

5. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL

5.1 Promoters

The Promoters of Wang-Zheng are Wang-Zheng Resources, Chung Shan Kwang, Goh Kheng Jiu, Khoo Beng Hwa, Thang Yuen Mei, Tan Wan Huat, Chai Tuck Chuen and Teh Hui Guan. Their shareholdings in Wang-Zheng upon completion of the IPO are as follows:-

Name	Nationality/Place Of Incorporation	No. Of Shares Held			
		Direct	%	Indirect	%
Wang-Zheng Resources	Malaysia	¹ 54,000,000	45.00	-	-
Chung Shan Kwang	Malaysian	* 1,818,072	1.52	² 859,933	0.72
Goh Kheng Jiu	Malaysian	* 3,676,222	3.06	³ 54,000,000	45.00
Khoo Beng Hwa	Malaysian	* 1,936,198	1.61	-	-
Thang Yuen Mei	Malaysian	* 1,283,487	1.07	-	-
Tan Wan Huat	Malaysian	* 1,264,887	1.05	-	-
Chai Tuck Chuen	Malaysian	* 1,324,459	1.10	-	-
Teh Hui Guan	Malaysian	* 1,531,479	1.28	-	-

Note:-

* Based on the assumption of subscription of all his/her entitlement pursuant to the pink form allocation as set out in section 2.4.3.

¹ The Swap, which would cause Wang-Zheng Resources to receive 54,000,000 Wang-Zheng Shares, would be completed upon the relevant Wang-Zheng Shares being credited into the CDS Account of Wang-Zheng Resources prior to the listing of and quotation for Wang-Zheng Shares on Bursa Securities.

² Deemed interest by virtue of his 10.00% shareholding in Macro-Link Sdn Bhd and his appointment to administer the distribution of a deceased shareholder's 6.00% shareholding in Macro-Link Sdn Bhd.

³ Deemed interest by virtue of his 15.85% shareholding in Wang-Zheng Resources upon completion of the Swap. The Swap would be completed upon the relevant Wang-Zheng Shares being credited into the CDS Account of Wang-Zheng Resources prior to the listing of and quotation for Wang-Zheng Shares on Bursa Securities.

5.1.1 Wang-Zheng Resources

Wang-Zheng Resources was incorporated in Malaysia under the Companies Act, 1965 on 1 April 2003 as a private limited company. Wang-Zheng Resources is a special-purpose vehicle set up for investment holding in Wang-Zheng Shares.

The substantial shareholders of Wang-Zheng Resources and their respective shareholdings in the company upon completion of the Swap are as follows:-

Name	* No. Of Ordinary Shares Held In Wang-Zheng Resources			
	Direct	%	Indirect	%
Goh Kheng Jiu	158,485	15.85	-	-
Khoo Beng Hwa	107,767	10.78	-	-
Thang Yuen Mei	67,253	6.73	-	-
Tan Wan Huat	66,098	6.61	-	-
Chai Tuck Chuen	69,796	6.98	-	-
Macro-Link Sdn Bhd	53,376	5.34	-	-
Chung Shan Kwang	100,434	10.04	¹ 53,376	5.34
Teh Hui Guan	82,646	8.26	-	-
Fu Jun	-	-	² 53,376	5.34

Note:-

* Upon completion of the Swap. The Swap would be completed upon the relevant Wang-Zheng Shares being credited into the CDS Account of Wang-Zheng Resources prior to the listing of and quotation for Wang-Zheng Shares on Bursa Securities.

¹ Deemed interest by virtue of his 10.00% shareholding in Macro-Link Sdn Bhd and his appointment to administer the distribution of a deceased shareholder's 6.00% shareholding in Macro-Link Sdn Bhd.

² Deemed interest by virtue of his 70.00% shareholding in Macro-Link Sdn Bhd.

5. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (CONT'D)

The directors of Wang-Zheng Resources are Goh Kheng Jiu, Khoo Beng Hwa, Thang Yuen Mei, Tan Wan Huat, Chai Tuck Chuen, Chung Shan Kwang and Teh Hui Guan.

5.1.2 Chung Shan Kwang

Chung Shan Kwang, a Malaysian aged 36, is the Non-Executive Chairman of Wang-Zheng. He was appointed to the Board and as the Non-Executive Chairman of Wang-Zheng on 16 July 2004. Mr Chung graduated with a Diploma In Engineering from Tunku Abdul Rahman College (now known as University Tunku Abdul Rahman). He was embarking on a career in engineering when he was required to assist in the management of his family's business interests. Mr Chung is presently the chairman and director of companies involved in diversified businesses, ranging from distribution of food and consumer products, trading of used motor vehicles to provision of consultancy services in securing property leases. His vast business experience and contacts have greatly contributed to the growth of Wang-Zheng Group.

5.1.3 Goh Kheng Jiu

Goh Kheng Jiu, a Malaysian aged 44, is the Managing Director and Chief Executive Officer of Wang-Zheng. He was appointed to the Board and as the Managing Director and Chief Executive Officer of Wang-Zheng on 16 July 2004. Mr Goh oversees the daily operations and strategizes the business directions of Wang-Zheng Group.

Goh Kheng Jiu completed his studies in 1978 when he obtained the General Certificate Of Education. After a six (6) months' stint as a clerk-of-work with Tan Swan Brothers Sdn Bhd, a property developer, Goh Kheng Jiu's involvement in the consumer products industry commenced in 1979 when he, together with Thang Yuen Mei, started their own business of producing and distributing noodles to food centers ranging from hawker stalls to restaurants. Two (2) years later in 1981, he joined Hong Soon Huat Sdn Bhd, a sundry goods trading company, as a sales executive. From 1985 to 1987, Mr Goh was attached to Unikota Holdings Sdn Bhd as a director. The company was principally involved in manufacturing of tissue paper and sanitary products, and trading of food items. Throughout the years, Mr Goh acquired in-depth knowledge and experience in the consumer products industry. Foreseeing the potential of the consumer products industry, Mr Goh, together with Khoo Beng Hwa and Thang Yuen Mei, incorporated Wang-Zheng Corporation in December 1987. Mr Goh is highly instrumental in spearheading the progress and expansion of Wang-Zheng Group. From a small trading company in 1987, Wang-Zheng Group has become a reputable manufacturer and distributor of disposable fibre-based products and processed papers.

5.1.4 Khoo Beng Hwa

Khoo Beng Hwa, a Malaysian aged 44, is an Executive Director of Wang-Zheng. He was appointed to the Board on 27 July 2004. Mr Khoo started his career when he joined a shipping company in Singapore from 1979 to 1981 as a sailor. Subsequently, he was attached to Hong Soon Huat Sdn Bhd, a sundry goods trading company, as a sales executive from 1982 to 1984. He subsequently joined Unikota Holdings Sdn Bhd in 1985. The company was principally involved in manufacturing of tissue paper and sanitary products, and trading of food items. He left the company in 1987 when Mr Khoo founded Wang-Zheng Corporation together with Goh Kheng Jiu in December 1987. Under the resourceful stewardship of Mr Goh and Mr Khoo, Wang-Zheng Group successfully developed an extensive distribution network for its products throughout the country.

5.1.5 Thang Yuen Mei

Thang Yuen Mei, a Malaysian aged 44, is an Executive Director of Wang-Zheng. He was appointed to the Board on 27 July 2004. Mr Thang has over two (2) decades of business and management experience under his belt. After obtaining the General Certificate Of Education in 1978, Mr Thang ventured into the food business in 1979. Together with Goh Kheng Jiu, Mr Thang started their own business of producing and distributing noodles to food centers. Later, in 1987, Mr Thang, together with Goh Kheng Jiu and Khoo Beng Hwa, established Wang-Zheng Corporation. Mr Thang's responsibilities include overseeing the development of new businesses, and coordinating the administration and financial functions of Wang-Zheng Group.

5. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (CONT'D)

5.1.6 Tan Wan Huat

Tan Wan Huat, a Malaysian aged 41, is an Executive Director of Wang-Zheng. He was appointed to the Board on 27 July 2004. He graduated from University Of Newcastle, Australia with a Diploma In Civil Engineering in 1986. Upon completion of his studies, Mr Tan joined Wang-Zheng Corporation as a marketing executive. He was later appointed as an Executive Director of Wang-Zheng Corporation in 1990. Mr Tan oversees the daily operations of Quality Hero and is responsible for developing of the marketing network for Quality Hero's products. He has also been actively exploring the feasibility of exporting of products of the company.

5.1.7 Chai Tuck Chuen

Chai Tuck Chuen, a Malaysian aged 44, is an Executive Director of Wang-Zheng. He was appointed to the Board on 27 July 2004. After completing his studies in 1978 and being involved in sales of various companies for three (3) years, Mr Chai joined Techskill Auto Parts Trading Supplies Sdn Bhd, an auto-parts trading company as a marketing executive in 1981. In his 14 years in the company until 1995, Mr Chai rose through the ranks, and was eventually appointed as an executive director of the company. He subsequently joined Carefeel Cotton in 1995 as a director. Mr Chai oversees the daily operations of Carefeel Cotton, which sells its products to both local and overseas markets.

5.1.8 Teh Hui Guan

Teh Hui Guan, a Malaysian aged 40, is an Executive Director of Wang-Zheng. He was appointed to the Board on 27 July 2004. Upon completing his studies in 1980, Mr Teh assisted in the management of his family's business which is involved in trading of sundry products. Mr Teh became involved in the processed paper business when he was subsequently engaged as a sales executive in Springfield Corp Sdn Bhd, a paper trading company from 1987 to 1992. He subsequently founded Top Win Enterprise which is also involved in trading paper. Subsequently, in 1994, together with Wang-Zheng Corporation, Mr Teh founded New Top Win. With his extensive experience in the processed paper business, Mr Teh is the primary force in the transformation of New Top Win, from a small paper trading company, to become one of the top five (5) paper importers, converters and distributors in Malaysia.

5.1.9 Substantial Shareholdings And Directorships In Other Public Companies

The Promoters of Wang-Zheng do not have substantial shareholdings or directorships in other public companies for the past two (2) years prior to the date of this Prospectus.

5.2 Substantial Shareholders

Upon completion of the IPO, the substantial shareholders of Wang-Zheng would be Wang-Zheng Resources, Goh Kheng Jiu and Dato' Abdul Azim Bin Mohd Zabidi.

The shareholdings and profiles of Wang-Zheng Resources and Goh Kheng Jiu have been set out in section 5.1. Dato' Abdul Azim Bin Mohd Zabidi's shareholding in Wang-Zheng upon completion of the IPO is set out below.

Name	Nationality	No. Of Shares Held			
		Direct	%	Indirect	%
Dato' Abdul Azim Bin Mohd Zabidi	Malaysian	* # 9,620,000	8.02	-	-

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5. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (CONT'D)

Note:-

* Based on the assumption of subscription of all his/her entitlement pursuant to the pink form allocation as set out in section 2.4.3.

Based on the assumption of acquisition of the entire allocation approved by MITI. Dato' Abdul Azim Bin Mohd Zabidi had furnished a written undertaking on 16 August 2004 that he would acquire 9,600,000 Shares allocated to him.

5.2.1 Dato' Abdul Azim Bin Mohd Zabidi

Dato' Abdul Azim Bin Mohd Zabidi, a Malaysian aged 45, is the Non-Executive Deputy Chairman of Wang-Zheng. He was appointed to the Board and as the Non-Executive Deputy Chairman of Wang-Zheng on 27 July 2004. Dato' Abdul Azim holds a Masters Of Arts In Business Law from London Guildhall University, United Kingdom, and is a fellow of the Institute Of Chartered Secretaries And Administrators. He has over 16 years of valuable experience in the banking and financial industry especially in the areas of corporate banking, unit trust management and property fund management. He worked for Bumiputra Commerce Bank Bhd (formerly known as Bank Of Commerce (M) Bhd) from 1984 to 1990, and gained experience through his various capacities in its divisions and branches. He rose through the ranks and was appointed as the group head of the corporate banking department in September 1989. Dato' Abdul Azim was then seconded to Amanah Property Trust Managers Bhd (formerly known as Commerce Property Trust Managers Berhad) in September 1990 as an assistant general manager. Dato' Abdul Azim left Amanah Property Trust Managers Bhd as a general manager in January 1995, a position he held since March 1992. Subsequently, Dato' Abdul Azim joined Commerce Asset Fund Managers Sdn Bhd as its group general manager where he remained until June 1999.

Presently, Dato' Abdul Azim is the chairman of Bank Simpanan Nasional Berhad and Permodalan BSN Berhad. He is also a member of the Capital Market Advisory Council of the Securities Commission. Dato' Abdul Azim also served as a member of the National Economic Consultative Council II and the Index Sub-Committee of the Kuala Lumpur Stock Exchange. He was also the president of Federation of Malaysian Unit Trust Managers from 1998 to 2003. He also sits on the board of directors of World Savings Bank Institute.

Dato' Abdul Azim is also serving on the board of directors of Kumpulan Europlus Berhad, Kolej Aman Bhd, Multi Vest Resources Berhad, Pica (M) Corporation Berhad, Trenergy (Malaysia) Bhd, Wijaya Baru Global Berhad, OSK Ventures International Berhad and several other private limited companies.

5.2.3 Substantial Shareholdings And Directorships In Other Public Companies

Save as disclosed in their respective profiles, the substantial shareholders of Wang-Zheng do not have substantial shareholdings or directorships in other public companies for the past two (2) years prior to the date of this Prospectus.

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5. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (CONT'D)

5.3 Directors

The shareholdings in Wang-Zheng and profiles of Chung Shan Kwang, Dato' Abdul Azim Bin Mohd Zabidi, Goh Kheng Jiu, Khoo Beng Hwa, Thang Yuen Mei, Tan Wan Huat, Chai Tuck Chuen and Teh Hui Guan, have been set out in sections 5.1 and 5.2. The other Directors and their shareholdings in Wang-Zheng upon completion of the IPO are as follows:-

Name	Designation	No. Of Shares Held			
		Direct	%	Indirect	%
Tan Teck Ang	Non-Executive Director	* 696,641	0.58	-	-
Chung Shan Meng	Non-Executive Director	* 543,133	0.45	-	-
Fu Jun	Non-Executive Director	* 20,000	0.02	¹ 859,933	0.72
Loo Choo Hong	Independent Non-Executive Director	* 20,000	0.02	-	-
Ch'ng Eng Hing	Independent Non-Executive Director	* 20,000	0.02	-	-
Low Yu Keat	Independent Non-Executive Director	* 20,000	0.02	-	-
Tan Kar Thye	Independent Non-Executive Director	* 20,000	0.02	-	-
Yap Kien Pin	Independent Non-Executive Director	* 20,000	0.02	-	-

Note:-

* Based on the assumption of subscription of all his/her entitlement pursuant to the pink form allocation as set out in section 2.4.3.

¹ Deemed interest by virtue of his 70.00% shareholding in Macro-Link Sdn Bhd.

5.3.1 Tan Teck Ang

Tan Teck Ang, a Malaysian aged 44, is a Non-Executive Director of Wang-Zheng. He was appointed to the Board on 27 July 2004. Mr Tan is an established entrepreneur with business interests in construction and property development. After obtaining the General Certificate Of Education in 1978, he joined Soon Chong Construction as a site supervisor. Subsequently, he joined Multi-Builders Sdn Bhd, a building contractor, as a director in 1982. Mr Tan was later appointed as the managing director of the company in 1989. He has been holding the position since. Mr Tan also sits on the board of directors of Mascarena Sdn Bhd, a real estate developer, since his appointment in 2003.

5.3.2 Chung Shan Meng

Chung Shan Meng, a Malaysian aged 39, is a Non-Executive Director of Wang-Zheng. He was appointed to the Board on 27 July 2004. Mr Chung graduated with a Bachelor Of Electrical And Electronic Engineering (Honours) from National University Of Singapore, Singapore in 1990. After his graduation, he was attached to Infineon Pte Ltd (previously known as Siemens Semiconductor Pte Ltd) from 1990 to 1992 as an electrical and electronic engineer. He then joined Thomson Electronics Pte Ltd in 1993 and assumed a similar position in the company. A year later, he left the company to join Hewlett-Packard Pte Ltd, also as an electrical and electronic engineer, which he served until 1996. In 1996, Mr Chung was appointed as the chairman and managing director in Xian Jiang Trading Sdn Bhd, a company involved in import, export and distribution of food and consumer items, in which he has substantial shareholding. Apart from Xian Jiang Trading Sdn Bhd, Mr Chung is also involved in and sits on the board of directors of several private limited companies which are involved in activities ranging from trading of general goods and food items, to trading of electrical goods and pyrotechnics products, and property letting.

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5. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (CONT'D)**5.3.3 Fu Jun**

Fu Jun, a Chinese aged 47, is a Non-Executive Director of Wang-Zheng. He was appointed to the Board on 27 July 2004. Mr Fu obtained a Bachelor In Economics from Hunan University, China in 2002. In 1979, he joined the Township Party Committee on Li Ling City, Hunan as its secretary. Subsequently between 1983 and 1987, he was appointed as the head and secretary of the Party Committee of the Foreign Trade Bureau Of Li Ling City, Hunan. During the same period, he also served as the vice-director of the Economic Committee of Li Ling City, Hunan. In 1988, he was appointed as the vice-general manager of the Hunan Arts And Crafts Import And Export Group. With the wealth of knowledge and contacts he acquired throughout the years, Mr Fu set out to start his own business in 1990 under the name Macro-Link Group Limited. The company is principally involved in import, export and distribution of consumer and general goods, and investment holding. He has been the president and chief executive officer of the company since 1990 till present. Mr Fu also has interest in various private limited companies in countries outside Malaysia which are involved in various businesses.

5.3.4 Loo Choo Hong

Loo Choo Hong, a Malaysian aged 32, is an Independent Non-Executive Director of Wang-Zheng. He was appointed to the Board on 27 July 2004. He passed the examinations of the Chartered Association Of Certified Accountants, United Kingdom (now known as Association Of Chartered Certified Accountants) in 1998, and is currently a member of the accountancy body. He is also a member of the Malaysian Institute Of Accountants. He commenced his career as an audit assistant in Yap, Goh And Associates in 1998. He left the firm as an audit supervisor in 2001 when he joined K.H. Kwong & Company, his present employer, as an audit and tax manager.

5.3.5 Ch'ng Eng Hing

Ch'ng Eng Hing, a Malaysian aged 38, is an Independent Non-Executive Director of Wang-Zheng. He was appointed to the Board on 27 July 2004. After his graduation from University Of Leicester, United Kingdom in 1994 with a LLB (Honours), Mr Ch'ng practiced as a barrister-at-law at Middle Temple, United Kingdom. He joined the Malaysian Bar Council as a member in 1996. Upon completion of his studies in 1996, up till 1998, Mr Ch'ng was attached to Cheang & Ariff as a legal assistant. Mr Ch'ng is currently a partner of a legal firm, Frank Ch'ng And Associates, which he founded in 1999. Mr Ch'ng was also actively involved in the Club Volkswagen Beetle Malaysia where he served as its legal adviser in 1997, and as its honorary secretary in 2000.

5.3.6 Low Yu Keat

Low Yu Keat, a Malaysian aged 47, is an Independent Non-Executive Director of Wang-Zheng. She was appointed to the Board on 27 July 2004. She is a member of the Institute Of Chartered Secretaries And Administrators, and has over 25 years of experience in finance, human resources and administration under her belt. She started her career as a company secretary with Company Management Sdn Bhd where she was attached to from 1976 to 1981. Subsequently, in 1981, she joined Bridgecon Engineering Sdn Bhd (now known as Bridgecon Berhad, a company listed on Bursa Securities in 1994), as an administration assistant. She rose through the ranks over her 15 years tenure at the company. From an administration assistant, she was promoted to become the administration manager in 1987. She was subsequently appointed to head the group human resource and administration department in 1995, a position she held until 1997. After being a homemaker from 1997 to 1999, Ms Low joined her spouse's sports apparel company, Garoos Sports (M) Sdn Bhd in 1999, where she has served as an executive director since 2000.

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5. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (CONT'D)

5.3.7 Tan Kar Thye

Tan Kar Thye, a Malaysian aged 44, is an Independent Non-Executive Director of Wang-Zheng. He was appointed to the Board on 27 July 2004. Mr Tan obtained a Certificate Of Interior Design from Osaka Interior, Malaysia in 1980. Mr Tan commenced his career as a sales executive in 1980 with Hilton Furniture Sdn Bhd, and was subsequently promoted to the position of a sales manager in 1983. Mr Tan has accumulated years of experience in the interior design and furniture industry. At present, Mr Tan is involved in his own business involved in furniture manufacturing and construction.

5.3.8 Yap Kien Pin

Yap Kien Pin, a Malaysian aged 44, is an Independent Non-Executive Director of Wang-Zheng. He was appointed to the Board on 27 July 2004. Mr Yap graduated with a Bachelor Of Science In Mechanical Engineering from Montana State University, USA in 1985. Upon graduation till 1987, he was attached to Trirex Corporation Sdn Bhd as a management executive. Subsequently, he joined Montepius Marketing Sdn Bhd in 1988 as a technical manager. Over the years, he rose through the ranks and is presently, the managing director of the company. He has held the position since 1996. Montepius Marketing Sdn Bhd is principally involved in the distribution of specialized plumbing materials. Mr. Yap also has interests in several private limited companies involved in activities ranging from the manufacturing and trading of high-density polypropylene products to trading of building materials and garments, and property investment.

5.3.9 Substantial Shareholdings And Directorships In Other Public Companies

Save as disclosed in their respective profiles, the Directors of Wang-Zheng do not have substantial shareholdings or directorships in other public companies for the past two (2) years prior to the date of this Prospectus.

5.3.10 Aggregate Remuneration And Benefits

The aggregate remuneration and benefits of the Directors of Wang-Zheng Group, for services rendered in all capacities to Wang-Zheng Group for the financial year ended 31 December 2003 and proposed for the current financial year ending 31 December 2004 are as follows:-

Financial Year Ended/Ending	Total Remuneration And Benefits (RM'000)	No. Of Directors Whose Total Remuneration And Benefits Are Within	
		Up To RM100,000	RM100,001 To RM200,000
31 December 2003	707	9	1
31 December 2004	1,514	17	2

5.4 Audit Committee

The Audit Committee which was set up on 30 July 2004 comprises the following members:-

Name	Designation	Directorship
Loo Choo Hong	Chairman	Independent Non-Executive Director
Ch'ng Eng Hing	Member	Independent Non-Executive Director
Thang Yuen Mei	Member	Executive Director

The main functions of the Audit Committee include the review of audit plan and audit report of the auditors, review of the internal control procedures, review of the auditors' evaluation of internal accounting controls, review of the financial statements and nomination of the auditors.

5. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (CONT'D)

5.5 Key Management And Key Technical Personnel

The management of Wang-Zheng Group is headed by Goh Kheng Jiu, the Managing Director and Chief Executive Officer, and the Executive Directors. Mr Goh and the Executive Directors are assisted by the key management and key technical personnel of Wang-Zheng Group.

The designations and shareholdings of the key management and key technical personnel of Wang-Zheng Group are as follows:-

Name	Designation	No. Of Shares Held			
		Direct	%	Indirect	%
Khoo Beng Keong	Director and Factory Manager (Quality Hero)	* 643,783	0.54	-	-
Lim Seow Cheong	Technical Manager (Quality Hero)	* 1,000	#	-	-
Lim Ah Seng	Production Manager (Carefeel Cotton)	* 25,000	0.02	-	-
Chai Teck Seng	Marketing Manager (Wang-Zheng Corporation)	* 433,669	0.36	-	-
Lee Wong Chon	Export Manager (Wang-Zheng Corporation)	* 10,000	0.01	-	-
Lee Poh Lye	OEM Business Manager (Wang-Zheng Corporation)	* 15,000	0.01	-	-
Teoh Hee Chong	Sales Manager (Northern Region) (Wang-Zheng Corporation)	* 15,000	0.01	-	-
Tan Teck Siang	Sales Manager (Southern Region) (Wang-Zheng Corporation)	* 25,000	0.02	-	-
Leong Ting Siong @ Martin Leong	Group Accountant	* 10,000	0.01	-	-

Note:-

* Based on the assumption of subscription of all his/her entitlement pursuant to the pink form allocation.

Negligible.

5.5.1 Khoo Beng Keong

Khoo Beng Keong, a Malaysian aged 38, is a Director and the Factory Manager of Quality Hero. Mr Khoo obtained his Sijil Pelajaran Menengah in 1983. Upon graduation, in 1984, he joined Delvaco (M) Sdn Bhd as a sales coordinator. In 1987, he left the company, and subsequently joined Quality Hero as a factory manager. Responsible for overseeing the overall production of disposable baby diapers, and sanitary protection and tissue products of Quality Hero, Mr Khoo is involved in amongst others, production scheduling, material planning and quality control of the company. Mr Khoo has attended various training programmes on operating the plant and machineries in Italy.

5.5.2 Lim Seow Cheong

Lim Seow Cheong, a Malaysian aged 49, is the Technical Manager of Quality Hero. Mr Lim obtained a certificate in mechanical engineering from the Vocational And Industrial Training Board Of Singapore in 1979. He commenced his career as an apprentice with Sembawang Shipyard Limited in Singapore in 1980. In 1983, he joined Kwan How Yuan Private Limited in Solomon Islands as a senior technician. He left the company in 1997 when he was recruited by Kimberly Clark (M) Sdn Bhd as a technical executive, where he stayed until 2000. He was later attached as a maintenance manager with Drypers (M) Sdn Bhd from 2000 to 2001. Having gained extensive technical expertise over more than 20 years, Mr Lim joined Wang-Zheng Group in 2001 where he is responsible for the maintenance and ensuring the smooth operations of all the baby diapers machines and providing technical guidance.

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5. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (CONT'D)**5.5.3 Lim Ah Seng**

Lim Ah Seng, a Malaysian aged 52, is the Production Manager of Carefeel Cotton. Mr Lim is responsible for overseeing the overall manufacturing and quality control processes of cotton jumbo rolls and facial cotton. Prior to joining Carefeel Cotton in 1994 as a production manager, Mr Lim already has more than 30 years of experience in the production field. After obtaining his Malaysian Certificate Of Education in 1970, Mr Lim commenced his career as a shift fitter with Kimberly Clark Products (M) Sdn Bhd in 1971 where he was attached until 1975. Subsequently, he worked for Cold Storage Sdn Bhd from 1975 to 1981, also as a machine operator. From 1982 to 1993, he was attached to Malaysia Hygiene Products (M) Sdn Bhd as a production executive.

5.5.4 Chai Teck Seng

Chai Teck Seng, a Malaysian aged 40, is the Marketing Manager of Wang-Zheng Corporation. Upon graduating from Chong Hwa Independent High School in 1982, he helped manage his family's food business. Throughout the eight (8) years spent in the business, Mr Chai acquired much management and sales experience, and developed numerous contacts within the consumer goods industry. Subsequently in 1990, Mr Chai joined Wang-Zheng Corporation as a marketing manager and is in charge of the planning and co-ordination of the marketing activities of the company.

5.5.5 Lee Wong Chon

Lee Wong Chon, a Malaysian aged 54, is the Export Manager of Wang-Zheng Corporation. Mr Lee's functions include marketing to foreign customers and managing Wang-Zheng Group's e-commerce business. Mr Lee obtained a certificate from the RAF Halton School Of Technology Training in United Kingdom in 1974. Upon graduation, he served as a technician for the Royal Malaysian Air Force from 1974 to 1981, after which he started his own laundry shop business in 1981. After operating the business for nine (9) years, he joined Paragon Lane Sdn Bhd in 1990 as a sales executive before joining Wang-Zheng Corporation in 2000 as an export manager.

5.5.6 Lee Poh Lye

Lee Poh Lye, a Malaysian aged 46, is the OEM Business Manager of Wang-Zheng Corporation and is principally responsible for the OEM customers of Wang-Zheng Group. Mr Lee holds a Diploma In Marketing from the Chartered Institute Of Marketing, United Kingdom, and has more than 20 years of experience in marketing. Mr Lee started his career as a professional representative with Pfizer Sdn Bhd from 1981 to 1983. Subsequently he joined Kiwi Brands Sdn Bhd as a branch manager from 1984 to 1996. Prior to joining Wang-Zheng Corporation in 2000 as an OEM business manager, Mr Lee was attached as the trade marketing manager with Anakku Baby Product Sdn Bhd from 1996 to 2000.

5.5.7 Teoh Hee Chong

Teoh Hee Chong, a Malaysian aged 44, is the Sales Manager (Northern Region) of Wang-Zheng Corporation. Mr Teoh obtained a Certificate In Marketing from the School Of Marketing in Ipoh, Perak in 1989. While pursuing his academic qualifications, Mr Teoh also worked as a sales executive in Boustead Trading Sdn Bhd since 1983. He left the company as an acting manager in 1997. With his extensive knowledge and experience in sales and marketing, Mr Teoh joined Wang-Zheng Corporation in 2000 as its sales manager for the northern region, where he is responsible for the marketing activities in the northern region of Peninsular Malaysia.

5.5.8 Tan Teck Siang

Tan Teck Siang, a Malaysian aged 36, is the Sales Manager (Southern Region) of Wang-Zheng Corporation. Mr Tan passed the Sijil Pelajaran Menengah (SPM) in 1986. He commenced his career when he joined Jack Chia & Co Sdn Bhd as a district sales representative in 1986. Mr Tan left the company in 1998 when he joined Wang-Zheng Corporation as a sales manager. He is responsible for the marketing activities in the southern region of Peninsular Malaysia.

5. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (CONT'D)

5.5.9 Leong Ting Siong @ Martin Leong

Leong Ting Siong @ Martin Leong, a Malaysian aged 27, is the Group Accountant of Wang-Zheng Group. Mr Leong graduated with a Bachelor Of Business in Accounting and Management in 1998 from University Of Technology, Sydney. Upon graduation, he joined KPMG in 1999 as an audit staff before leaving the firm in 2002 as an audit senior. He became a member of CPA Australia in 2001 and became a Chartered Accountant of the Malaysian Institute Of Accountants in 2002. In 2003, he joined AmMerchant Bank Berhad as a senior internal audit executive. Mr Leong left AmMerchant Bank Berhad in 2004 to join Wang-Zheng Group. In his current capacity, Mr Leong is responsible for the treasury, accounting, general administration and human resource functions of Wang-Zheng Group.

5.6 Involvement In Other Businesses Or Corporations

Whilst all the Executive Directors of Wang-Zheng have substantial shareholdings and/or sit on the board of directors of several private limited companies not within Wang-Zheng Group, save for Wang-Zheng Motor Sdn Bhd and Auto Resources Holding Sdn Bhd which are principally involved in the used motor vehicles and vehicles' spare parts businesses respectively, the companies are dormant.

The Executive Directors of Wang-Zheng whom have substantial shareholdings in and/or sit on the board of directors of Wang-Zheng Motor Sdn Bhd, are Goh Kheng Jiu, Khoo Beng Hwa, Thang Yuen Mei and Teh Hui Guan, while the Executive Directors of Wang-Zheng whom have substantial shareholdings in and/or sit on the board of directors of Auto Resources Holding Sdn Bhd are Goh Kheng Jiu and Thang Yuen Mei. As the aforementioned Executive Directors of Wang-Zheng are mainly involved in advising on strategic issues which do not require significant portion of their time and efforts, and are not involved in day-to-day management of both Wang-Zheng Motor Sdn Bhd and Auto Resources Holding Sdn Bhd, the respective Executive Directors of Wang-Zheng are of the opinion that their involvement in the aforesaid companies do not affect their commitments and responsibilities to Wang-Zheng Group. The daily operations of Wang-Zheng Motor Sdn Bhd and Auto Resources Holding Sdn Bhd are managed by executive directors of the respective companies.

The key management and key technical personnel of Wang-Zheng Group are all presently serving as full-time employees. They do not have substantial shareholdings, and/or sit on the board of directors of other companies which are not part of Wang-Zheng Group.

5.7 Declaration

No Director or key management or key technical personnel of Wang-Zheng Group is or has been involved in any of the following events, in or outside Malaysia:-

- i) a petition under any bankruptcy or insolvency laws filed and has not been struck out, against the Director or key management or key technical personnel, or any partnership in which they were a partner, or any corporation of which they were directors or key management or key technical personnel;
- ii) a charge and/or conviction in a criminal proceeding or is a named subject of a pending criminal proceeding; or
- iii) an order, judgment or ruling of any court of competent jurisdiction temporarily enjoining them from acting as investment advisers, dealers in securities, directors or employees of a financial institution and engaging in any type of business practice or activity.

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5. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (CONT'D)

5.8 Family Relationships

Saved as disclosed below, there are no family relationships (as defined in Section 122A* of the Company Act, 1965) or associations between the Promoters, substantial shareholders and Directors of Wang-Zheng, or key management or key technical personnel of Wang-Zheng Group.

- i) Chung Shan Kwang, a Promoter and the Non-Executive Chairman of Wang-Zheng, and Chung Shan Meng, a Non-Executive Director of Wang-Zheng, are siblings;
- ii) Goh Kheng Jiu, a Promoter, a substantial shareholder, the Managing Director and Chief Executive Officer of Wang-Zheng, is the brother-in-law of Teh Hui Guan, an Executive Director of Wang-Zheng;
- iii) Khoo Beng Hwa, a Promoter and an Executive Director of Wang-Zheng, and Khoo Beng Keong, a Director and the Factory Manager of Quality Hero, are siblings;
- iv) Tan Wan Huat, an Executive Director of Wang-Zheng, and Tan Teck Ang, a Non-Executive Director of Wang-Zheng, are siblings;
- v) Chai Tuck Chuen, an Executive Director of Wang-Zheng, and Chai Teck Seng, a Marketing Manager of Wang-Zheng Corporation, are siblings.

* Section 122A of the Company Act, 1965 has set out that 'family' shall include a person's spouse, parent, child (including adopted child and step-child), brother, sister and the spouse of his child, brother or sister.

5.9 Service Agreements

There are no existing or proposed service agreements between Wang-Zheng Group and its Directors or key management or key technical personnel.

5.10 Changes In Shareholdings Of Promoters And/Or Substantial Shareholders

The changes in the direct shareholdings of the Promoters and/or substantial shareholders of Wang-Zheng since its incorporation are as follows:-

Date Of Addition/ (Disposal)	Substantial Shareholders	No. Of Shares			
		Brought Forward	Addition	Disposal	Carried Forward
15.4.2003	Wong Kok Wey *	-	1	-	1
15.4.2003	Leong Fok Yuan *	-	1	-	1
16.7.2004	Goh Kheng Jiu	-	# 14,129,819	-	14,129,819
16.7.2004	Khoo Beng Hwa	-	# 9,945,358	-	9,945,358
16.7.2004	Thang Yuen Mei	-	# 6,206,536	-	6,206,536
16.7.2004	Tan Wan Huat	-	# 6,100,017	-	6,100,017
16.7.2004	Teh Hui Guan	-	# 6,027,013	-	6,027,013
16.7.2004	Macro-Link Sdn Bhd	-	# 4,925,920	-	4,925,920
16.7.2004	Chung Shan Kwang	-	# 4,068,697	-	4,068,697
16.7.2004	Chai Tuck Chuen	-	# 3,941,193	-	3,941,193
19.8.2004	Goh Kheng Jiu	14,129,819	^ 3,332,694	-	17,462,513
19.8.2004	Khoo Beng Hwa	9,945,358	^ 2,345,737	-	12,291,095
19.8.2004	Thang Yuen Mei	6,206,536	^ 1,463,889	-	7,670,425
19.8.2004	Tan Wan Huat	6,100,017	^ 1,438,765	-	7,538,782
19.8.2004	Teh Hui Guan	6,027,013	^ 3,398,926	-	9,425,939
19.8.2004	Macro-Link Sdn Bhd	4,925,920	^ 1,161,840	-	6,087,760
19.8.2004	Chung Shan Kwang	4,068,697	^ 7,386,138	-	11,454,835
19.8.2004	Chai Tuck Chuen	3,941,193	^ 4,019,236	-	7,960,429

Note:-

* Being the first directors and subscriber shareholders of Wang-Zheng.

Being Wang-Zheng Shares issued pursuant to the Acquisitions.

^ Being Wang-Zheng Shares issued pursuant to the Restricted Issue and Rights Issue.

6. APPROVAL AND CONDITIONS**6.1 Approvals And Conditions**

The Listing Scheme as set out in section 4.4 was approved by the following authorities as follows:-

Authority	Date
SC	3 June 2004 *
MITI	16 February 2004

* Approval of the SC via its letter dated 3 June 2004 included the approval for the change in equity structure of Wang-Zheng arising from the Listing Scheme, pursuant to the requirements of the Foreign Investment Committee's Guidelines For The Acquisition Of Assets, Mergers And Take Overs 1974.

The approval from the SC is subject to, inter-alia, the following conditions:-

	Details Of Conditions Imposed	Status Of Compliance
(1)	<p>Wang-Zheng Resources is not allowed to sell, transfer or assign its shareholdings amounting to 45% of the enlarged issued and paid-up capital of Wang-Zheng for one (1) year from the date of listing of Wang-Zheng on Bursa Securities.</p> <p>In this regard, the individual shareholders of WZR should provide undertakings to the SC that they will not sell, transfer or assign their shareholdings in Wang-Zheng Resources during the moratorium period.</p>	<p>To be complied.</p> <p>Complied. The undertakings were submitted to the SC on 18 August 2004/27 August 2004.</p>
(2)	<p>With regard to the trade debtors, Wang-Zheng should comply with the following:-</p>	
(a)	<p>Wang-Zheng should fully disclose in the Prospectus the debtor's position, the aging analysis, and for amounts exceeding the credit period, comments by the Directors of Wang-Zheng on the recoverability of the amount;</p>	Complied. Please refer to section 3.2.14.
(b)	<p>full provision should be made for all overdue trade debts which are in dispute or under legal action, or for amounts which have been outstanding for more than six (6) months. In this regard, the Directors of Wang-Zheng Group should submit a confirmation letter to the SC that this condition has been complied with prior to the issuance of the Prospectus; and</p>	Complied. Wang-Zheng had via its letter dated 6 August 2004, confirmed that as at the latest financial year ended 31 December 2003, there were no trade debts which were subject to disputes, or which were the subject of legal proceedings, and that full provision has been made for all overdue trade debts which have been outstanding for more than six (6) months as at 31 December 2003.
(c)	<p>the Directors of Wang-Zheng should confirm and submit a declaration to the SC that debts exceeding credit period are recoverable and that full provision has been made to the accounts/forecast/projections.</p>	Complied. The written confirmation that debts exceeding credit period are recoverable, and that full provision where deemed applicable, has been made to the accounts and forecast, was submitted to the SC on 9 August 2004.

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6. APPROVAL AND CONDITIONS

	Details Of Conditions Imposed	Status Of Compliance
(3)	Wang-Zheng/AmMerchant Bank should comply with the following requirements in relation to the IPO Shares which will be offered via placement to selected public investors:-	
(a)	at least 30% of the securities allocated should, to the extent possible, be allocated to Bumiputera investors;	Complied. 30% of the securities allocated have been made available for placement to Bumiputera investors.
(b)	placement of the securities should be done through an independent placement agent; and	Complied. The said placement was done through AmMerchant Bank as the Placement Agent.
(c)	upon implementation of the placement exercise, the corporate adviser or the independent placement agent (where applicable), should submit to the SC, for its notification, a final list of the placees, and a confirmation that the placement complies with the Policies And Guidelines On Issue/Offer Of Securities.	To be complied.
(4)	With regard to Wang-Zheng's tenanted premise at Batu 22, Jalan Kundang, 48000 Rawang, Selangor:-	
(a)	Wang-Zheng should provide an undertaking that it will use its best endeavour to ensure that the certificate of fitness is obtained within six (6) months from 3 June 2004;	Not applicable. Wang-Zheng had informed the SC on 11 June 2004, that the certificate of fitness for Lot 5406, Batu 22, Jalan Kundang, 48000 Rawang, Selangor, had been obtained.
(b)	Wang-Zheng should make quarterly announcements on the status of the application to Bursa Securities; and	Not applicable as the relevant certificate of fitness had been obtained.
(c)	Wang-Zheng should update the SC on the status of the application when such announcements are made to Bursa Securities.	Not applicable as the relevant certificate of fitness had been obtained.
(5)	With regard to the factory tenanted by New Top Win at Jalan 4/32A, Mukim Batu, Kuala Lumpur, and the factory tenanted by Mey Paper at Kampung Baru Sungai Buloh, Kampung Baru, Sungai Buloh, Selangor, Wang-Zheng should provide confirmation to the SC that it has relocated its operations to premise(s) that are issued with certificates of fitness, prior to the issuance of the Prospectus.	Complied. The relevant confirmations were submitted to the SC on 9 August 2004.
(6)	Wang-Zheng/AmMerchant Bank should make detailed disclosures in the Prospectus with regard to the following:-	
(a)	Salient information contained in the market study by Frost & Sullivan, including details regarding market players and market size;	Complied. Please refer to section 4.7.2.
(b)	Risk management plans and practices to address major risks relating to Wang-Zheng Group's operations, including risks relating to fire, flood and other emergency risks which could jeopardize Wang-Zheng Group's operations;	Complied. Please refer to section 3.2.20.
(c)	Salient terms of the assignments between Mass Paper Industries Sdn Bhd and Wang-Zheng Corporation; and	Complied. Please refer to section 7.5.2.
(d)	Wang-Zheng Group's compliance with other relevant laws, requirements relating to the business, in particular those relating to building plans and certificates of fitness as well as business licenses.	Complied. Please refer to sections 4.6.3 and 8.1.

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6. APPROVAL AND CONDITIONS

	Details Of Conditions Imposed	Status Of Compliance
(7)	AmMerchant Bank should submit a confirmation letter to the SC, stating that the terms and conditions of the assignments between Mass Paper Industries Sdn Bhd and Wang-Zheng Corporation, are not unfavorable to Wang-Zheng.	Complied. AmMerchant Bank had on 9 August 2004 submitted Wang-Zheng's and Messrs N.S. Goh & Associates' confirmations dated 6 August 2004 and 9 August 2004 respectively, to the SC.
(8)	The NTA of the relevant companies after the Declaration Of Dividends should not be less than the NTA used as a basis for the purchase consideration of those subsidiaries by Wang-Zheng.	Complied. Messrs Anuarul Azizan Chew & Co, the Reporting Accountants, had via its letter dated 11 August 2004, confirmed that based on the latest audited consolidated NTA/audited NTA of the relevant companies as at 30 April 2004, and on a proforma basis, the NTA of the relevant companies after the Declaration Of Dividends are not less than the NTA used as the bases for the Acquisitions.
(9)	Wang-Zheng should obtain the business license from the Shah Alam City Council for Mey Paper prior to the issuance of the Prospectus.	Complied. An industrial license was issued to Mey Paper by the Shah Alam City Council on 20 July 2004.
(10)	The substantial shareholders/Promoters/Directors of Wang-Zheng should not in the future carry out any new business which would compete directly or indirectly and be in conflict with the business of Wang-Zheng Group.	In compliance. The following persons have submitted the relevant undertakings to the SC on 17 August 2004: Wang-Zheng Resources, Chung Shan Kwang, Goh Kheng Jiu, Khoo Beng Hwa, Thang Yuen Mei, Tan Wan Huat, Chai Tuck Chuen, Teh Hui Guan, Dato' Abdul Azim Bin Mohd Zabidi, Tan Teck Ang, Chung Shan Meng, Fu Jun, Loo Choo Hong, Ch'ng Eng Hing, Low Yu Keat, Tan Kar Thye and Yap Kien Pin.
(11)	All future transactions between Wang-Zheng Group and other companies related to the substantial shareholders, Promoters and Directors must be on arm's length basis and must not be unfavourable to Wang-Zheng. In this regard, the Audit Committee of Wang-Zheng should monitor and the Directors should report such transactions in the annual report of Wang-Zheng.	To be complied. Wang-Zheng submitted a relevant undertaking to the SC on 9 August 2004.
(12)	At least 30% of the enlarged issued and paid-up capital of Wang-Zheng to be allocated to Bumiputera shareholders, be approved by MITI to comply with National Development Policy ("NDP") requirement.	Complied. MITI approved allocation of 36,000,000 Shares, representing 30% of the enlarged issued and fully paid-up share capital, via its letter dated 6 August 2004.
(13)	Wang-Zheng/AmMerchant Bank should provide compliance status with the NDP requirement upon completion of the Listing Scheme.	To be complied.
(14)	Wang-Zheng/AmMerchant Bank should comply with other requirements relating to the Listing Scheme as stipulated in the Policies And Guidelines On Issue/Offer Of Securities.	In compliance.

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6. APPROVAL AND CONDITIONS

The approval from MITI is subject to, inter-alia, the following conditions:-

	Details Of Conditions Imposed	Status Of Compliance
(1)	Allocation of the 36,000,000 Shares would be determined after Wang-Zheng obtain SC's approval for the Listing Scheme.	MITI had via its letter dated 6 August 2004, allocated the 36,000,000 Shares.
(2)	Wang-Zheng is required to obtain SC's approval for the Listing Scheme and compliance with the guidelines for acquisitions, mergers and takeovers.	Complied. SC's approval was obtained via its letter dated 3 June 2004.

The SC, had via its letter dated 2 June 2004, set out that it has no objection to the proposed advance of gross proceeds of up to RM21,646,500* accrued/accruing to Wang-Zheng from the Restricted Issue, Rights Issue and Public Issue, to the subsidiaries of Wang-Zheng ("Proposed Advance"). In the same letter, the SC had also approved the waiver from compliance with the SC's Guidelines on the Offering Of Private Debt Securities. The aforementioned decisions are subject to the following conditions:-

	Details Of Conditions Imposed	Status Of Compliance
(1)	The Proposed Advance would be a private loan between Wang-Zheng and its subsidiaries, and would not be transferable and tradable.	Will be complied. Wang-Zheng had furnished a confirmation on the matter to the SC and AmMerchant Bank on 12 July 2004.
(2)	AmMerchant Bank is required to furnish a written confirmation on compliance with condition set out in item (1).	Complied. Based on Wang-Zheng's confirmation dated 12 July 2004, AmMerchant Bank had confirmed the matter to the SC via its letter dated 12 July 2004.

* Wang-Zheng had via its letter dated 12 July 2004, confirmed that the remaining proceeds of RM225,000 would be used for expenses at the company level, and would not be advanced to its subsidiaries.

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6. APPROVAL AND CONDITIONS (CONT'D)

6.2 Moratorium On Shares

The SC, in approving the Listing Scheme, has imposed a moratorium on the disposal of 54,000,000 Shares, representing 45% of the enlarged issued and fully paid-up share capital of Wang-Zheng ("Moratorium Shares"). The entire shareholding of 54,000,000 Shares in Wang-Zheng held by Wang-Zheng Resources upon completion of the Swap, would be subjected to the moratorium (as set out in section 4.4.10, the transfer of Wang-Zheng Shares from certain shareholders of Wang-Zheng to Wang-Zheng Resources would be completed upon the relevant Wang-Zheng Shares being credited into the CDS Account of Wang-Zheng Resources prior to the listing of and quotation for Wang-Zheng Shares on Bursa Securities). Wang-Zheng Resources will not be allowed to sell, transfer or assign its Moratorium Shares within one (1) year from the date of admission of Wang-Zheng to the Official List of the Second Board of Bursa Securities.

The moratorium condition is also applicable to the ultimate shareholders of Wang-Zheng Resources. Where the shareholders of Wang-Zheng Resources are unlisted companies, every shareholder of the unlisted companies (if an individual) or ultimate individual shareholder (if the shareholder of the unlisted company is another unlisted company), has given an undertaking that he/she will not sell, transfer or assign his/her shareholding in the related unlisted companies for the moratorium period as stipulated above.

The restriction, which is fully accepted by Wang-Zheng Resources, would be endorsed specifically on the share certificates representing its shareholdings that are under moratorium, to ensure that the share registrar of Wang-Zheng does not register any transfer of the Moratorium Shares.

The endorsement which has been affixed on the certificates of the Moratorium Shares is as follows:-

"The shares comprised herein are not capable of being sold, transferred or assigned for a period as determined by the Securities Commission (the "Moratorium Period"). The shares comprised herein will not constitute good delivery pursuant to the Rules of the Exchange during the Moratorium Period. No share certificate or certificates will be issued to replace this certificate during the Moratorium Period unless the same shall be endorsed with this restriction."

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7. RELATED-PARTY TRANSACTIONS/CONFLICTS OF INTEREST**7.1 Related Party Transactions And Conflicts Of Interest**

Save as disclosed below and in section 7.5, none of the Directors, substantial shareholders, and key management and key technical personnel, and/or persons connected with them, are engaged in any existing and potential related party transaction* (which has the meaning given in the Listing Requirements of Bursa Securities) and there is no conflict of interest in relation to Wang-Zheng Group and its related parties.

* *The Listing Requirements of Bursa Securities has stipulated that a related party transaction means a transaction entered into by the listed issuer or its subsidiaries which involves the interest, direct or indirect, of a related party. Related party has been defined in the Listing Requirements of Bursa Securities as a director, major shareholder or person connected with such director or major shareholder.*

Related Party	Nature Of Transaction	Value Of Transaction For Financial Year Ended 31.12.2003 (RM)
MMF Haus Sdn Bhd, a company in which Chung Shan Kwang*# and Chung Shan Meng# have substantial shareholdings and are directors	MMF Haus Sdn Bhd is the landlord of the principal place of business of Wang-Zheng Group at Lot 5406, Batu 22, Jalan Kundang, 48000 Rawang, Selangor	480,000
Wang-Zheng Motor Sdn Bhd, a company in which Chung Shan Kwang*#, Goh Kheng Jiu*# and Khoo Beng Hwa*# are directors (Chung Shan Kwang*#, Goh Kheng Jiu*#, Thang Yuen Mei# and Teh Hui Guan# also have substantial shareholdings in Wang-Zheng Motor Sdn Bhd)	Wang-Zheng Motor Sdn Bhd is the tenant for New Top Win's land at 47, Jalan Pahang, 53000 Kuala Lumpur	60,000
	Wang-Zheng Group purchases motor vehicles from, and trades-in motor vehicles to Wang-Zheng Motor Sdn Bhd	254,571
Xian Jiang Trading Sdn Bhd, a company in which Chung Shan Kwang*# and Chung Shan Meng# have substantial shareholdings and are directors	Xian Jiang Trading Sdn Bhd is one of the paper suppliers of New Top Win	7,022,300

Note:-

- * Substantial shareholder of Wang-Zheng.
- # Director of Wang-Zheng.

The Directors of Wang-Zheng have confirmed that Wang-Zheng Group has transacted and will continue to transact the above transactions, and all future transactions which involve the interests of the Directors, substantial shareholders, and key management and key technical personnel, and/or persons connected with them, at arm's length, on the normal commercial terms of Wang-Zheng Group which are not more favorable to the related parties than those generally available to the public, and are not to the detriment of the minority shareholders. The Audit Committee will supervise the terms of related party transactions, and the Directors of Wang-Zheng will report related party transactions, if any, annually in the annual reports of Wang-Zheng.

To ensure the continuation of such transactions, the shareholders have, by way of a resolution passed on 16 July 2004, the shareholders' mandate for Wang-Zheng Group to enter into the transactions set out in the above table, provided that such transactions are made at arm's length and on normal commercial terms. Pursuant to the Listing Requirements of Bursa Securities, Wang-Zheng may seek a shareholders' mandate in respect of related party transactions involving recurrent transactions of a revenue or trading nature which are necessary for its day-to-day operations subject to amongst others:-

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7. RELATED PARTY TRANSACTIONS/CONFLICTS OF INTEREST (CONT'D)

- i) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year; and
- iii) in a meeting to obtain shareholders' mandate, the interested director, interested substantial shareholder or interested person connected with a director or substantial shareholder; and where it involves the interest of an interested person connected with a director or substantial shareholder, such director or substantial shareholder, must not vote on the resolution approving the transactions. An interested director or interested substantial shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions.

7.2 Transactions That Are Unusual In Their Nature Or Conditions

The Directors of Wang-Zheng have confirmed that to their best knowledge and belief, there are no transactions that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which Wang-Zheng or any of its subsidiaries was a party, in the past one (1) financial year ended 31 December 2003 up to 31 August 2004, being the latest practicable date prior to the issuance of this Prospectus.

7.3 Outstanding Loans Made For Benefit Of Related Parties

The Directors of Wang-Zheng have confirmed that there are no outstanding loans, including guarantees of any kind, made by Wang-Zheng Group, to or for the benefit of related parties of Wang-Zheng.

7.4 Interests In Similar Businesses

Save as disclosed below, the Directors of Wang-Zheng are of the opinion that the Promoters, substantial shareholders, Directors, and key management and key technical personnel of Wang-Zheng Group, and/or persons connected with them, are not involved in, and do not have interest in companies, businesses or situations that are similar or related to the businesses of Wang-Zheng Group which give rise or may give rise to any conflict of interest situation.

Name Of Interested Party	Name Of Company With Similar Business	Designation	Shareholding As At 31.8.2004 *
Chung Shan Kwang	Xian Jiang Trading Sdn Bhd	Executive Director	Direct shareholding of 32.5%; no indirect shareholding
Chung Shan Meng	Xian Jiang Trading Sdn Bhd	Chairman and Managing Director	Direct shareholding of 17.5%; no indirect shareholding

Note:-

* Being the latest practicable date prior to the issuance of this Prospectus.

Amongst others, Xian Jiang Trading Sdn Bhd is involved in trading of paper. In view of the non-executive positions of both Chung Shan Kwang and Chung Shan Meng in Wang-Zheng Group, the Directors of Wang-Zheng are of the opinion that the involvement of Chung Shan Kwang and Chung Shan Meng in Xian Jiang Trading Sdn Bhd, will not result in conflict of interest with the businesses of Wang-Zheng Group. Further, as transactions between Wang-Zheng Group and Xian Jiang Trading Sdn Bhd are deemed to be related party transactions, the terms of the transactions would be supervised by the Audit Committee. At present, New Top Win is a principal customer of the paper supplies of Xian Jiang Trading Sdn Bhd. The Directors of Wang-Zheng are of the opinion that the paper supplies sourced from Xian Jiang Trading Sdn Bhd are at arm's length and on normal commercial terms of Wang-Zheng Group.

7. RELATED PARTY TRANSACTIONS/CONFLICTS OF INTEREST (CONT'D)

7.5 Promotions Of Material Assets Within Two (2) Years Preceding The Date Of This Prospectus

Save for the Acquisitions, Swap and Transfers set out in section 4.4 of this Prospectus, and acquisitions of equity interests in companies within Wang-Zheng Group, and as disclosed below, no substantial shareholders or Directors of Wang-Zheng have any interest, direct or indirect, in the promotion of, or in any material assets within the two (2) years preceding the date of this Prospectus, acquired or disposed of by or leased to Wang-Zheng Group, or are proposed to be acquired, disposed of by or leased to Wang-Zheng Group.

7.5.1 Disposal Of Wang-Zheng Motor Sdn Bhd

As Wang-Zheng Motor Sdn Bhd is principally involved in dealing of used motor vehicles which the Promoters of Wang-Zheng view as a disparate business from those of the existing companies of Wang-Zheng Group, Wang-Zheng Corporation disposed of its entire equity interest in Wang-Zheng Motor Sdn Bhd on 18 June 2003 to certain Promoters, substantial shareholders and/or Directors of Wang-Zheng for a total consideration of RM275,000.

7.5.2 Acquisition Of Trademarks

Wang-Zheng Corporation entered into four (4) Assignment Agreements with Mass Paper Industries Sdn Bhd on 12 June 2003, for the acquisition of the trademarks owned or applied for by Mass Paper Industries Sdn Bhd, namely Carefeel, Carina and Cosmex, for aggregate purchase consideration of RM40. Via the Assignment Agreements, Mass Paper Industries Sdn Bhd had assigned the benefit and interest of the applications for registration of the relevant trademarks, together with the goodwill of the business attached to the trademarks, to Wang-Zheng Corporation.

Certain Directors of Wang-Zheng namely Chung Shan Kwang, Goh Kheng Jiu, Khoo Beng Hwa, Thang Yuen Mei, Tan Wan Huat, Chai Tuck Chuen and Tan Teck Ang, are also shareholders and directors of Mass Paper Industries Sdn Bhd. Mass Paper Industries Sdn Bhd is currently dormant.

7.6 Declaration By The Advisers

AmMerchant Bank hereby declares that there are no existing or potential conflicts of interest in respect of its capacity as the Adviser, Managing Underwriter, Underwriter and Placement Agent for the IPO.

Messrs Teh & Lee have confirmed that there are no existing or potential conflicts of interest in respect of their capacity as the Solicitors for the IPO.

Messrs Anuarul Azizan Chew & Co have confirmed that there are no existing or potential conflicts of interest in respect of their capacity as the Reporting Accountants for the IPO.

Messrs Frost & Sullivan have confirmed that there are no existing or potential conflicts of interest in respect of their capacity as the Independent Market Researchers for the IPO.

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8. LAND AND BUILDINGS**8.1 Land And Buildings**

A summary of the land and buildings owned by Wang-Zheng Group is set out below:-

No	Registered Owner, And Postal Address/Identification	Approximate Age Of Building	Tenure/Date Of Expiry Of Lease	Description And Existing Use	Land Area (Square Metre)	Built-Up Area (Square Metre)	Encumbrances	Net Book Value As At 30.4.2004 (RM)
Wang-Zheng Corporation								
1.	No. 5C, Storey No 5, Downtown Condominium, 10, Changkat Raja Chulan, Bukit Ceylon, Kuala Lumpur (held under Master Title Geran 25917 (formerly CT 14612), Lot 29, Section 57, Kuala Lumpur, Wilayah Persekutuan)	13	Freehold	Condominium. Currently rented out to unrelated parties.	N/A	121.70	Assigned to Hong Leong Bank Berhad *	214,225
2.	No. 5D, Storey No 5, Downtown Condominium, 10, Changkat Raja Chulan, Bukit Ceylon, Kuala Lumpur (held under Master Title Geran 25917 (formerly CT 14612), Lot 29, Section 57, Kuala Lumpur, Wilayah Persekutuan)	13	Freehold	Condominium. Currently rented out to unrelated parties.	N/A	135.45	Assigned to Hong Leong Bank Berhad *	241,025
New Top Win								
3.	No. 2B, Storey No 2, Downtown Condominium, 10, Changkat Raja Chulan, Bukit Ceylon, Kuala Lumpur (held under Master Title Geran 25917 (formerly CT 14612), Lot 29, Section 57, Kuala Lumpur, Wilayah Persekutuan)	13	Freehold	Condominium. Currently rented out to unrelated parties.	N/A	121.70	Assigned to Hong Leong Bank Berhad *	215,572
4.	No. 4C, Storey No 4, Downtown Condominium, 10, Changkat Raja Chulan, Bukit Ceylon, Kuala Lumpur (held under Master Title Geran 25917 (formerly CT 14612), Lot 29, Section 57, Kuala Lumpur, Wilayah Persekutuan)	13	Freehold	Condominium. Currently rented out to unrelated parties.	N/A	121.70	Assigned to Hong Leong Bank Berhad *	217,002
5.	No. 4D, Storey No 4, Downtown Condominium, 10, Changkat Raja Chulan, Bukit Ceylon, Kuala Lumpur (held under Master Title Geran 25917 (formerly CT 14612), Lot 29, Section 57, Kuala Lumpur, Wilayah Persekutuan)	13	Freehold	Condominium. Currently rented out to unrelated parties.	N/A	135.45	Assigned to Hong Leong Bank Berhad *	244,412

8. LAND AND BUILDINGS (CONT'D)

No	Registered Owner, And Postal Address/Identification	Approximate Age Of Building (Year)	Tenure/Date Of Expiry Of Lease	Description And Existing Use	Land Area (Square Metre)	Built-Up Area (Square Metre)	Encumbrances	Net Book Value As At 30.4.2004 (RM)
6.	No. 47, Jalan Pahang, 53000 Kuala Lumpur (held under Geran 10942, Lot 71, Section 86, Kuala Lumpur, Wilayah Persekutuan)	N/A	Freehold	Commercial land. Currently rented to Wang-Zheng Motor Sdn Bhd.	1,595.93	N/A	Charged to Hong Leong Bank Berhad *	2,933,535
7.	HS(D) 115081, PT 36416, Mukim Sungai Buloh, Daerah Petaling, Selangor ("HS(D) 115081") (Mah Sing Industrial Park)	N/A	99 years lease expiring on 11.12.2096	Industrial land. Expected to be developed with an office-cum-factory building for use by Wang-Zheng Group.	26,305.00	N/A	Charged to Hong Leong Bank Berhad *	5,314,709
Yong Poi Leong (Note 1)								
8.	Lot No. 8 & 10, Jalan Pusat BCH 1C, Bandar Country Homes, 48000 Rawang ("Lot No. 8 & 10") (held under HS(D) 36700 & 36701, PT 140 & 141, Bandar Kundang, Daerah Gombak, Selangor)	5	99 years lease expiring on 18.9.2089	Two (2) units of intermediate three (3) storey shophouse. Used as sales and administrative office of Wang-Zheng Corporation.	286.00	429.00	(Note 1)	411,825

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8. LAND AND BUILDINGS (CONT'D)

Note:-

* As security for credit facilities granted to Wang-Zheng Group.

Note 1 Wang-Zheng Corporation as the purchaser, entered into a sale and purchase agreement with Yong Poi Leong as the vendor, on 9 January 2004, for the acquisition of Lot No. 8 & 10, Jalan Pusat BCH 1C, Bandar Country Homes, 48000 Rawang, for a purchase consideration of RM400,000. Wang-Zheng Corporation has applied to a financial institution for financing of the purchase, and expects the acquisition to be completed upon approval of the loan by the financial institution and the subsequent settlement of the purchase consideration.

In respect of the land and buildings of Wang-Zheng Group, the Directors of Wang-Zheng have confirmed the following:-

- i) that save for HS(D) 115081 and Lot No. 8 & 10, which cannot be transferred, leased or charged without the consent of the State Authority, there are no other restrictions in interest or encumbrances;
- ii) that the existing use on land is in accordance with the land use condition; and
- iii) that all its properties at DOWNTOWN CONDOMINIUM have been issued with certificates of fitness on 10 May 1984. Lot No. 8 & 10 at Bandar Country Homes, Rawang were issued with certificates of fitness on 12 August 1999.

For Wang-Zheng Group's land at Jalan Pahang, Jabatan Perancang Dan Kawalan Bangunan had approved the construction of a temporary office, and had issued a development order to Wang-Zheng Motor Sdn Bhd, the tenant at the commercial land.

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9. FINANCIAL INFORMATION

9.1 Historical Financial Information

The proforma consolidated results of Wang-Zheng Group for the five (5) financial years ended 31 December 1999 to 2003, and four (4) months ended 30 April 2004, together with the relevant analyses and commentaries are set out in the Accountants' Report in section 10 of this Prospectus.

9.2 Analysis Of Historical Financial Information

9.2.1 Analysis Of Revenue

	Financial Year Ended 31 December					4 Months Ended 30.4.2004 (RM'000)
	1999 (RM'000)	2000 (RM'000)	2001 (RM'000)	2002 (RM'000)	2003 (RM'000)	
By Companies						
Wang-Zheng Corporation	19,082	20,095	20,305	33,649	39,641	14,230
Quality Hero	-	-	125	876	1,552	236
Carefeel Cotton	2,554	2,479	2,895	3,964	3,439	1,371
New Top Win	75,890	90,072	83,748	79,221	79,212	30,929
Modern Alpine	-	-	-	11,677	24,495	13,502
Mey Paper	3,360	5,233	4,977	4,950	5,369	2,329
	100,886	117,879	112,050	134,337	153,708	62,597
By Products						
Disposable baby diapers	-	-	5,427	19,916	26,069	10,069
Sanitary protection and tissue products	5,130	5,059	4,971	6,202	6,954	2,545
Cotton products	8,767	10,858	10,821	10,702	11,083	3,135
Disposable fibre-based products	13,897	15,917	21,219	36,820	44,106	15,749
Processed papers	79,250	95,305	88,725	95,848	109,076	46,760
Fibre-based products	93,147	111,222	109,944	132,668	153,182	62,509
Other miscellaneous items	7,739	6,657	2,106	1,669	526	88
	100,886	117,879	112,050	134,337	153,708	62,597

Commentaries

By companies, New Top Win which is principally involved in importing, processing and distributing of processed papers, has been the main contributor of turnover of Wang-Zheng Group for the five (5) financial years ended 31 December 2003, and the four (4) months ended 30 April 2004. Wang-Zheng Corporation which is principally the marketing arm of Quality Hero and Carefeel Cotton, was also a significant contributor of turnover to Wang-Zheng Group.

Consistent with the analysis by companies, processed papers has been the main contributor of turnover of Wang-Zheng Group for the five (5) financial years ended 31 December 2003, and the four (4) months ended 30 April 2004. Nonetheless, for the three (3) financial years ended 31 December 2003, disposable fibre-based products which generally contributed higher gross profit margins, charted higher growth in turnover than processed papers.

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9. FINANCIAL INFORMATION (CONT'D)

Higher turnover of Wang-Zheng Group by RM16.99 million (16.84%) in the financial year ended 31 December 2000 was mainly due to the higher demand for processed papers which resulted from the improved regional economy. Marginally lower turnover in the financial year ended 31 December 2001 was in tandem with the weak economic sentiment after the terrorist attack in the USA in September 2001. Further, revenue from sale of other miscellaneous items decreased by RM4.55 million as Wang-Zheng Group reduced trading of the items in view of the falling profit margins. Turnover increased significantly by RM22.29 million (19.89%) in the subsequent financial year ended 31 December 2002 when the disposable baby diapers of Quality Hero manufactured under the brand name Q-basics began to gain increasing acceptance. The trend towards budget brands that offer value for money due to the uncertainty in the economic conditions also acted as a catalyst for the growing sales of the disposable baby diapers of Wang-Zheng Group. Disposable baby diapers also charted the highest growth in turnover in the financial year ended 31 December 2003. Wang-Zheng Group recorded a turnover of RM62.6 million for the four (4) months ended 30 April 2004.

9.2.2 Analysis Of Profit After Taxation

	Financial Year Ended 31 December					4 Months Ended 30.4.2004 (RM'000)
	1999 (RM'000)	2000 (RM'000)	2001 (RM'000)	2002 (RM'000)	2003 (RM'000)	
By Products						
Disposable fibre-based products and other miscellaneous items	2,119	529	1,282	5,225	6,458	2,713
Processed papers	2,746	3,147	4,215	4,844	5,334	2,106
	4,865	3,676	5,497	10,069	11,792	4,819

Commentaries

Processed papers were the larger contributor to Wang-Zheng Group's net profit in the financial years ended 31 December 1999 to 2001. Nonetheless, in 2002 and subsequent periods, profit contributions of disposable fibre-based products were higher than those of processed papers, as Wang-Zheng Group placed increased focus on disposable fibre-based products which generate higher profit margins.

9.3 Declaration On Financial Performance, Position And Operations

Save as disclosed in this Prospectus and as set out below, the Directors of Wang-Zheng declare that:-

- i) there are no known trends, demands, commitments, events or uncertainties that have had, or that Wang-Zheng Group reasonably expects to have, a material favourable or unfavourable impact on financial performance, position and operations of Wang-Zheng Group, other than those set out in this Prospectus;
- ii) there are no material capital expenditure commitments;
- iii) there are no unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of Wang-Zheng Group; and
- iv) there are no known events, circumstances, trends, uncertainties and commitments that are reasonably likely to make the historical financial statements not indicative of future financial performance and position.

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9. FINANCIAL INFORMATION (CONT'D)**9.4 Working Capital, Borrowings, Material Litigation And Arbitration, Contingent Liabilities And Material Commitments****9.4.1 Working Capital**

The Directors of Wang-Zheng are of the opinion that, after taking into account the current cash flow position, the banking facilities available and its capacity to obtain further institutional financing based on its debt to equity ratio of 0.53 times (based on the proforma consolidated balance sheets of Wang-Zheng as at 30 April 2004 set out in section 9.9), and the net proceeds from the IPO, Wang-Zheng Group will have adequate working capital for a period of 12 months from the date of issue of this Prospectus.

9.4.2 Borrowings

As at 31 August 2004, being the latest practicable date prior to the issuance of this Prospectus, the total outstanding borrowings of Wang-Zheng Group, amounted to approximately RM25.71 million. All its outstanding borrowings are interest-bearing liabilities, and relate to borrowings from local financial institutions. Certain bank borrowings are secured using a property of a Director of Wang-Zheng. The outstanding borrowings can be analysed further as follows:-

Type Of Borrowings	Outstanding Amount As At 31.8.2004 (RM'000)
Short-term	23,487
Long-term	2,221
	25,708

Save for term loans drawdown to finance New Top Win's acquisition of land at Mukim Sungai Buloh, Selangor, and to finance New Top Win's acquisition of land at Jalan Pahang, Kuala Lumpur, details of which are set out in section 2.6.1.3, and amounts due to trade creditors and financial institutions for trade lines facilities incurred in the ordinary course of business, Wang-Zheng Group has no other material borrowings.

The Directors of Wang-Zheng confirm that there has been no default on payments of either interest and/or principal sums in respect of any borrowings throughout the past one (1) financial year ended 31 December 2003 up to 31 August 2004, being the latest practicable date prior to the issuance of this Prospectus.

9.4.3 Material Litigation And Arbitration

As at 31 August 2004, being the latest practicable date prior to the issuance of this Prospectus, Wang-Zheng Group is not engaged in any material litigation and arbitration, either as plaintiff or defendant, which has a material effect on the business or financial position of Wang-Zheng Group, and the Directors of Wang-Zheng have no knowledge of any proceeding pending or threatened against Wang-Zheng Group, or of any fact likely to give rise to any proceeding, which might materially and adversely affect the business or financial position of Wang-Zheng Group.

9.4.4 Contingent Liabilities

The Directors of Wang-Zheng declare that as at 31 August 2004, being the latest practicable date prior to the issuance of this Prospectus, they are of the opinion that there are no contingent liability which, upon becoming enforceable, may materially affect the profit or net asset value of Wang-Zheng Group.

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9. FINANCIAL INFORMATION (CONT'D)

9.4.5 Material Commitments

As at 31 August 2004, being the latest practicable date prior to the issuance of this Prospectus, Wang-Zheng Group has no material commitments.

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9. FINANCIAL INFORMATION (CONT'D)

9.5 Consolidated Profit Forecast



Anuarul Azizan Chew & Co. (M) Sdn. Bhd.
Chartered Accountants

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27 September 2004

The Board of Directors
Wang-Zheng Berhad
18C Jalan 1/64
Off Jalan Kolam Air/Jalan Ipoh
52100 Kuala Lumpur

Dear Sirs,

WANG-ZHENG BERHAD ("WANG-ZHENG") AND ITS SUBSIDIARY COMPANIES ("WANG-ZHENG GROUP" OR "THE GROUP")

CONSOLIDATED PROFIT FORECAST FOR THE YEAR ENDING 31 DECEMBER 2004

We have reviewed the consolidated profit forecast of Wang-Zheng Group for the year ending 31 December 2004 as set out in the accompanying appendix in accordance with the standards applicable to the review of the forecasts. The forecast have been prepared for the purpose of inclusion in the Prospectus dated 30 September 2004, in connection with the listing and quotation of the entire issued and paid up share capital of 120,000,000 ordinary shares of RM0.50 each in Wang-Zheng on the Second Board of the Bursa Malaysia Securities Berhad ("Bursa Securities") and should not be relied on for any other purposes.

Our review has been undertaken to enable us to form an opinion as to whether the forecast, in all material respects, is properly prepared on the basis of the assumptions made by the Directors and is presented on a basis consistent with the accounting policies adopted and disclosed by the Group in its audited financial statements for the period ended 30 April 2004. The Directors of the Group are solely responsible for the preparation and presentation of the forecast and the assumptions on which the forecast is based.

Forecast, in this context, means prospective financial information prepared on the basis of assumptions as to future events which management expects to take place and the actions which the management expects to take as of the date the information is prepared (best-forecast assumptions). While information may be available to support the assumptions on which forecast is based, such information is generally future oriented and therefore uncertain. Thus, actual results are likely to be different from the forecast since anticipated events frequently do not occur as expected and the variation could be material.

9. FINANCIAL INFORMATION (CONT'D)

Subject to the matters stated in the preceding paragraphs:-

- (i) nothing has come to our attention which causes us to believe that the assumptions made by the Directors, as set out in the accompanying appendix, do not provide a reasonable basis for the preparation of the consolidated profit forecast; and
- (ii) in our opinion, the consolidated profit forecast, so far as the calculations are concerned, is properly prepared on the basis of the assumptions made by the Directors and is presented on a basis consistent with the accounting policies adopted and disclosed by the Group in its audited financial statements for the period ended 30 April 2004.

Yours faithfully,



ANUARUL AZIZAN CHEW & CO
Firm Number: AF 0791
Chartered Accountants



TEE GUAN PIAN
Approved Number: 1886/05/06 (J/PH)
Partner of Firm

9. FINANCIAL INFORMATION (CONT'D)**APPENDIX 1/3****WANG-ZHENG GROUP****CONSOLIDATED PROFIT FORECAST FOR THE YEAR ENDING 31 DECEMBER 2004**

On the bases and assumptions set out below, the Board of Directors of the respective companies in Wang-Zheng Group forecast that the consolidated profit forecast of Wang-Zheng Group for the financial year ending 31 December 2004 after incorporating the effects of the listing scheme are as follows:-

	2004 Profit Forecast RM'000
Turnover	<u>156,027</u>
Consolidated profit before taxation	19,844
Less: Taxation	<u>(5,742)</u>
Consolidated profit after taxation	<u>14,102</u>
Number of ordinary shares of RM0.50 each in issued ('000)	120,000
Gross earnings per share (sen) ¹	16.54
Net earnings per share (sen) ¹	11.75
Gross price-earnings multiple (times) ²	6.05
Net price-earnings multiple (times) ²	8.51

Notes:-

1. Calculated based on consolidated profit before/after taxation divided by the number of ordinary shares of 120,000,000 ordinary shares of RM0.50 each.
2. Calculated based on the issue price of RM1.00 per ordinary share of RM0.50 each.

9. FINANCIAL INFORMATION (CONT'D)

APPENDIX 2/3**Principal Bases and Assumptions**

The principal bases and assumptions upon which the consolidated profit forecast has been prepared are set out below. Nevertheless, because of the subjective judgements and inherent uncertainties, certain assumptions, including interest and exchange rates, may differ significantly should the Malaysian and regional economic, political or market conditions change significantly from the date of this profit forecast.

1. There will be no significant changes in the principal activities, group structure, key management and operating policies and business policies presently adopted by the Group. In respect of accounting policies, an existing accounting standard are applicable to the profit forecast of the Group.
2. There will be no significant changes to the prevailing economic, political and market conditions in Malaysia and elsewhere that will materially affect the activities or performance of Wang-Zheng Group and its subsidiary companies.
3. There will be no material changes to present legislation or Government regulations, rates and bases of duties, levies and taxes which will materially affect the Group's activities or the markets in which it operates.
4. There will be no major industrial disputes or any abnormal or extraordinary circumstances which will materially affect the Group operations, production, sales and supplies.
5. Inflation and foreign currency exchange rates will not fluctuate significantly from the present and projected level. The Malaysian Ringgit will continue to be pegged to the United States Dollar ("USD") at a rate of RM3.80/USD.
6. The existing financing facilities will remain available to the Group whereas additional facilities will be obtained as required. Interest rates will not vary significantly from the present levels.
7. Capital expenditure will be implemented and incurred as scheduled and there will be no material acquisition or disposal of property, plant and equipment or investments other than those planned and incorporated in the profit forecast.
8. The sales and related costs as forecasted by the Directors after taking into consideration the present market conditions of selling prices and related costs of the Group. Generally, the current trend of increasing demand for the products and services of the Group will be maintained. There will be no significant changes in the prices and utilisation rate of raw materials, labour and other operating costs of the Group.
9. The Group's products will not be obsolete and will be enhanced to keep pace with continuing changes in technology, evolving industry standards and emerging client needs and preferences. There will be no significant defects or errors of the Group's products that will materially affect the business of the Group.

9. FINANCIAL INFORMATION (CONT'D)

APPENDIX 3/3

Principal Bases and Assumptions (cont'd)

10. There will not be any loss of the Group's existing customers, distributors and business alliances that will materially affect the revenue of the Group. The Group will not experience exceptional level of bad or doubtful debts.
11. There will be no major breakdown or disruption in the manufacturing facilities nor will there be any disruption in the supply of materials which will adversely affect the operations of the Group.
12. There will be no unusual material fluctuation in manufacturing costs (including labour, cost of materials and other production overheads) that would adversely affect the activities and operation of the Group.
13. There will be sufficient supply of skilled and unskilled labour, materials, services and equipment to meet the operational requirements anticipated to be carried out by the Group.
14. The Group will not be engaged in any material litigation and there will be no legal proceedings, which will adversely affect their activities or performance or give rise to any additional contingent liabilities, which will materially affect their position or business. There will be no material claims.
15. The taxation liabilities will be at the prevailing tax rate on forecasted chargeable income and provision or reversal for deferred taxation liability. All unabsorbed losses and capital allowances will be agreed and approved by the Inland Revenue Board.
16. Proposed listing expenses forecasted at RM1,800,000 will be set off against the share premium account in 2004.
17. The proposed listing scheme would be approved by all relevant authorities and would be completed in 2004.

9. FINANCIAL INFORMATION (CONT'D)

9.6 Directors' Analysis And Commentary On The Consolidated Profit Forecast

The Directors of Wang-Zheng confirm that the Consolidated Profit Forecast of Wang-Zheng Group for the financial year ending 31 December 2004, and the underlying bases and assumptions as set out in section 9.5, have been reviewed by the Directors of Wang-Zheng after due and careful enquiry, and that the Directors of Wang-Zheng, having taken into account the future prospects of the industry, the future plans and strategies of Wang-Zheng Group, and its level of gearing, liquidity and working capital requirements, are of the opinion that the Consolidated Profit Forecast is achievable, and the assumptions made are reasonable.

Nevertheless, because of the subjective judgments and inherent uncertainties of forecasts, and because events and circumstances frequently do not occur as predicted, actual results may significantly differ from the forecast.

9.7 Dividend Forecast And Policy

Subject to the prevailing laws and legislation, it will be the policy of the Directors of Wang-Zheng to recommend dividends to allow shareholders to participate in the profits of Wang-Zheng Group as well as leaving adequate reserves for its future growth.

On the basis of the Consolidated Profit Forecast, and on the assumption that the present basis for calculating taxation and the rates of taxation will remain unchanged, the Directors of Wang-Zheng expect that they would be in a position to propose a gross dividend of 7.0% for the financial year ending 31 December 2004.

	Financial Year Ending 31.12.2004
Gross dividend per Share (sen)	3.50
Net dividend per Share (sen)	2.52
Gross dividend per Share (%)	7.00
Net dividend per Share (%)	5.04
Net dividend yield based on the IPO Price of RM1.00 per Share (%)	2.52
Net dividend cover (times)	4.66

Investors should note that actual dividends proposed and declared, may vary depending on the financial performance and cash flows of Wang-Zheng Group, and may be waived if the payment of the dividends would adversely affect the cash flows and operations of Wang-Zheng Group.

9.8 Sensitivity Analysis

The following sensitivity analyses of the Consolidated Profit Forecast for the financial year ending 31 December 2004, are prepared by Wang-Zheng Group, and have not been independently verified by the Reporting Accountants. The analyses are prepared based on the assumptions set out in section 9.5, assuming all other things remain unchanged, except for the 5% and 10% upward or downward variations in firstly, the selling prices of products, secondly, the sales volume of products, and lastly, the cost of sales, and their related variables. The Directors are of the view that the main vulnerabilities, in so far as the achievement of the Consolidated Profit Forecast for the financial year ending 31 December 2004 is concerned, are fluctuations in the selling prices of products, sales volume of products and cost of sales.

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9. FINANCIAL INFORMATION (CONT'D)**9.8.1 Variation In Selling Prices Of Products**

Variation In Selling Prices	Forecast For The Financial Year Ending 31.12.2004					
	Turnover (RM'000)	Variation (%)	PBT (RM'000)	Variation (%)	PAT (RM'000)	Variation (%)
As forecasted	156,027		19,844		14,102	
Up 10%	171,630	10	35,447	79	25,522	81
Up 5%	163,828	5	27,645	39	19,904	41
Down 5%	148,226	(5)	12,043	(39)	8,671	(39)
Down 10%	140,424	(10)	4,241	(79)	3,053	(78)

9.8.2 Variation In Sales Volume Of Products

Variation In Sales Volume	Forecast For The Financial Year Ending 31.12.2004					
	Turnover (RM'000)	Variation (%)	PBT (RM'000)	Variation (%)	PAT (RM'000)	Variation (%)
As forecasted	156,027		19,844		14,102	
Up 10%	171,630	10	23,067	16	16,608	18
Up 5%	163,828	5	21,455	8	15,448	10
Down 5%	148,226	(5)	18,233	(8)	13,128	(7)
Down 10%	140,424	(10)	16,621	(16)	11,967	(15)

9.8.3 Variation In Cost Of Sales

Variation In Cost Of Sales	Forecast For The Financial Year Ending 31.12.2004			
	PBT (RM'000)	Variation (%)	PAT (RM'000)	Variation (%)
As forecasted	19,844		14,102	
Up 10%	7,464	(62)	5,374	(62)
Up 5%	13,654	(31)	9,831	(30)
Down 5%	26,034	31	18,744	33
Down 10%	32,224	62	23,201	64

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9. FINANCIAL INFORMATION (CONT'D)

9.9 Proforma Consolidated Balance Sheets Of Wang-Zheng As At 30 April 2004



Anuarul Azizan Chew & Co. (M) Sdn. Bhd.
Chartered Accountants

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27 September 2004
The Board of Directors
Wang-Zheng Berhad
18C Jalan 1/64
Off Jalan Kolam Air/Jalan Ipoh
52100 Kuala Lumpur

Dear Sirs,

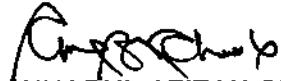
**WANG-ZHENG BERHAD ("WANG-ZHENG")
PROFORMA CONSOLIDATED BALANCE SHEETS**


We have reviewed the presentation of the proforma consolidated balance sheets of Wang-Zheng and its subsidiary companies (Collectively known as "Wang-Zheng Group" or "the Group") as at 30 April 2004, together with the notes thereon, for which the Directors of the respective companies are collectively and individually responsible. The proforma consolidated balance sheets have been prepared for the purpose of inclusion in the Prospectus of Wang-Zheng dated 30 September 2004 in connection with the listing and quotation of the entire issued and paid up share capital of 120,000,000 ordinary shares of RM0.50 each in Wang-Zheng on the Second Board of the Bursa Malaysia Securities Berhad.

In our opinion,

- (i) the proforma consolidated balance sheets has been properly compiled on the basis of preparation as stated in the notes to proforma consolidated balance sheets;
- (ii) such basis is consistent with the accounting policies of Wang-Zheng Group; and
- (iii) the adjustments are appropriate for the purposes of the proforma consolidated balance sheets.

Yours faithfully,


ANUARUL AZIZAN CHEW & CO
Firm Number: AF 0791
Chartered Accountants


TEE GUAN PIAN
Approved Number: 1886/05/06 (J/PH)
Partner of Firm

9. FINANCIAL INFORMATION (CONT'D)

WANG-ZHENG BERHAD

PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 30 APRIL 2004

	Audited as at 30.04.2004 RM'000	Proforma I Declaration of Dividend and Acquisitions RM'000	Proforma II Restricted Issue RM'000	Proforma III Rights Issue RM'000	Proforma IV Public Issue RM'000	Proforma V Utilisation RM'000
ASSETS EMPLOYED						
PROPERTY, PLANT AND EQUIPMENT	-	20,623	20,623	20,623	20,623	21,733
OTHER INVESTMENT	-	17	17	17	17	17
INTANGIBLE ASSETS	-	50	50	50	50	-
CURRENT ASSETS						
Inventories	-	29,143	29,143	29,143	29,143	29,143
Trade receivables	-	28,818	28,818	28,818	28,818	28,818
Other receivables	-	2,385	2,385	2,385	2,385	2,385
Tax recoverable	-	364	364	364	364	364
Short term funds	*	11,047	17,397	28,418	32,918	28,658
		<u>71,757</u>	<u>78,107</u>	<u>89,128</u>	<u>93,628</u>	<u>89,368</u>
LESS: CURRENT LIABILITIES						
Trade payables	-	8,274	8,274	8,274	8,274	8,274
Other payables	9	2,926	2,926	2,926	2,926	2,926
Lease and hire purchase payables	-	1,220	1,220	1,220	1,220	1,220
Term loan	-	633	633	633	633	-
Bank overdrafts	-	7	7	7	7	7
Bill payables	-	31,071	31,071	31,071	31,071	31,071
Taxation	-	1,099	1,099	1,099	1,099	1,099
	9	<u>45,230</u>	<u>45,230</u>	<u>45,230</u>	<u>45,230</u>	<u>44,597</u>
NET CURRENT (LIABILITIES)/ASSETS	(9)	26,527	32,877	43,898	48,398	44,771
	(9)	<u>47,217</u>	<u>53,567</u>	<u>64,588</u>	<u>69,088</u>	<u>66,521</u>
FINANCED BY						
SHARE CAPITAL	*	40,379	46,729	57,750	60,000	60,000
SHARE PREMIUM ACCOUNT	-	^	^	^	2,250	450
RESERVE ON CONSOLIDATION	-	3,279	3,279	3,279	3,279	3,279
ACCUMULATED LOSSES	(9)	(9)	(9)	(9)	(9)	(9)
	(9)	43,649	49,999	61,020	65,520	63,720
DEFERRED AND LONG TERM LIABILITIES						
Lease and hire purchase payables	-	1,187	1,187	1,187	1,187	1,187
Term loans	-	1,357	1,357	1,357	1,357	590
Deferred taxation	-	1,024	1,024	1,024	1,024	1,024
	(9)	47,217	53,567	64,588	69,088	66,521
Number of ordinary shares in issue ('000)	#	80,757	93,457	115,500	120,000	120,000
Net (liabilities)/tangible assets per ordinary share (RM)	(2,250.00)	0.54	0.53	0.53	0.56	0.53

* Represents RM2.00.

^ Represents RM212.00.

Represents four (4) ordinary share capital of Wang-Zheng.

9. FINANCIAL INFORMATION (CONT'D)**NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS****1. Basis of preparation**

The proforma consolidated balance sheets are provided for illustrative purposes only, based on the audited financial statements of Wang-Zheng and its subsidiary companies as at 30 April 2004, to show the effects of the following transactions on the assumption that the transactions had been effected on 30 April 2004:-

1.1 Proforma I – Declaration of Dividends and Acquisitions

Proforma I incorporates:-

(a) The declaration of dividends:-

an aggregate of net dividends of RM5,597,500 for the financial year ended 31 December 2003, and an aggregate of net dividends of RM4,751,625 for the four (4) months period ended 30 April 2004, have been declared and paid to the relevant shareholders of Wang Zheng Corporation, Quality Hero, Carefeel Cotton, New Top Win, Modern Alpine and Mey Paper in June/July 2004. Of the aggregate net dividends for the two (2) periods of RM10,349,125, RM3,168,150 was declared and paid to companies within Wang-Zheng Group.

(b) The acquisitions of:-

- (i) entire issued and fully paid-up share capital of Wang-Zheng Corporation comprising 3,325,000 ordinary shares of RM1.00 each for a purchase consideration of RM23,153,717 based on the audited consolidated NTA of Wang-Zheng Corporation as at 30 June 2003 of RM23,153,717. The purchase consideration was satisfied by the issuance of 46,307,189 new Shares in Wang-Zheng at an issue price of approximately RM0.50 per Share;
- (ii) entire issued and fully paid-up share capital of Quality Hero comprising 250,000 ordinary shares of RM1.00 each for a purchase consideration of RM3,476,107 based on the audited NTA of Quality Hero as at 30 June 2003 of RM3,476,107. The purchase consideration was satisfied by the issuance of 6,952,177 new Shares in Wang-Zheng at an issue price of approximately RM0.50 per Share;
- (iii) 44% of the issued and fully paid-up share capital of Carefeel Cotton, representing 962,500 ordinary shares of RM1.00 each for a purchase consideration of RM2,781,770 based on the audited NTA of Carefeel Cotton as at 30 June 2003 of RM6,322,204. The purchase consideration was satisfied by the issuance of 5,563,510 new Shares in Wang-Zheng at an issue price of approximately RM0.50 per Share;

9. FINANCIAL INFORMATION (CONT'D)

- (iv) 44% of the issued and fully paid-up share capital of New Top Win, representing 440,000 ordinary shares of RM1.00 each for a purchase consideration of RM8,287,186 based on the audited consolidated NTA of New Top Win as at 30 June 2003 of RM18,834,514. The purchase consideration was satisfied by the issuance of 16,574,285 new Shares in Wang-Zheng at an issue price of approximately RM0.50 per Share;
- (v) 49% of the issued and fully paid-up share capital of Modern Alpine, representing 1,470,000 ordinary shares of RM1.00 each for a purchase consideration of RM2,048,247 based on the audited NTA of Modern Alpine as at 30 June 2003 of RM4,180,095. The purchase consideration was satisfied by the issuance of 4,096,471 new Shares in Wang-Zheng at an issue price of approximately RM0.50 per Share; and
- (vi) approximately 32.94% of the issued and fully paid-up share capital of Mey Paper, representing 350,000 ordinary shares of RM1.00 each for a purchase consideration of RM631,685 based on the audited NTA of Mey Paper as at 30 June 2003 of RM1,917,616. The purchase consideration was satisfied by the issuance of 1,263,364 new Shares in Wang-Zheng at an issue price of approximately RM0.50 per Share.

1.2 Proforma II – Restricted Issue

Proforma II incorporates the effects of Proforma I and the restricted issue of 12,700,000 new ordinary shares of RM0.50 each in Wang-Zheng at an issue price of RM0.50 per share.

1.3 Proforma III – Rights Issue

Proforma III incorporates the effects of Proforma II and the rights issue of 22,043,000 new ordinary shares of RM0.50 each in Wang-Zheng at an issue price of RM0.50 per share, proportionately to all its existing shareholders on the basis of approximately 24 new Shares each for every 100 existing Shares held in Wang-Zheng after completion of the Acquisitions and Restricted Issue.

1.4 Proforma IV – Public Issue

Proforma IV incorporates the effects of Proforma III and the public issue of 4,500,000 new ordinary shares of RM0.50 each in Wang-Zheng, representing 3.75% of its enlarged issued and fully paid-up share capital at an issue price of RM1.00 per share.

9. FINANCIAL INFORMATION (CONT'D)**1.5 Proforma V – Utilisation**

Proforma V incorporates the effects of Proforma IV and the utilisation of proceeds from restricted issue, rights issue and public issue will be utilised as follows:-

	RM'000
Capital expenditure	1,110
Repayment of term loan	1,400
Working capital	17,561
Estimated listing expenses	1,800
	21,871

The estimated listing expenses of RM1,800,000 are charged against the Share Premium Account.

2. Share Capital

The movements in the issued and paid-up capital of Wang-Zheng are as follows:-

	No. of shares	RM
As at 30 April 2004	4	2
Acquisitions	80,756,996	40,378,498
As per Proforma I	80,757,000	40,378,500
Restricted Issue	12,700,000	6,350,000
As per Proforma II	93,457,000	46,728,500
Rights Issue	22,043,000	11,021,500
As per Proforma III	115,500,000	57,750,000
Public Issue	4,500,000	2,250,000
As per Proforma IV	120,000,000	60,000,000

3. Share Premium Account

The estimated listing expenses of RM1,800,000 have been charged against the share premium account under Proforma V. The movements in the share premium account are as follows:-

	RM'000
As at 30 April 2004	-
Premium arising from Acquisitions	^
Premium arising from the public issue	2,250
Estimated listing expenses	(1,800)
As per Proforma V	450

* Represents RM212.00.

9. FINANCIAL INFORMATION (CONT'D)

4. Accounting Principles and Bases

The proforma consolidated balance sheets have been prepared on the accounting principles and bases consistent with those previously adopted in the preparation of the audited financial statements of Wang-Zheng and its subsidiary companies.