS AND CONFIRM THAT THE PROFIT ESTIMATE AND FORECAST HAVE BEEN PREPARED BASED ON ASSUMPTIONS MADE.

ALLIANCE MERCHANT BANK BERHAD, BEING THE ADVISOR, MANAGING UNDERWRITER AND UNDERWRITER, 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 OF 13,220,000 NEW ORDINARY SHARES OF RM0.50 EACH IN EKIB ("EKIB SHARES") AT AN ISSUE PRICE OF RM0.85 PER SHARE ("PUBLIC ISSUE") AND OFFER FOR SALE OF 3,580,000 EXISTING EKIB SHARES AT AN OFFER PRICE OF RM0.85 PER SHARE ("OFFER FOR SALE") AND IS SATISFIED THAT ANY PROFIT ESTIMATE AND FORECAST (FOR WHICH THE DIRECTORS OF EKIB ARE FULLY RESPONSIBLE), PREPARED FOR INCLUSION IN THIS PROSPECTUS HAVE BEEN STATED BY THE DIRECTORS AFTER DUE AND CAREFUL INQUIRY AND HAVE BEEN DULY REVIEWED BY THE REPORTING ACCOUNTANTS.

THE SECURITIES COMMISSION ("SC") HAS APPROVED THE PUBLIC ISSUE AND OFFER FOR SALE AND THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE PUBLIC ISSUE AND OFFER FOR SALE.

THE SC SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF EKIB AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISOR IMMEDIATELY.**

THE MALAYSIA SECURITIES EXCHANGE BERHAD SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF EKIB AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS CORRECTNESS OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. ADMISSION TO THE OFFICIAL LIST IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF EKIB OR OF ITS ORDINARY SHARES.

A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SC. A COPY OF THIS PROSPECTUS TOGETHER WITH THE FORM OF APPLICATION HAVE ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES ("ROC"), AND NEITHER THE SC NOR THE ROC TAKES ANY RESPONSIBILITY FOR ITS CONTENTS.

INDICATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for EKIB's entire enlarged issued and paid-up share capital on the Second Board of the MSEB is set out below:

Event	Date
Date of Prospectus	10 March 2004
Opening of Application for the Public Issue and Offer for Sale	10 March 2004
Closing of Application for the Public Issue and Offer for Sale	18 March 2004
Event	Tentative Date
Date of Balloting of Application	22 March 2004
Despatch of Notices of Allotment for the EKIB Shares to successful applicants	29 March 2004
Listing of and quotation for EKIB's entire enlarged issued and paid-up share capital on the Second Board of the MSEB	30 March 2004

THIS TIMETABLE IS TENTATIVE AND IS SUBJECT TO CHANGES WHICH MAY BE NECESSARY TO FACILITATE IMPLEMENTATION OF THE PROCEDURES. THE CLOSING DATE OF THE PUBLIC ISSUE ("CLOSING DATE") MAY BE EXTENDED AT THE ABSOLUTE DISCRETION OF THE BOARD OF DIRECTORS OF EKIB AND THE UNDERWRITERS. SHOULD THERE BE AN EXTENSION OF THE CLOSING DATE, THE DATE OF BALLOTING, ALLOTMENT AND LISTING OF AND QUOTATION FOR EKIB'S ENTIRE ENLARGED ISSUED AND PAID-UP SHARE CAPITAL ON THE SECOND BOARD OF THE MSEB WILL BE EXTENDED ACCORDINGLY.

WHERE THE CLOSING DATE OF THE APPLICATION FOR THE INITIAL PUBLIC OFFER SHARES IS EXTENDED FROM THE ORIGINAL CLOSING DATE, THE NOTICE OF SUCH EXTENSION(S) WILL BE ADVERTISED IN A WIDELY CIRCULATED NEWSPAPER.

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DEFINITIONS

Except where the context otherwise requires, the following definitions (in alphabetical order) shall apply throughout this Prospectus:

“Act”	:	The Companies Act, 1965 as amended from time to time and any re-enactment thereof
“Acquisitions”	:	Acquisition of EKSB, Acquisition of EKM, Acquisition of FIT and Acquisition of KEX, collectively
“Acquisition of EKSB”	:	Acquisition by EKIB of 1,000,000 ordinary shares of RM1.00 each representing 22.22% equity interest in EKSB for a total consideration of RM6,350,748 fully satisfied by the issuance of 3,097,925 new ordinary shares of RM1.00 each in EKIB at an issue price of RM2.05 per share, which was completed on 28 March 2003
“Acquisition of EKM”	:	Acquisition by EKIB of 500,000 ordinary shares of RM1.00 each representing 33.33% equity interest in EKM for a total consideration of RM1,168,347 fully satisfied by the issuance of 569,925 new ordinary shares of RM1.00 each in EKIB at an issue price of RM2.05 per share, which was completed on 28 March 2003
“Acquisition of FIT”	:	Acquisition by EKIB of 4,200,000 ordinary shares of RM1.00 each representing 42.0% equity interest in FIT for a total consideration of RM3,613,576 fully satisfied by the issuance of 1,762,720 new ordinary shares of RM1.00 each in EKIB at an issue price of RM2.05 per share, which was completed on 18 April 2003
“Acquisition of KEX”	:	Acquisition by EKIB of 40 ordinary shares of SD1.00 each representing 40.0% equity interest in KEX for a total consideration of RM350,000 fully satisfied by the issuance of 350,000 new ordinary shares of RM1.00 each in EKIB at an issue price of RM1.00 per share, which was completed on 24 March 2003
“ADA”	:	Authorised Depository Agent(s)
“ADA Code”	:	ADA (Broker) Code
“Alliance”	:	Alliance Merchant Bank Berhad (21605-D)
“ATF”	:	Advance Technical Fabric Sdn Bhd (35172-T), a 60%-owned subsidiary company of EKIB
“ATM”	:	Automated Teller Machine(s)
“BDO” or “Reporting Accountants”	:	BDO Binder (AF 0206)
“Board”	:	Board of Directors

DEFINITIONS (*cont'd*)

“Bonus Issue”	:	Bonus issue of 28,620,856 new EKIB Shares on the basis of three (3) new EKIB Shares for every four (4) EKIB Shares held after the Share Split and Dividends Declared By EKSB and EKM, which was completed on 30 January 2004
“CDS”	:	Central Depository System
“Chooi & Co”	:	Messrs. Chooi & Company
“Disposal”	:	Disposal by EKIB of 200,000 ordinary shares of RM1.00 each representing 40.0% equity interest in ATF for a total cash consideration of RM18,000, which was completed on 28 March 2003
“Dividends Declared by EKSB and EKM”	:	EKSB and EKM declared and paid dividends totalling RM15,500,136 to EKIB for the purpose of capitalisation for the Bonus Issue
“EKIB” or “Company”	:	Emas Kiara Industries Berhad (485144-H)
“EKIB Group” or “Group”	:	EKIB and its subsidiary companies, namely EKSB, KESB, EKM, ATF, FIT and KEX, collectively
“EKIB Shares”	:	Ordinary shares of RM0.50 each in EKIB
“EKM”	:	Emas Kiara Marketing Sdn Bhd (226612-W), a wholly-owned subsidiary company of EKIB
“EKSB”	:	Emas Kiara Sdn Bhd (221063-P), a wholly-owned subsidiary company of EKIB
“EPS”	:	Earnings per share
“Excel”	:	Excel Engineering & Construction Sdn Bhd (274399-K)
“FIC”	:	Foreign Investment Committee
“FIT”	:	Fibre Innovation Technology Sdn Bhd (222368-V), a 60%-owned subsidiary company of EKIB
“GDP”	:	Gross domestic product
“Initial Public Offer” or “IPO”	:	Public Issue and Offer for Sale, collectively
“IPO Shares”	:	Public Issue Shares and Offer for Sale Shares, collectively
“Impiana Venture”	:	Impiana Venture Sdn Bhd (610871-H)

DEFINITIONS (cont'd)

“Intan KL”	:	Intan Kuala Lumpur Sdn Bhd (37292-H)
“Issue Price”	:	The issue price of RM0.85 per share for the Public Issue Shares
“KESB”	:	Khidmat Edar (M) Sdn Bhd (92788-P), a wholly-owned subsidiary company of EKIB
“KEX”	:	Kiaratex Exports Pte Ltd (199800294-Z), a wholly-owned subsidiary company of EKIB
“MSEB”	:	Malaysia Securities Exchange Berhad (635998-W)
“Listing of EKIB”	:	The admission to the Official List and the listing of and quotation for the entire enlarged issued and paid-up share capital of EKIB of RM40,001,000 comprising 80,002,000 EKIB Shares on the Second Board of the MSEB
“Listing Scheme”	:	Share Split, Dividends Declared By EKSB and EKM, Bonus Issue, Public Issue and Offer for Sale, collectively
“Malaysian Public”	:	All Malaysian citizens, companies or societies and Malaysian institutions but excludes directors of the EKIB Group, its substantial shareholders and persons connected or associated with them
“MCD”	:	Malaysian Central Depository Sdn Bhd (165570-W), a subsidiary company of the MSEB
“MIDFCCS”	:	MIDF Consultancy and Corporate Services Sendirian Berhad (11324-H)
“Midlane”	:	Midlane Entity Sdn Bhd (398804-K)
“MITI”	:	Ministry of International Trade and Industry
“NTA”	:	Net tangible assets
“Offer for Sale”	:	Offer for Sale of 3,580,000 existing EKIB Shares by the Offerors at an offer price of RM0.85 per share comprising: <ul style="list-style-type: none"> • 1,980,000 existing EKIB Shares available for application by the Malaysian Public; and • 1,600,000 existing EKIB Shares available for application by eligible directors, employees, suppliers and customers of the EKIB Group
“Offer for Sale Shares”	:	3,580,000 existing EKIB Shares to be issued at the Offer Price payable in full on application pursuant to the Offer for Sale
“Offerors”	:	Intan KL, See Chii Wei, Kam Tian Yan, Yap Lin Kiew and Neoh Cheng Aik, collectively
“Offer Price”	:	The offer price of RM0.85 per share for the Offer for Sale Shares
“PE”	:	Price-earnings

DEFINITIONS *(cont'd)*

“Promoters”	:	Wong Kong Foo, See Chii Wei, Intan KL, Tan Sri Dato’ Kamaruzzaman and Neoh Cheng Aik, collectively
“Public Issue”	:	Public issue of 13,220,000 new EKIB Shares at an issue price of RM0.85 per share comprising: <ul style="list-style-type: none"> • 4,020,000 new EKIB Shares available for application by the Malaysian Public; • 9,200,000 new EKIB Shares available for application by Bumiputera investors identified and approved by MITI; and
“Public Issue Shares”	:	13,220,000 new EKIB Shares to be issued at an issue price of RM0.85 per share payable upon application pursuant to the Public Issue
“ROC”	:	Registrar of Companies
“SC’s Guidelines”	:	Policies and Guidelines on Issue/ Offer of Securities
“SC”	:	Securities Commission
“SD”	:	Singapore Dollar
“Share Split”	:	Subdivision of 19,080,572 ordinary shares of RM1.00 each in EKIB into 38,161,144 EKIB Shares, which was completed on 30 January 2004
“Tan Sri Dato’ Kamaruzzaman”	:	Tan Sri Dato’ Kamaruzzaman Bin Shariff
“Underwriters”	:	Alliance, AmSecurities Sdn Bhd, K&N Kenanga Berhad and OSK Securities Berhad, collectively
“US”	:	United States of America
“USD”	:	United States of America Dollar
“Vital Factor”	:	Vital Factor Consulting Sdn Bhd (266797-T)

GLOSSARY OF TERMS

The list below sets out some of the commonly used terms related to the geosynthetics industry used in this Prospectus. This list below is not intended to be exclusive and may exclude some words included in this Prospectus:

Terms	Explanations
Geosynthetics	Geosynthetics are defined as products in planar structure made from polymeric materials and used with foundations, soil, rock, earth or any other geotechnical engineering related materials as an integral part of human-made project, structure or system. Geosynthetics have six primary functions: filtration, drainage, separation, reinforcement, fluid blockage and protection. Geosynthetics comprise geotextiles, geogrids, geocomposites and others.
Geotextiles	Geotextiles refer to any permeable textile made of geosynthetics used with foundations, soil, rock, earth or any other geotechnical engineering related materials as an integral part of human made project, structure or system. Geotextiles can be used as filters to prevent soil migration, drains to allow transmission of water through low permeability materials, separators to prevent mixing of sub-grade and gravel in unpaved roads, and reinforcement to add shear strength to the soil.
Geogrids	<p>Geogrids are a distinct group of geosynthetics that are characterised by a relatively high tensile strength and a uniformly distributed array of large apertures (openings). The apertures allow soil particles on either side of the installed sheet to come into direct contact, thereby increasing the interaction between the geogrids and the surrounding soils. The apertures also ensure unrestricted vertical drainage of a soil.</p> <p>Geogrids are used for reinforcement with foundations, soil, rock, earth or any other geotechnical engineering related materials as an integral part of a structure or system. For example, geogrids are used for reinforcement of slopes and stabilisation of road bases.</p>
Geocomposites	Geocomposites consist of a combination of materials including different types of geosynthetic products, such as geotextiles, geogrids, geonets, geomembranes, other geo-related products made of natural or organic materials, and other materials including plastic sheets, steel cables or steel anchors.
Vertical Geodrains	Vertical geodrains comprise a sheet of non-woven geotextile wrapped around a polymer core. The core is a long strip of polymer measuring approximately 100 millimetres in width and is profiled with regularly spaced studs or corrugation on either one side or both sides of the polymer strip. The function of vertical geodrains is to remove ground water through capillary action to consolidate the ground prior to any construction work. Vertical geodrains are part of geocomposites.

GLOSSARY OF TERMS *(cont'd)*

Terms	Explanations
Geomattresses	Geomattresses comprise a composite structure of an upper layer of woven geotextile and a lower layer of woven geotextile. The upper layer is punched with green fibres and sewn to the bottom sheet at regular intervals to form tube-like structures. The continuous parallel stitches are positioned 350 millimetres apart with a stitch length not exceeding 40 millimetres. The ends of the tubes are sealed by sewing or by other suitable methods. Geomattresses are part of geocomposites.
Polymers	A class of petrochemical materials made of large molecules consisting of repeated chemical units ("mers") joined together, usually in a line, like beads on a string. Most of the plastics used everyday are polymers. In many situations, polymers are used interchangeably with plastics.

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1. CORPORATE INFORMATION

BOARD OF DIRECTORS

Directors/ Designation	Address	Occupation	Nationality
Tan Sri Dato' Kamaruzzaman <i>Executive Chairman</i>	No. 82, Taman Zaaba Taman Tun Dr Ismail 60000 Kuala Lumpur	Company Director	Malaysian
Wong Kong Foo <i>Managing Director</i>	No. 89, Jalan 5/109C Taman Sri Seputih Off Jalan Seputih 58000 Kuala Lumpur	Company Director	Malaysian
Lim Yew Hoe <i>Executive Director/Chief Operating Officer</i>	No. 37, Jalan 3/15 Taman Bukit Rawang 48000 Rawang Selangor Darul Ehsan	Company Director	Malaysian
Datuk Yahya Bin Ya'acob <i>Non-Independent Non- Executive Director</i>	No. 1, Jalan SS1/35 Kampung Tunku 47300 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Datuk Fong Weng Phak <i>Independent Non- Executive Director</i>	6 Lorong Taban Dua Lucky Garden, Bangsar 59100 Kuala Lumpur	Company Director	Malaysian
Ahmad Ghazali Bin Md. Kassim <i>Independent Non- Executive Director</i>	187, Jalan Limau Purut Bangsar Park 59000 Kuala Lumpur	Company Director	Malaysian

AUDIT COMMITTEE

Name	Responsibility	Directorship
Datuk Fong Weng Phak	Chairman	Independent Non-Executive Director
Ahmad Ghazali Bin Md. Kassim	Member	Independent Non-Executive Director
Lim Yew Hoe	Member	Executive Director/Chief Operating Officer

1. CORPORATE INFORMATION *(cont'd)*

COMPANY SECRETARY	:	Lim Hooi Mooi <i>(MAICSA 0799764)</i> No 28, Jalan 20/7 46300 Petaling Jaya Selangor Darul Ehsan Tan Enk Purn <i>(MAICSA 7045521)</i> 8B-I-1, Enau Court Lorong Enau 55000 Kuala Lumpur
REGISTERED OFFICE	:	Suite 13A-2, Menara Uni.Asia 1008, Jalan Sultan Ismail 50250 Kuala Lumpur Tel : 03-2697 7611 Fax : 03-2697 7311
HEAD/MANAGEMENT OFFICE	:	Suite E-16-D1 Wisma Sunrise Plaza Mont' Kiara No 2, Jalan Kiara, Mont' Kiara 50480 Kuala Lumpur Tel: 03-2781 3388 Fax: 03-2781 3399 E-mail: ekm@po.jaring.my Website: www.kiaratex.com
AUDITORS/REPORTING ACCOUNTANTS	:	BDO Binder <i>(AF 0206)</i> Chartered Accountants 12th Floor Menara Uni.Asia 1008 Jalan Sultan Ismail 50250 Kuala Lumpur Tel: 03-2616 2888
SOLICITORS	:	Chooi & Company Advocates & Solicitors Level 23, Menara Dion 27, Jalan Sultan Ismail 50250 Kuala Lumpur Tel: 03-2055 3888
PRINCIPAL BANKERS	:	Bumiputra-Commerce Bank Berhad <i>(13491-P)</i> Business Center KL 1 – Wisma Bandar 7 th Floor, Wisma Bandar 18, Jalan Tuanku Abdul Rahman 50100 Kuala Lumpur Tel: 03-2697 9700 EON Bank Berhad <i>(92351-V)</i> Tingkat 1, Wisma Cyclecarri, 288, Jalan Raja Laut, 50350 Kuala Lumpur Tel: 03-2694 2288

1. **CORPORATE INFORMATION** *(cont'd)*

		OCBC Bank (Malaysia) Berhad <i>(295400-W)</i> Wisma Lee Rubber Jalan Melaka 50100 Kuala Lumpur Tel: 03-2692 0344
ISSUING HOUSE	:	MIDF Consultancy and Corporate Services Sdn Bhd <i>(11324-H)</i> 12 th Floor, Bangunan MIDF 195A, Jalan Tun Razak 50400 Kuala Lumpur Tel: 03-2161 3355
SHARE REGISTRAR	:	Malaysian Share Registration Services Sdn Bhd <i>(378993-D)</i> 7th Floor, Exchange Square Bukit Kewangan 50200 Kuala Lumpur Tel: 03-2026 8099
ADVISOR, MANAGING UNDERWRITER AND UNDERWRITER	:	Alliance Merchant Bank Berhad <i>(21605-D)</i> Level 20, Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel: 03-2692 7788
UNDERWRITERS	:	AmSecurities Sdn Bhd <i>(92977-U)</i> 15 th Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel: 03-2078 2633
		K&N Kenanga Bhd <i>(15678-H)</i> 8th Floor, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Tel: 03-2164 6689
		OSK Securities Berhad <i>(14152-V)</i> 19th Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Tel: 03-2162 4388
INDEPENDENT BUSINESS AND MARKET RESEARCH CONSULTANTS	:	Vital Factor Consulting Sdn Bhd <i>(266797-T)</i> 75C & 77C, Jalan SS22/19 Damansara Jaya 47400 Petaling Jaya Selangor Darul Ehsan
LISTING SOUGHT	:	Second Board of the MSEB

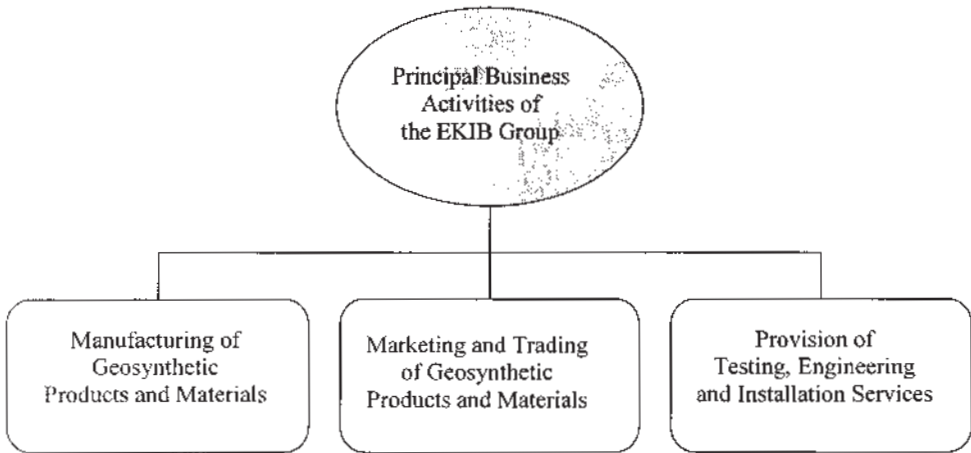
2. SUMMARY INFORMATION

The information is only a summary of the salient information on the EKIB Group. Investors should read and understand the whole of this Prospectus prior to making an investment decision. The following information is qualified in its entirety and should be read in conjunction with the more detailed information and financial statements appearing elsewhere in this Prospectus.

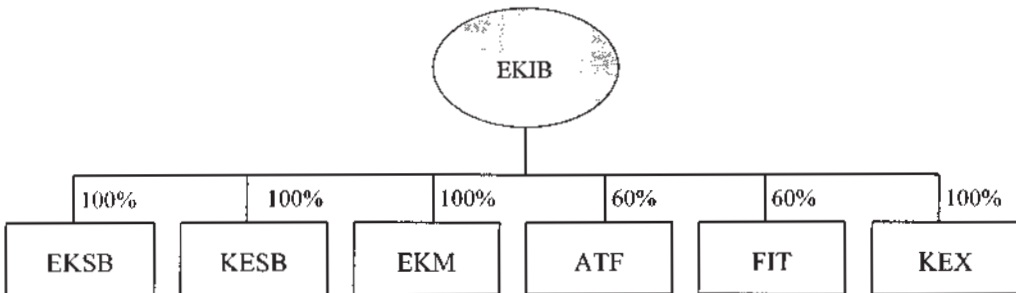
2.1. HISTORY AND BUSINESS

EKIB was incorporated in Malaysia under the Act on 7 June 1999 as a private limited company under the name of Emas Kiara Industries Sdn Bhd. It was subsequently converted into a public limited company on 17 June 2003 and assumed its present name.

EKIB is principally an investment holding company, whilst its subsidiary companies are principally involved in the business activities as depicted in the diagram below:



The existing group structure of EKIB is depicted in the diagram below:



The history of the EKIB Group can be traced back to 1992 with the establishment of Intan KL, one of the Promoters and substantial shareholders of EKIB, which was primarily involved in trading of geosynthetic products. It was also a sales and marketing agent in Malaysia for a number of overseas manufacturers of geosynthetic products. With the success of Intan KL, some of the owners of Intan KL acquired EKSB in 1993 to venture into the geosynthetics industry with the initial business activity of providing turnkey solutions for geosynthetic engineering services. EKSB's first major project was the slope rehabilitation of Pedu Lake which was completed in 1994. In view of the potential growth in the geosynthetics industry, in 1995 EKSB obtained pioneer status for the manufacturing of woven polyester geotextiles from the Malaysian Industrial Development Authority and in 1996, EKSB commenced manufacturing of woven polyester geotextiles.

2. SUMMARY INFORMATION (cont'd)

Following the success of its woven polyester geotextiles and the EKIB Group's intention to expand its product range, the EKIB Group started manufacturing non-woven geotextiles through KESB in 1997. With the manufacturing arms of the EKIB Group under EKSB and KESB in place, the EKIB Group required a marketing arm to market its products. As a result, in 1997, EKM was established to focus on trading, sales and marketing of geosynthetic products, and provision of design, engineering and installation services of geosynthetic products mainly to cater for the infrastructure and construction sectors. In order to tap the overseas markets for geosynthetic products, KEX was incorporated in Singapore in 1998 to focus on sales and marketing of the EKIB Group's geosynthetic products overseas.

In 1999, EKIB acquired ATF for the purpose of undertaking the manufacturing and sale of industrial fabrics catered for specific industry use.

In 2001, in order to provide vertical integration of the EKIB Group's business, the EKIB Group expanded into upstream activities under FIT to undertake the manufacturing of polypropylene fibres which are the raw materials used for the EKIB Group's non-woven geotextiles.

Wong Kong Foo, the Managing Director of the EKIB Group, is one of the founders of the EKIB Group and has more than ten (10) years of experience in the geosynthetics industry. He has been instrumental in the development and growth of the EKIB Group.

Details of EKIB's subsidiary companies are as stated in the table below:

Name	Date & place of incorporation	Issued and paid-up share capital in RM (unless otherwise stated)	% interest held	Principal activities
EKSB	18 July 1991 Malaysia	4,500,000	100.00	Manufacturing and trading of geosynthetic products and technical fabric for engineering and industrial applications
KESB	11 November 1982 Malaysia	6,000,000	100.00	Manufacturing and trading of geosynthetic products for construction and engineering use and industrial fabric
EKM	11 October 1991 Malaysia	1,500,000	100.00	Marketing, trading and installation services of geosynthetic products and materials and provision of geo-services
ATF	29 September 1977 Malaysia	1,000,000	60.00	Manufacturing and marketing of industrial fabric
FIT	03 August 1991 Malaysia	10,000,000	60.00	Manufacturing and trading of industrial fibres
KEX	16 January 1998 Singapore	SD100	100.00	Sales and marketing of geosynthetic products and materials to international markets

2. SUMMARY INFORMATION *(cont'd)*

Further details of the history and business of the EKIB Group is set out in Section 5.1 of this Prospectus.

2.2 INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT

2.2.1 Promoters

As at the date of this Prospectus, the names and the respective interests of the Promoters of the Company after the IPO will be as follows:

Promoter	Designation	< ----- Direct ----- >		< ----- Indirect ----- >	
		No. of EKIB Shares held	% held	No. of EKIB Shares held	% held
Wong Kong Foo	Managing Director	15,511,028	19.39	6,660,804 ¹	8.33
See Chii Wei	-	7,020,456	8.78	-	-
Intan KL	-	6,660,804	8.33	-	-
Tan Sri Dato' Kamaruzzaman	Executive Chairman	6,331,411	7.91	4,795,000 ²	6.00
Neoh Cheng Aik	Technical Advisor	4,619,322	5.77	-	-

Notes:

- Deemed interest by virtue of his interest in Intan KL pursuant to Section 6A of the Act.*
- Deemed interest by virtue of his interest in Impiana Venture and his spouse, Puan Sri Datin Sharifah Binti Ahmad's and daughter, Shariza Binti Kamaruzzaman's indirect interest in EKIB via Midlane pursuant to Section 6A of the Act.*

The above shareholdings take into consideration the allocation of the Offer for Sale Shares available for application by eligible directors, employees, suppliers and customers of the EKIB Group pursuant to the IPO, where applicable.

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2. SUMMARY INFORMATION (cont'd)

2.2.2 Substantial Shareholders

The substantial shareholders of EKIB (shareholders holding five percent (5%) or more equity interest in EKIB) after the IPO will be as follows:

Substantial Shareholder	Designation	< ----- Direct ----- >		< ----- Indirect ----- >	
		No. of EKIB Shares held	% held	No. of EKIB Shares held	% held
Wong Kong Foo	Managing Director	15,511,028	19.39	6,660,804 ¹	8.33
See Chii Wei	-	7,020,456	8.78	-	-
Intan KL	-	6,660,804	8.33	-	-
Tan Sri Dato' Kamaruzzaman	Executive Chairman	6,331,411	7.91	4,795,000 ²	6.00
Neoh Cheng Aik	Technical Advisor	4,619,322	5.77	-	-
Excel	-	4,200,000	5.25	-	-
Impiana Venture	-	3,150,000	3.94	-	-
Midlane	-	1,645,000	2.06	-	-
Datuk Yahya Bin Ya'acob	Non-Independent Non Executive Director	25,000	0.03	4,200,000 ³	5.25
Datin Salibah @ Arfah Binti Hj Daud	-	-	-	4,225,000 ⁴	5.28
Mat Barhan Bin Harun	Technical Advisor	25,000	0.03	4,200,000 ⁵	5.25
Ester James Moiji	-	-	-	4,200,000 ⁵	5.25
Puan Sri Datin Sharifah Binti Ahmad	-	-	-	11,126,411 ⁶	13.91
Shariza Binti Kamaruzzaman	-	-	-	11,126,411 ⁷	13.91

Notes:

1. Deemed interest by virtue of his interest in Intan KL pursuant to Section 6A of the Act.
2. Deemed interest by virtue of his interest in Impiana Venture and his spouse Puan Sri Datin Sharifah Binti Ahmad's and daughter, Shariza Binti Kamaruzzaman's indirect interest in EKIB via Midlane pursuant to Section 6A of the Act.
3. Deemed interest by virtue of his spouse, Datin Salibah @ Arfah Binti Hj. Daud's indirect interest in EKIB via Excel pursuant to Section 6A of the Act.
4. Deemed interest by virtue of her interest in Excel and her spouse, Datuk Yahya Bin Ya'acob's interest in EKIB pursuant to Section 6A of the Act.
5. Deemed interest by virtue of their interests in Excel pursuant to Section 6A of the Act.
6. Deemed interest by virtue of her interest in Midlane and her spouse, Tan Sri Dato' Kamaruzzaman's direct interest in EKIB and indirect interest in EKIB via Impiana Venture pursuant to Section 6A of the Act.
7. Deemed interest by virtue of her interest in Midlane and her father, Tan Sri Dato' Kamaruzzaman's direct interest in EKIB and indirect interest in EKIB via Impiana Venture pursuant to Section 6A of the Act.

The above shareholdings take into consideration the allocation of the Offer for Sale Shares available for application by eligible directors, employees, suppliers and customers of the EKIB Group pursuant to the IPO, where applicable.

2. SUMMARY INFORMATION *(cont'd)*

2.2.3 Directors

The directors and their respective shareholdings in EKIB upon completion of the IPO are as follows:

Director	Designation	< ----- Direct ----- >		< ----- Indirect ----- >	
		No. of EKIB Shares held	% held	No. of EKIB Shares held	% held
Wong Kong Foo	Managing Director	15,511,028	19.39	6,660,804 ¹	8.33
Tan Sri Dato' Kamaruzzaman	Executive Chairman	6,331,411	7.91	4,795,000 ²	6.00
Lim Yew Hoe	Executive Director/ Chief Operating Officer	3,101,120	3.88	-	-
Datuk Yahya Bin Ya'acob	Non-Independent Non-Executive Director	25,000	0.03	4,200,000 ³	5.25
Datuk Fong Weng Phak	Independent Non-Executive Director	25,000	0.03	-	-
Ahmad Ghazali Bin Md. Kassim	Independent Non-Executive Director	25,000	0.03	-	-

Notes:

1. Deemed interest by virtue of his interest in Intan KL pursuant to Section 6A of the Act.
2. Deemed interest by virtue of his interest in Impiana Venture and his spouse Puan Sri Datin Sharifah Binti Ahmad's and daughter Shariza Binti Kamaruzzaman's indirect shareholding in EKIB via Midlane pursuant to Section 6A of the Act.
3. Deemed interest by virtue of his spouse Datin Salibah @ Arfah Binti Hj. Daud's indirect interest in EKIB via Excel pursuant to Section 6A of the Act.

The above shareholdings take into consideration the allocation of the Offer for Sale Shares available for application by eligible directors, employees, suppliers and customers of the EKIB Group pursuant to the IPO, where applicable.

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2. SUMMARY INFORMATION *(cont'd)*

2.2.4 Key Management and Key Technical Personnel

The key management and key technical personnel's shareholdings in EKIB upon completion of the IPO are as follows:

Key management and key technical personnel	Designation	< ----- Direct ----- >		< ---- Indirect ---- >	
		No. of EKIB Shares held	% held	No. of EKIB Shares held	% held
Kudus Bin Shoib	Operations Director of ATF	169,686	0.21	-	-
Sandanasamy Richard Douglas	Executive Director of KEX/Director of EKM	1,715,681	2.14	-	-
Goh Ching Min @ Wu Ching Min	Senior General Manager	159,686	0.20	-	-
Edward Thanarajah A/L Easupatham	Senior General Manager	169,686	0.21	-	-
Chang Kheng Fatt	Assistant General Manager	89,843	0.11	-	-
Har Lian Yoon Kim	Senior Technical Manager	119,789	0.15	-	-
Oh Ewe Peng	Senior Finance Manager	30,000	0.04	-	-
Tan Siew Ang	Human Resource and Administration Manager	43,940	0.05	-	-

The above shareholdings take into consideration the allocation of the Offer for Sale Shares available for application by eligible directors, employees, suppliers and customers of the EKIB Group pursuant to the IPO, where applicable.

The detailed information on the Promoters, substantial shareholders, directors, key management and key technical personnel of the EKIB Group is set out in Sections 6.1, 6.2 and 6.4 of this Prospectus.

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2. SUMMARY INFORMATION *(cont'd)*

2.3 FINANCIAL INFORMATION

2.3.1 Proforma Consolidated Results

The following sets out a summary of the proforma consolidated audited results of the EKIB Group for the past five (5) financial years ended 31 December 1998 to 2002 and consolidated audited results for the ten (10)-month financial period ended 31 October 2003. The proforma consolidated audited results had been prepared on the assumption that the current EKIB Group structure has been in existence throughout the years/period under review. The proforma consolidated audited results should be read in conjunction with the accompanying notes and assumptions included in the Accountants' Report set out in Section 12.0 of this Prospectus.

	←-----Year ended 31 December----->					Ten (10)- month period ended 31 October 2003
	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	RM'000
Revenue	21,543	33,839	42,206	39,957	56,746	61,879
Profit before interest, tax and depreciation	4,191	6,871	8,449	7,488	13,452	13,939
Interest	(2,079)	(2,034)	(1,637)	(1,677)	(1,883)	(1,315)
Depreciation	(1,936)	(2,156)	(2,270)	(2,543)	(3,139)	(2,785)
Profit before taxation and minority interests	176	2,681	4,542	3,268	8,430	9,839
Taxation	(239)	-	(723)	(682)	(2,294)	(3,324)
Profit/(loss) after taxation but before minority interests	(63)	2,681	3,819	2,586	6,136	6,515
Minority interests	45	(38)	41	329	176	(388)
Profit/(loss) after taxation and minority interests	(18)	2,643	3,860	2,915	6,312	6,127
No. of ordinary shares assumed to be in issue ('000)	66,782	66,782	66,782	66,782	66,782	66,782
Gross EPS (sen) ¹	0.3	4.0	6.8	4.9	12.6	14.7
Net (loss per share)/EPS (sen) ²	#	4.0	5.8	4.4	9.5	9.2

Notes:

1. The proforma gross EPS is computed based on the profit before taxation and minority interests and the number of ordinary shares assumed in issue of 66,782,000 EKIB Shares after the Share Split, Dividends Declared By EKSB and EKM and Bonus Issue but prior to the Public Issue.
 2. The proforma net EPS is computed based on the profit after taxation and minority interests and the number of ordinary shares assumed in issue of 66,782,000 EKIB Shares after the Share Split, Dividends Declared by EKSB and EKM and Bonus Issue but prior to the Public Issue.
- # Representing minimal amount.
- (i) There were no extraordinary items or exceptional items for the years/period under review.
 - (ii) As the financial year ends of EKSB, KESB and ATF were not co-terminous with EKIB during the financial years 1998 to 2000, 1999 to 2000 and 1999 to 2000 respectively, the financial results of these companies have been pro-rated to 31 December for the purpose of preparation of the proforma consolidated financial results of the EKIB Group.

2. SUMMARY INFORMATION (cont'd)

2.3.2 Proforma Consolidated Balance Sheets as at 31 October 2003

The following table sets out the summary of proforma consolidated balance sheets of the EKIB Group as at 31 October 2003 as if the Share Split, Dividends Declared by EKSMB and EKM, Bonus Issue, IPO and utilisation of proceeds had been effected on that date. A more detailed proforma consolidated balance sheets of the Group is set out in Section 11.7 of this Prospectus:

	Audited as at 31.10.03 RM'000	I After Share Split RM'000	II After I and Dividends Declared by EKSMB and EKM RM'000	III After II and Bonus Issue RM'000	IV After III, IPO and utilisation of proceeds RM'000
PROPERTY, PLANT AND EQUIPMENT	37,375	37,375	37,375	37,375	41,375
GOODWILL ON CONSOLIDATION	3,610	3,610	3,610	3,610	3,610
DEFERRED TAX ASSETS	1,466	1,466	1,466	1,466	1,466
CURRENT ASSETS					
Inventories	15,005	15,005	15,005	15,005	15,005
Trade and other receivables	35,348	35,348	35,348	35,348	35,348
Cash and bank balances and deposits	5,264	5,264	5,264	5,264	5,264
	55,617	55,617	55,617	55,617	55,617
CURRENT LIABILITIES					
Trade and other payables	17,918	17,918	17,918	17,918	17,918
Bank borrowings	21,725	21,725	21,725	21,725	16,288
Taxation	1,379	1,379	1,379	1,379	1,379
	41,022	41,022	41,022	41,022	35,585
NET CURRENT ASSETS	14,595	14,595	14,595	14,595	20,032
	57,046	57,046	57,046	57,046	66,483

2. SUMMARY INFORMATION (cont'd)

	Audited as at 31.10.03 RM'000	I After Share Split RM'000	II After I and Dividends Declared By EKSMB and EKM RM'000	III After II and Bonus Issue RM'000	IV After III, IPO and utilisation of proceeds RM'000
SHARE CAPITAL	19,081	19,081	19,081	33,391	40,001
SHARE PREMIUM	5,702	5,702	5,702	-	2,827
CAPITAL RESERVE	4	4	4	4	4
FOREIGN EXCHANGE FLUCTUATION RESERVE	-	-	-	-	-
RETAINED PROFITS	15,985	15,985	15,985	7,377	7,377
SHAREHOLDERS' EQUITY	40,772	40,772	40,772	40,772	50,209
RESERVE ON CONSOLIDATION	3,290	3,290	3,290	3,290	3,290
MINORITY INTERESTS	4,059	4,059	4,059	4,059	4,059
LONG TERM AND DEFERRED LIABILITIES					
Bank borrowings	6,026	6,026	6,026	6,026	6,026
Deferred tax liabilities	2,899	2,899	2,899	2,899	2,899
	57,046	57,046	57,046	57,046	66,483
NTA per ordinary share of RM1.00 each (RM)	1.95	-	-	-	-
NTA per ordinary share of RM0.50 each (RM)	-	0.97	0.97	0.56	0.58

2. SUMMARY INFORMATION (cont'd)

2.3.3 Auditors' Qualifications in the Audited Financial Statements of the Companies in the EKIB Group

There was no qualification in the audited financial statements of EKIB and its subsidiary companies, throughout the relevant years/periods under review.

2.4 RISK FACTORS

Applicants for the IPO Shares should carefully consider the following risk factors (which may not be exhaustive) in addition to the other information contained else where in this Prospectus before applying for the IPO Shares. Full details of the risk factors are set out in Section 4.0 of this Prospectus:

- (i) No prior market for the EKIB Shares;
- (ii) No assurance of value from underwriting;
- (iii) Business risks;
- (iv) Operational risks;
- (v) Dependence on key management and key technical personnel;
- (vi) Control by the Promoters;
- (vii) Supply of raw materials;
- (viii) Foreign exchange fluctuations;
- (ix) Competition;
- (x) Domestic borrowings of the EKIB Group;
- (xi) Estimate, forecast and forward looking statements;
- (xii) Political, economic, social and regulatory conditions;
- (xiii) Adequacy of insurance coverage on the EKIB Group's assets;
- (xiv) Dependence on the infrastructure and construction sectors;
- (xv) Failure/delay in the Listing;
- (xvi) Implementation of Asean Free Trade Area;
- (xvii) Threat of substitutes;
- (xviii) Fluctuation in prices of raw materials;
- (xix) Over-dependency on imported fibres and yarn;
- (xx) Delay in obtaining certificates of fitness for the EKSB factory expansion and boiler owned by FIT;
- (xxi) Risks associated with investment activities; and

2. SUMMARY INFORMATION *(cont'd)*

(xxii) Risks relating to new products and developing new markets.

Please refer to Section 4.0 of this Prospectus for further information concerning the abovesaid risk factors, which should be considered by prospective investors. Investors are advised to carefully consider the risk factors, together with other information contained in this Prospectus before subscribing to any of the IPO Shares, which form the subject of this Prospectus.

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2. SUMMARY INFORMATION *(cont'd)*

2.5 CONSOLIDATED PROFIT AND DIVIDEND ESTIMATE AND FORECAST

2.5.1 Consolidated Profit Estimate and Forecast

Financial Year Ended/Ending 31 December	Estimate 2003 RM'000	Forecast 2004 RM'000
Revenue	71,899	78,617
Consolidated profit before taxation and minority interests	10,590	14,002
Less: Taxation	(3,584)	(4,047)
Consolidated profit after taxation but before minority interests	7,006	9,955
Less: Minority interests	(314)	(347)
Consolidated profit after taxation and minority interests	6,692	9,608

Calculated based on the weighted average issued and paid-up share capital of 72,785,391 EKIB Shares after taking into account the Share Split and Bonus Issue which was implemented on 30 January 2004 and the expected completion of the IPO by end March 2004

- Gross EPS (sen)	14.55	19.24
- Net EPS (sen)	9.19	13.20
- Gross PE multiple based on the issue/ offer price of RM0.85 per share (times)	5.84	4.42
- Net PE multiple based on the issue/ offer price of RM0.85 per share (times)	9.25	6.44

Calculated based on the enlarged issued and paid-up share capital of 80,002,000 EKIB Shares

- Gross EPS (sen)	13.24	17.50
- Net EPS (sen)	8.36	12.01
- Gross PE multiple based on the issue/offer price of RM0.85 per share (times)	6.42	4.86
- Net PE multiple based on the issue/ offer price of RM0.85 per share (times)	10.17	7.08

The profit estimate and forecast of the EKIB Group and the Reporting Accountants' letter are set out in Sections 11.3.1 and 11.3.2 of this Prospectus.

2. SUMMARY INFORMATION *(cont'd)*

2.5.2 Dividend Estimate and Forecast

Financial Year Ended/Ending 31 December	Estimate 2003	Forecast 2004
Tax-exempt dividend per share (sen)	-	1.5
Tax-exempt dividend per share (%)	-	3.0
Tax-exempt dividend yield based on the issue/ offer price of RM0.85 per share (%)	-	1.76
Net dividend cover (times)	-	8.01

The details of the dividend estimate and forecast of the EKIB Group are set out in Section 11.6 of this Prospectus.

2.6 PROFORMA CONSOLIDATED NTA AS AT 31 OCTOBER 2003

Proforma consolidated NTA (RM'000)	46,599
Proforma consolidated NTA per share (RM)	0.58

The detailed calculations of the proforma consolidated NTA of the EKIB Group are set out in Section 11.7 of this Prospectus.

2.7 PRINCIPAL STATISTICS RELATING TO THE IPO

2.7.1 Share Capital of EKIB

	RM
<i>Authorised:</i>	
100,000,000 ordinary shares of RM0.50 each	<u>50,000,000</u>
<i>Issued and fully paid-up as at the date of this Prospectus</i>	
66,782,000 ordinary shares of RM0.50 each	33,391,000
<i>To be issued as fully paid-up pursuant to the Public Issue</i>	
13,220,000 new ordinary shares of RM0.50 each	<u>6,610,000</u>
	<u>40,001,000</u>
<i>Offer for Sale</i>	
3,580,000 ordinary shares of RM0.50 each	1,790,000

2.7.2 Issue/offer price per share **RM0.85**

2.7.3 Market Capitalisation of EKIB based on the issue/ offer price of RM0.85 **RM68,001,700**

2. SUMMARY INFORMATION *(cont'd)*

2.7.4 Classes of shares and ranking

There is only one class of shares in EKIB, namely, ordinary shares of RM0.50 each, all of which rank pari passu with one another. The Public Issue Shares and Offer for Sale Shares will rank pari passu in all respects with the other existing issued and fully paid-up ordinary shares of the Company, including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of this Prospectus.

Subject to any special rights attaching to any shares which may be issued by EKIB in the future, the holders of ordinary shares in the Company shall, in proportion to the amount paid-up on the ordinary shares held by them, be entitled to share in the whole of the profits paid out by the Company as dividends and other distributions. In respect of the whole of any surplus in the event of winding up of the Company, such surplus shall be distributed among the members in proportion to the paid-up capital at the commencement of the winding up, in accordance with the Articles of Association of EKIB.

At any general meeting of EKIB, each shareholder shall be entitled to vote in person or by proxy or by attorney, and, on a show of hands, every person present who is a shareholder or representative or proxy or attorney of a shareholder shall have one vote, and, on a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each ordinary share held. A proxy may, but need not be, a member of the Company.

2.8 UTILISATION OF PROCEEDS

The Public Issue shall raise gross proceeds of RM11,237,000 while the proceeds of the Offer for Sale will accrue entirely to the Offerors.

The summary of the utilisation of the proceeds of the Public Issue is as follows:

	Amount RM
Purchase of machinery	3,000,000
Upgrading of weaving machines	500,000
Purchase of test equipment	500,000
Working capital	5,437,000
Estimated listing expenses	1,800,000
Total	<u>11,237,000</u>

A detailed commentary of the above proceeds is set out in Section 3.8 of this Prospectus.

2.9 WORKING CAPITAL, MATERIAL LITIGATION, MATERIAL COMMITMENT, INDEBTEDNESS AND CONTINGENT LIABILITIES

2.9.1 Working Capital

The directors of EKIB are of the opinion that, after taking into consideration the consolidated cashflow position of the EKIB Group, the banking facilities available and the proceeds of the Public Issue, the EKIB Group will have adequate working capital for the period of twelve (12) months from the date of this Prospectus.

2. SUMMARY INFORMATION *(cont'd)*

2.9.2 Material Litigation

Neither EKIB nor its subsidiary companies are engaged in any material litigation either as plaintiff or defendant which has a material effect on the financial position of EKIB or any of its subsidiary companies and the directors of the Company have no knowledge of any proceedings pending or threatened against the Company and its subsidiary companies or of any facts likely to give rise to any proceedings which might materially affect the position and business of the Company and its subsidiary companies.

2.9.3 Material Commitments

As at 20 February 2004 (being the latest practicable date prior to the registration of this Prospectus), save as disclosed below, there are no other material commitment for capital expenditure incurred or known to be incurred by the EKIB Group which may have a substantial impact on the results or the financial position of the Group:

- Conditional sale and purchase agreement dated 30 April 2003, entered into between ATF and United Chemical Industries Berhad for the acquisition by ATF of all the machinery including all spare parts and lab equipment which are located at the following address, No. 2006, Jalan Jelawat, Bandar Seberang Jaya, Seberang Perai, 13700 Perai, Pulau Pinang for a purchase consideration of RM2,500,000 and to acquire the goodwill of the vendor for a purchase consideration of RM500,000. Pursuant to Clause 4.1.9 of the agreement, the vendor agreed to rent the factory premises to ATF at the monthly rental of RM30,000 to enable ATF to carry out the manufacturing operation by use of the machinery.

The purchase consideration of RM2,500,000 will be financed by the proceeds raised from the Public Issue which is further elaborated in Section 3.8 of this Prospectus. The purchase of goodwill of the vendor for RM500,000 will be settled through internally generated funds.

2.9.4 Indebtedness

As at 20 February 2004 (being the last practicable date prior to the registration of this Prospectus), the total outstanding borrowings of the EKIB Group from financial institutions (all of which are local) comprise the following:

Short term (interest-bearing)	RM
Term Loan (due within next 12 months)	2,039,661
Trade Financing – Trust Receipt, Bankers' Acceptances and Letter of Credit	19,359,742
Hire Purchase (due within next 12 months)	1,340,059
Overdraft	965,508
	<u>23,704,970</u>
Long term (interest-bearing)	
Term Loan	5,003,731
Hire Purchase	890,039
	<u>5,893,770</u>
Total	<u>29,598,740</u>

Saved as disclosed above, the EKIB Group has no loan capital outstanding or created but unissued, mortgages or charges outstanding, convertible debts outstanding, guarantees or other borrowings as on that date. Save for late payments by EKSB and KESB, there have been no defaults on payments of either interest and/or principal sums throughout the ten (10)-month financial period ended 31 October 2003 and the subsequent financial period immediately preceding the date of this Prospectus. The late payments by EKSB and KESB did not result in any legal action by the respective financial institutions and all such delays in loan repayments have been fully made up to date as at the date of this Prospectus.

2. SUMMARY INFORMATION (cont'd)

2.9.5 Contingent Liabilities

As at 20 February 2004 (being the last practicable date prior to the registration of this Prospectus), save as disclosed below, there are no contingent liabilities which, upon becoming enforceable, may have a material impact on the profit or net asset value of the EKIB Group:

- EKIB has provided corporate guarantees totalling RM16,232,187 to licensed banks for banking facilities granted to certain subsidiary companies. Consequently, EKIB is contingently liable for the amount of banking facilities utilised by these subsidiary companies totalling RM12,158,753 as at 20 February 2004.

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