
7. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

Marimuthu A/L M. Aydappen, a Malaysian, aged 56, is the Procurement Manager for the Ewein Group. He graduated with a Lower Certificate of Education (“LCE”) from St Marks Secondary Butterworth in 1967. In 1972, he was employed by India Malaysia Textiles Bhd as a Store Supervisor in charge of raw materials for production use. He joined TASB as a Store Supervisor in 1990. During his tenure in TASB, he was promoted to various positions such as Delivery Assistant in 1992, Purchasing Officer in 1998, Assistant Purchasing Manager in 2004 and Procurement Manager in 2006. As a Procurement Manager, he is responsible for the purchasing of raw materials.

Manickavasagam A/L Singaravelu, a Malaysian, aged 43, is the QMR Manager of the Ewein Group. He started his career with Polynic Industries Sdn Bhd as a QA Leader in 1985. In 1992, He graduated with a Diploma in Mechanical Engineering from Midas Institute of Engineering Technology Malaysia. Prior to joining TASB, he was employed as a QA Assistant for Daidong-ZT Plastic Injection Moulding in 1989 and Print Mesh Metal Stamping Industries Sdn Bhd in 1992. He joined TASB as a Customer Service Support Officer in 1993 and was responsible for identifying customer needs for quality related assistance. He was promoted to Assistant QA Manager in 1996, QA Manager in 1999 and QMR Manager in 2007. His responsibilities include establishing documented QMS to fulfil the requirements of ISO 9001 and the QA of the Group’s production process.

Samiappan Kandiar A/L Muniyandy, aged 40, is the QA Manager of the Ewein Group. He obtained an executive diploma in total quality management in 2004 from Frontier Management Sdn Bhd. He started his career as a QA senior executive in Formosa Prosonic Berhad in 1991. In year 2005, he joined Acostech Sdn Bhd as a QA manager and was responsible for the quality control of production materials. He joined Lypo Metal Sdn Bhd in 2006 as a QA manager. In August 2007, he joined TASB as the QA Manager of our Group and is responsible for our Group’s QA management which includes setting and implementing QA procedures and methodologies, and working closely with QMR to handle customer/supplier audits.

Suresh Kumar A/L Subramaniam, aged 37, a Malaysian, is the NPI/Program Manager of the Ewein Group. He graduated with a Degree in Applied Science (Mathematic & Computer Graphic Designing) from University Science Malaysia. After graduation, he joined Solectron Malaysia Sdn. Bhd as a Quality Engineer in 1997, followed by Nitcom Technology Sdn Bhd as an In-Process Quality Engineer in 2000.

He had also worked with various companies namely Flextronics Sdn. Bhd as a Senior Customer Quality Engineer in 2003 and Kontron Manufacturing Service Sdn Bhd as a Senior Supplier Quality Engineer in 2005. He joined TASB as a NPI Manger in 2007. He is responsible for the Group’s overall new products, from the designing stage to product realisation stage.

Lim Chooi Peng, a Malaysian, aged 37, is the HR Manager of the Ewein Group. She started her career with TASB as a Personnel Clerk after graduating with her Malaysian Certificate of Education (“SPM”) qualification from Bukit Mertajam High School in 1990. In 1993, she was promoted to Senior Personnel Clerk responsible for recruitment activities, HR activities, foreign workers affairs, payroll and coordination of training programmes for the Group’s workers. She was later promoted to Administration Supervisor and Assistant Administration Manager in 2000 and 2001, respectively. She is the HR Manager of our Group and she is responsible for our Group’s entire HR activities.

7. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL
(Cont'd)

7.4.2 Key Management and Key Technical Personnel's Shareholdings in the Ewein Group

As at 13 February 2008, the direct and indirect shareholdings of our Group's key management and key technical personnel in the Company before and after the Offers are as follows:

Name	Designation	Nationality	Before the Offers				After the Offers			
			Direct		Indirect		Direct		Indirect	
			No. of Ewein Shares held	% held	No. of Ewein Shares held	% held	No. of Ewein Shares held	% held	No. of Ewein Shares held	% held
Dato' Ewe Swee Kheng	Managing Director	Malaysian	-	-	⁽ⁱ⁾ 51,388,954	48.73	⁽ⁱⁱ⁾ 50,000	0.05	⁽ⁱ⁾ 44,388,954	42.09
Chuah Poh Lim	Deputy Managing Director	Malaysian	-	-	-	-	⁽ⁱⁱ⁾ 50,000	0.05	-	-
Chan Gooi Yew	Finance/Administration Senior Manager	Malaysian	-	-	-	-	⁽ⁱⁱ⁾ 30,000	0.03	-	-
Mohan Balakrishna Shindhe	Technical/Design Senior Manager	Indian	-	-	-	-	⁽ⁱⁱ⁾ 30,000	0.03	-	-
Yeap Hock Peng	Production/Planning Senior Manager	Malaysian	-	-	-	-	⁽ⁱⁱ⁾ 30,000	0.03	-	-
Khor Say Khoon	Production/Planning Manager	Malaysian	-	-	-	-	⁽ⁱⁱ⁾ 15,000	0.01	-	-
Phung Ah Onn	Technical Manager	Malaysian	-	-	-	-	⁽ⁱⁱ⁾ 15,000	0.01	-	-
Ong Ching Kok	Finance/Administration Manager	Malaysian	1,836,282	1.74	-	-	⁽ⁱⁱⁱ⁾ 1,851,282	1.76	-	-
Lim Kheng Kar	MIS Manager	Malaysian	-	-	-	-	⁽ⁱⁱ⁾ 15,000	0.01	-	-
Yeap King Shing	Business Development/Marketing Manager	Malaysian	-	-	-	-	⁽ⁱⁱ⁾ 15,000	0.01	-	-
Marimuthu A/L Aydappen	Procurement Manager	Malaysian	-	-	-	-	⁽ⁱⁱ⁾ 15,000	0.01	-	-
Manickavasagam A/L Singaravelu	QMR Manager	Malaysian	-	-	-	-	⁽ⁱⁱ⁾ 15,000	0.01	-	-
Samappan Kandiar A/L Muniyandy	QA Manager	Malaysian	-	-	-	-	⁽ⁱⁱ⁾ 10,000	0.01	-	-
Suresh Kumar A/L Subramaniam	NPI/Program Manager	Malaysian	-	-	-	-	⁽ⁱⁱ⁾ 10,000	0.01	-	-
Lim Chooi Peng	HR Manager	Malaysian	-	-	-	-	⁽ⁱⁱ⁾ 15,000	0.01	-	-

7. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

Notes:

- (i) *Deemed interest by virtue of his shareholding in Hijauwasa pursuant to Section 6A of the Act.*
- (ii) *Assuming full subscription of Pink Form Shares pursuant to the Offer for Sale.*

7.5 DECLARATION BY PROMOTER, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL

None of our Promoter, Directors, key management and key technical personnel is or has been involved in any of the following events (whether in or outside Malaysia):

- (i) a petition under any bankruptcy or insolvency laws filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel;
- (ii) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of a corporation;
- (iii) charged and/or convicted in a criminal proceeding or a named subject of a pending criminal proceeding;
- (iv) any judgement entered against him involving a breach of any law or regulatory requirement that relates to the securities or futures industry; and
- (v) the subject of any order, judgment or ruling of any court, government or regulatory authority or body, temporarily enjoining him from engaging in any type of business practice or activity.

7.6 RELATIONSHIPS AND ASSOCIATIONS

Save as disclosed below, there are no family relationships (as defined under Section 122A of the Act) or associations amongst our Promoter, the substantial shareholders, Directors, the key management and/or the key technical personnel.

- (i) Dato' Ewe Swee Kheng is the son of Dato' Ewe Tiong Hor;
- (ii) Dato' Ewe Swee Kheng is a director and substantial shareholder of Hijauwasa;
- (iii) Saffie bin Bakar is a substantial shareholder of Hijauwasa;
- (iv) Looi Kok Loon is a director of MBMR and Med-Bumikar; and
- (v) Dato' Abdul Rahim bin Abdul Halim is a substantial shareholder and director of Med-Bumikar and is a director of MBMR.

7.7 SERVICE AGREEMENTS

As at the Latest Practicable Date, none of our key management and key technical personnel has any existing or proposed service agreement with our Company or our subsidiary companies, which is not expiring or not determinable by the employing company without payment of compensation.

7. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

7.8 INVOLVEMENT OF EXECUTIVE DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL IN OTHER BUSINESSES OR CORPORATIONS

Save as disclosed below, as at the Latest Practicable Date, none of our Executive Directors, key management and key technical personnel is involved in other businesses or corporations.

Name	Name of company	Principal activities	Date appointed as director	Direct		Indirect	
				No. of shares held	% held	No. of shares held	% held
Dato' Ewe Swee Kheng	Central Lagoon Sdn. Bhd.	Property holding	31.12.2004	999,999	99.99	-	-
	Earthtrade Sdn. Bhd.	Publishing and sales of sports newspaper and investment holding	18.08.1995	1,811,999	99.99	-	-
	Ewein Holdings Sdn. Bhd.	Property development	05.08.1992	125,000	25.00	-	-
	Ewein Winery (M) Sdn. Bhd.	Manufacturing, bottling of and dealing in locally manufactured alcoholic beverages	15.06.1987	50,000	25.00	-	-
	Vivani Sdn. Bhd.	Retailing of designer clothing and accessories	03.04.1995	500,000	50.00	-	-
	Wen Ming Holdings Sdn. Bhd.	Investment holding and property holding	-	2,000	19.99	-	-
	Wings Logistics Sdn. Bhd.	Operating of a bonded warehouse	-	724,250	43.95	-	-
	Gagasan Anggun Sdn. Bhd.	Property development	-	120,000	20.00	-	-
Ong Ching Kok	Asbien Trading Sdn. Bhd.	Investment holding	01.09.2006	100,000	6.67	-	-
	Happy Influence Sdn. Bhd.	Farming and agriculture	02.03.2007	24,997	99.99	-	-
Yeap King Shing	Keng Huat (Yeap) Sdn Bhd	Wholesaler of soft drinks and alcoholic beverages	-	200	5.00	-	-

Both Dato' Ewe Swee Kheng and Ong Ching Kok hold non-executive positions in the companies mentioned above. Yeap King Shing does not hold any directorship in the company mentioned above. Their non-executive directorships and/or shareholdings in the companies mentioned above do not require their involvement in day-to-day activities and operations of the companies and thus will not affect their contribution to the Ewein Group or negatively impact their ability to act as the executive director and/or key management of the Ewein Group.

7. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

7.9 INFORMATION ON EMPLOYEES

As at the Latest Practicable Date, we have 394 employees who fall in the following categories and whose length of service is as follows:

Employee classification	Years of employment			No. of employees	%	Local	Foreign
	Less than 1 year	1 to 5 years	More than 5 years				
Management and Professional	3	3	17	23	5.8	22	1
Engineering and Executive	5	6	3	14	3.6	13	1
Supervisory	3	9	27	39	9.9	27	12
Administrative and Clerical	4	12	17	33	8.4	33	-
Production worker	-	2	3	5	1.3	5	-
General worker	93	107	80	280	71.0	130	150
Total	108	139	147	394	100.00	230	164

Save for the foreign workers, our Group does not have any employee who is employed on a contractual basis. There have been no labour or industrial disputes in the past between our employees and our Management which could have a material adverse financial impact on our Group. The employees of our Group do not belong to any labour union.

7.10 TRAINING AND DEVELOPMENT

Our Group places strong emphasis on human resource development. Our employees are provided with opportunities to acquire new skills and knowledge through regular on-the-job training in areas of management skills and technical know-how. The table below lists the training and development programmes completed by some of our employees for the past three (3) years. The programmes encompass external and internal training and development programmes.

Date of training programme	Company	Programme	Organiser
May 2005	TASB	Powerful Negotiation Skills	E-commerce Academy Sdn. Bhd.
May 2005	TASB	Effective Problem Solving and Decision Making	FMM
May 2005	TASB	Absence Problem Management	Umega Consultancy Services Sdn. Bhd.
June 2005	TASB	Effective Interpersonal and Customer Communication	Mc Graw Consultancy Sdn Bhd
July 2005	TASB	Effective Public Speaking and Presentation Skills	Synerflex Consulting Sdn Bhd
July 2005	TASB	Effective Budgeting for Management Planning and Control	E-commerce Academy Sdn. Bhd.
July 2005	TASB	Communication and Interpersonal Skills	Umega Consultancy Services Sdn Bhd
August 2005	TASB	Conducting "On Job Training" Skills	FMM
August 2005	TASB	Tax Audit & Investigation	RTC Consulting Sdn Bhd

7. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

Date of training programme	Company	Programme	Organiser
September 2005	TASB	Public Ruling By Inland Revenue Board	RTC Consulting Sdn Bhd
September 2005	TASB	Effective Store Management	Synerflex Consulting Sdn Bhd
October 2005	TASB	Safety In Handling Forklift Trucks	UMW Industries (1985) Sdn. Bhd
November 2005	TASB	Effective Public Speaking and Presentation Skills	KST Training Consultants Sdn Bhd
March 2006	TASB	Basic Maintenance For Technician	FMM
March 2006	TASB	Warehouse/Store Operation Management	Prima Link Training & Consultancy Sdn Bhd
March 2006	TASB	Effective Warehouse Management Workshop	Synerflex Consulting Sdn Bhd
April 2006	TASB	Effective Supervisory Skills	Prima Link Training & Consultancy Sdn Bhd
April 2006	TASB	Effective Customer Service & Complaint Management	FMM
May 2006	TASB	Shipping Procedures and Documentation Practices	FMM
May 2006	KPTSB	GST in Malaysia	Alpha Consultants Sdn Bhd
June 2006	TASB	Sharpen Your Supervisory Skills	Progress Link Training and Consultancy
July 2006	TASB	Process Improvement Team Towards Production and Planning	FMM
July 2006	TASB	Delegation, Time Management, Conflict Solving and Countering Problem Workers	FMM
July 2006	TASB	Preventing wastage, Improving Productivity	FMM
July 2006	TASB	Basic Practices for Forklift Operator	Progress Link Training & Consultancy Sdn Bhd
July 2006	TASB	How to Effectively Deal with Employee Attitude Problem	Prima Link Training & Consultancy Sdn Bhd
July 2006	KPTSB	Internal Quality Audit	Maximum Corporate Sdn Bhd
August 2006	TASB	Basic Practices for Forklift Operator	Progress Link Training and Consultancy Sdn Bhd
August 2006	TASB	Understanding, Documenting, Implementing an ISO 9001 : 2000	Neville Clarke (M) Sdn Bhd
August 2006	TASB	IQA - ISO 9001 Process Based Internal Auditing	Neville Clarke (M) Sdn Bhd
August 2006	TASB	Management Skills for New Manager	FMM
September 2006	TASB	Malaysian Customs Procedures	Worldwide Consultancy Services Sdn Bhd
September 2006	TASB	Understanding, Documenting, Implementing an ISO 9001 : 2000	Neville Clarke (M) Sdn Bhd

7. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

Date of training programme	Company	Programme	Organiser
September 2006	TASB	IQA - ISO 9001 Process Based Internal Auditing	Neville Clarke (M) Sdn Bhd
November 2006	TASB	Basic Practices for Forklift Operator	Progress Link Training & Consultancy Sdn Bhd
December 2006	TASB	Purchasing Expediting	Sun Flower Training and Consultancy Sdn Bhd
December 2006	KPTSB	SSM Corporate Directors Training	C&S Corporate Solutions Sdn Bhd
January 2007	TASB	Quality Management Representative Skills	Neville Clarke (M) Sdn Bhd
February 2007	TASB	ISO 9000:2000 Series Auditor/ Lead Auditor	Neville Clarke (M) Sdn Bhd
March 2007	TASB	How To Be A Professional Marketing Person	FMM
March 2007	TASB	Statistical Process Control	QMS Management Sdn Bhd
April 2007	TASB	Failure Mode Effect Analysis	Neville Clarke (M) Sdn Bhd
May 2007	TASB	Achieving Excellent Result Through Team Work	Progress Link Training & Consultancy Sdn Bhd
May 2007	TASB	Understanding, Documenting and Implementing an ISO 9001:2000 Quality Management System	Neville Clarke (M) Sdn Bhd
May 2007	TASB	How to Increase Work Performance and Motivation for Staff	FMM
May 2007	TASB	Basic First Aid and CPR	Progress Link Training & Consultancy Sdn Bhd
May 2007	TASB	Quality Control Techniques for Quality Products	FMM
May 2007	TASB	Business English Course	FMM
June 2007	TASB	Oriented Problem Solving Methodology	Neville Clarke (M) Sdn Bhd
July 2007	TASB	Effective Marketing Operations	FMM
July 2007	TASB	Positive Working Attitude Management	Cresco Training Sdn Bhd
August 2007	TASB	Shipping Procedures, Documentation and Practices	Applied Intellect Sdn Bhd
August 2007	TASB	Understanding, Documenting and Implementing Occupational Health and Safety Management System	Neville Clarke (M) Sdn Bhd
August 2007	TASB	ISO 9001 Process Based Internal Auditing	Neville Clarke (M) Sdn Bhd
October 2007	TASB	Technical Report Writing	SMI Centre
October 2007	TASB	Fire Fighting and Fire Preventive	FMM
December 2007	PPISB	Purchasing Cost Reduction	SMI Centre

7. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

7.11 MANAGEMENT SUCCESSION PLAN

As in any other business, the Board believes that the continued success of the Group depends on the ability and retention of the Management. Therefore, we have made efforts to train our staff and remunerate them accordingly. Our Group's future success will also depend upon our ability to attract and retain skilled personnel.

We also have a management succession plan consisting of:

- (i) Sound recruitment and selection;
- (ii) Competitive remuneration and employee benefits;
- (iii) Structured career planning and development; and
- (iv) Continuous training and education.

In addition, our Group will continue to provide appropriate training to promising junior staff in order to enhance their management and technical skills for the purpose of their career advancement within the Group. As part of our Group's management succession plan, we have identified middle management personnel across all levels to assist the heads of various business divisions in order to facilitate skill transfer so as to ensure smooth running and continuity of the operations of the Group. If the need arises, we intend to recruit qualified personnel with knowledge and expertise of the business.

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8. APPROVALS AND CONDITIONS

8.1 APPROVALS AND CONDITIONS

In conjunction with the Listing, we undertook the Listing Scheme which was approved by the SC (and approved under the FIC's Guidelines on the Acquisition of Interest, Mergers and Takeovers by Local and Foreign Interest) on 15 November 2007, subject to the following conditions:

Conditions imposed by the SC vide its letter dated 15 November 2007

Conditions Imposed		Status of Compliance																													
(i)	<p>Moratorium on the sale of shares to be imposed on the shareholders of Ewein as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Name of Shareholder</th> <th colspan="4">< ----- After the Proposed Listing ----- ></th> </tr> <tr> <th>No. of Ewein Shares held</th> <th>% of share capital</th> <th>No. of Ewein Shares under moratorium</th> <th>% of share capital</th> </tr> </thead> <tbody> <tr> <td>Hijauwasa</td> <td>44,388,954</td> <td>42.09</td> <td>44,388,954</td> <td>42.09</td> </tr> <tr> <td>Ong Ching Kok</td> <td>1,836,282</td> <td>1.74</td> <td>918,141</td> <td>0.87</td> </tr> <tr> <td>Abdul Rahim bin Ismail</td> <td>4,661,330</td> <td>4.42</td> <td>2,330,665</td> <td>2.21</td> </tr> <tr> <td>Total</td> <td>50,886,566</td> <td>48.25</td> <td>47,637,760</td> <td>45.17</td> </tr> </tbody> </table> <p>where they are not allowed to sell, transfer or assign their shareholdings amounting to 45% of the issued and paid-up share capital of Ewein for 1 year from the date of admission of the company on the Second Board of the Securities Exchange.</p>	Name of Shareholder	< ----- After the Proposed Listing ----- >				No. of Ewein Shares held	% of share capital	No. of Ewein Shares under moratorium	% of share capital	Hijauwasa	44,388,954	42.09	44,388,954	42.09	Ong Ching Kok	1,836,282	1.74	918,141	0.87	Abdul Rahim bin Ismail	4,661,330	4.42	2,330,665	2.21	Total	50,886,566	48.25	47,637,760	45.17	Will be complied with.
Name of Shareholder	< ----- After the Proposed Listing ----- >																														
	No. of Ewein Shares held	% of share capital	No. of Ewein Shares under moratorium	% of share capital																											
Hijauwasa	44,388,954	42.09	44,388,954	42.09																											
Ong Ching Kok	1,836,282	1.74	918,141	0.87																											
Abdul Rahim bin Ismail	4,661,330	4.42	2,330,665	2.21																											
Total	50,886,566	48.25	47,637,760	45.17																											
(ii)	Ewein should rectify the unapproved structure on P.T. Nos. 805 and 807 (Plot Nos. 317 & 318), Mukim 1, Daerah Seberang Perai Tengah, Pulau Pinang within 1 year from the date of SC's approval letter;	Will be complied with.																													
(iii)	Ewein should make quarterly announcements to Bursa Securities on the status of the above rectification;	Will be complied with.																													
(iv)	Alliance/Ewein should update SC of the above rectification when such announcements are made to the Securities Exchange;	Will be complied with.																													
(v)	Ewein should comply with the National Development Policy ("NDP") requirement whereby Bumiputera investors holding the 30% of the enlarged share capital of Ewein to be recognised for the existing Bumiputera shareholders of Ewein and allocation to nominated Bumiputera investors to be approved by MITI;	Complied. MITI had, vide its letter dated 9 January 2008, recognised the Bumiputera investors in Ewein.																													
(vi)	Alliance/Ewein should obtain decision from MITI on the equity condition imposed on the manufacturing license held by TASB and PPISB and to notify SC;	Complied. Ewein had, on 12 February 2008, notified the SC of the decision from MITI on the equity condition.																													
(vii)	Alliance/Ewein should inform the SC with the status of compliance with NDP requirement upon completion of the proposed listing exercise; and	Will be complied with.																													

8. APPROVALS AND CONDITIONS (Cont'd)

Conditions Imposed	Status of Compliance
(viii) Alliance/Ewein should fully comply with the relevant requirements pertaining to the implementation of the proposal under the Policies and Guidelines on Issue/Offer of Securities.	Will be complied with.

The SC also noted vide its letter dated 15 November 2007, the equity structure relating to the Bumiputera, non-Bumiputera and foreign shareholdings in Ewein would change arising from the implementation of the Listing Scheme, as follows:

Category	Before Listing Scheme	After Listing Scheme
	%	%
Bumiputera	-	¹ 35.46
Non-Bumiputera	50.00	64.54
Foreign	50.00	-
Total	100.00	100.00

Note:

1 MITI had, vide its letter dated 9 January 2008, approved the 35.46% Bumiputera shareholdings in Ewein.

The SC had approved the exemptions sought under the Prospectus Guidelines vide its letter dated 29 January 2008. The details of the exemptions sought for, the approval and accompanying conditions (if any) imposed by the SC together with the status of compliance are as follows:

Relevant Section of Prospectus Guidelines	Relief from Prospectus Guidelines	Decision and Status of Compliance
(i) Paragraph 9.01 (d) In the case of substantial shareholders and promoters who are corporations, to disclose the principal activity, directors, substantial shareholders and their shareholdings (both direct and indirect) in the corporation (before and after the public offering).	Waiver from having to disclose information with regards to: (i) a substantial shareholder, MBMR, which will cease to be substantial shareholder of Ewein after the Listing; and (ii) a substantial shareholder, MARA, which is a statutory body under the Ministry of Entrepreneur and Co-operative Development.	Approved with the condition that Ewein is required to disclose the relevant website for information in relation to MBMR. The website for information in relation to MBMR is disclosed in Section 7.1.2 of this Prospectus.
(ii) Paragraph 9.01 (e) To disclose the directorships and substantial shareholdings in all public corporations for the past two (2) years.		
(iii) Paragraph 11.03 To disclose the details of directors' and substantial shareholders' direct and indirect interests in other businesses and corporations or any other corporation in the group shall be disclosed.		

8. APPROVALS AND CONDITIONS (Cont'd)

Relevant Section of Prospectus Guidelines	Relief from Prospectus Guidelines	Decision and Status of Compliance
<p>(iv) Paragraph 11.04</p> <p>To disclose full particulars of the nature and extent of any interest, whether direct or indirect, of any director and substantial shareholder in the promotion of, or in any material assets, within three (3) most recent completed financial years and the subsequent financial period thereof, if any, immediately preceding the date of the prospectus, acquired or disposed of by or leased to the corporation or any of its subsidiary corporations, or are proposed to be acquired or disposed of by or leased to the corporation or any of its subsidiary corporations</p>		

The MITI has also approved the Listing Scheme subject to the following conditions:

Conditions imposed by the MITI vide its letter dated 9 January 2008

Conditions Imposed	Status of Compliance
<p>(i) Approval of the MITI is required for the sale/transfer of the recognised Bumiputera shareholdings. Nevertheless, the sale/transfer of up to 30% of the said total recognised Bumiputera shareholdings is allowed without prior approval from the MITI;</p>	Noted. To be observed by the respective recognised Bumiputera shareholders.
<p>(ii) To obtain the approval of the SC for the Listing Scheme and to comply with the Guidelines on the Acquisition of Interest, Mergers and Takeovers by Local and Foreign Interest;</p>	Complied. The approval from the SC was obtained on 15 November 2007.
<p>(iii) Ewein is required to inform the MITI of the shareholdings of the recognised Bumiputera investors, six (6) months after Ewein is listed; and</p>	Will be complied with.
<p>(iv) Ewein is required to inform the MITI upon completion of the proposal.</p>	Will be complied with.

In addition, the Securities Exchange had vide its letter dated 5 February 2008 granted its approval-in-principle for the admission to the Official List of the Securities Exchange and the listing and quotation of the entire issued and paid-up share capital of Ewein of RM52,731,300 comprising 105,462,600 Ewein Shares on the Second Board of the Securities Exchange.

8. APPROVALS AND CONDITIONS *(Cont'd)*

8.2 MORATORIUM ON THE SALE OF SHARES

In accordance with Paragraph 6.24 of the SC Guidelines, the shares held by shareholders of a company amounting to 45% of the nominal issued and paid-up capital of the company at the date of admission of the Company to the Official List of the Securities Exchange must be placed under moratorium. In the case of Ewein, the affected shareholders whose shareholdings in the Company are subject to moratorium are as follows:

Name of Promoters/ Shareholders	< ----- After the Listing ----- >			
	No. of Ewein Shares held	% of share capital	No. of Ewein Shares under moratorium	% of share capital
Hijauwasa *	44,388,954	42.09	44,388,954	42.09
Ong Ching Kok ^	1,851,282	1.76	918,141	0.87
Abdul Rahim bin Ismail	4,661,330	4.42	2,330,665	2.21
Total	50,901,566	48.27	47,637,760	45.17

Notes:

* *The ultimate shareholders of Hijauwasa, namely Dato' Ewe Swee Kheng, Saffie bin Bakar, Ewe Swee Kiat, Ewe Swee Gin, Ewe Lay Bee and Ewe Lay Khim have also on, 13 February 2008, given their respective undertakings that they will not sell, transfer or assign their shareholdings in Hijauwasa for one (1) year from the date of the admission of Ewein to the Second Board of the Securities Exchange.*

^ *Assuming full subscription of Pink Form Shares pursuant to the Offer for Sale.*

Pursuant to the moratorium to which the above affected shareholders have agreed, they will not be allowed to sell, transfer or assign the Shares they respectively hold within one (1) year from the date of Ewein's admission to the Official List of the Second Board of the Securities Exchange.

The restriction is specifically endorsed on the notice of allotment representing the Ewein Shares held by the affected shareholders, which are under moratorium to ensure that trading of these shares is not allowed in compliance with the restriction imposed by the SC. The public is deemed to have notice of this restriction.

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9. RELATED PARTY TRANSACTIONS/CONFLICTS OF INTEREST

9.1 INTERESTS IN SIMILAR BUSINESSES

As at the date of this Prospectus, neither the Directors nor substantial shareholders of our Company and subsidiary companies have any interest, direct or indirect, in any businesses and/or corporations carrying on a trade similar to that of our Group.

9.2 RELATED-PARTY TRANSACTIONS

During the past three (3) FYE 31 December 2005 to 31 December 2007 immediately preceding the date of this Prospectus, saved as disclosed below, there are no existing or proposed related-party transactions entered into between our Company and/or our Group and our Promoter, Directors, substantial shareholders, persons connected with our Directors or substantial shareholders, key management and/or key technical personnel:

Related party	Relationship	Nature of transaction	Value of the transaction for the FYE 31 December		
			2005	2006	2007
			RM	RM	RM
Ewe Swee Kiat	Brother of Dato' Ewe Swee Kheng	Rental of premises known as 22, Lorong Bidara 23, Machang Bubuk, 14020 Bukit Mertajam for RM400 per month by TASB as hostel for its employees	4,800	4,800	4,800
Ewe Swee Gin	Brother of Dato' Ewe Swee Kheng	Rental of premises known as 32, Lorong Bidara 23, Machang Bubuk, 14020 Bukit Mertajam for RM400 per month by TASB as hostel for its employees	4,800	4,800	4,800
Ewe Lay Bee	Sister of Dato' Ewe Swee Kheng	Rental of premises known as 24, Lorong Bidara 23, Machang Bubuk, 14020 Bukit Mertajam for RM400 per month by TASB as hostel for its employees	4,800	4,800	4,800
KPTSB	Associate company of MBMI *	Sub-contractor in product finishing for TASB	70,465	2,797,497	N/A*
MBM Global Sdn Bhd	Subsidiary of Med-Bumikar	Supply of printed circuit assembly board (assembly parts) to TASB	-	7,015	-
Goodwill Distributors Sdn Bhd	Sit Chin Ling, spouse of Dato' Ewe Swee Kheng, is a director of Goodwill Distributors Sdn Bhd	Sale of consumables to TASB	254	551	560
Tan & Ewe, Advocates & Solicitors	Ewe Swee Kiat, the brother of Dato' Ewe Swee Kheng is a partner of Tan & Ewe	Provision of legal services to TASB	-	2,232	-
Agensi Pekerjaan Hai Yang Sdn Bhd	Ewe Lay Bee, the sister of Dato' Ewe Swee Kheng, is a director and substantial shareholder of Agensi Pekerjaan Hai Yang Sdn Bhd	Foreign worker agent for PPISB	5,500	4,500	-

Note:

* KPTSB is currently a wholly-owned subsidiary company of Ewein.

9. RELATED PARTY TRANSACTIONS/CONFLICTS OF INTEREST (Cont'd)

Any related party transaction or conflict of interest situation involving our Group will be reviewed by our Audit Committee, who will ensure that any related party transactions carried out are not prejudicial to Ewein or on terms more favourable to the related parties than those normally agreed with other customers/suppliers and not to the detriment of the Company and the minority shareholders. If any related party transaction involves any one of our Directors, substantial shareholder or persons connected/related to them, then the relevant Director, substantial shareholder or persons connected/related to them are required to abstain from deliberation and/or voting at the relevant Board meeting and general meeting in deciding on the related party transaction.

9.3 TRANSACTIONS THAT ARE UNUSUAL IN THEIR NATURE OR CONDITIONS

There are no transactions that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which our Group was a party during the past three (3) FYE 31 December 2005 to 31 December 2007 immediately preceding the date of this Prospectus.

9.4 LOANS MADE BY THE GROUP TO OR FOR THE BENEFIT OF RELATED PARTIES

There is no outstanding loan, including guarantee of any kind, made by our Group to or for the benefit of related parties during the past three (3) FYE 31 December 2005 to 31 December 2007 immediately preceding the date of this Prospectus.

9.5 PROMOTION OF MATERIAL ASSETS

Save for the Acquisitions as detailed in Section 5.3.1 of this Prospectus, none of our Directors or substantial shareholders has any interest, direct or indirect, in the promotion of or in any material asset which have, during the past three (3) FYE 31 December 2005 to 31 December 2007 immediately preceding the date of this Prospectus, been acquired or are proposed to be acquired or disposed of or are proposed to be disposed of or leased to or are proposed to be leased to our Group, or in any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to our business taken as a whole.

9.6 DECLARATION BY EXPERTS

Alliance confirms that there is no existing or potential conflict of interests in its capacity as the Adviser and Managing Underwriter.

M&A Securities Sdn Bhd and MIMB Investment Bank Berhad confirm that there are no existing or potential conflict of interests in their capacities as the Co-Underwriters.

KPMG confirms that there is no existing or potential conflict of interests in its capacity as the Auditors and Reporting Accountants.

Messrs. Salina, Lim Kim Chuan & Co confirms that there is no existing or potential conflict of interests in its capacity as the Solicitors for the listing exercise.

Messrs. D&B confirms that there is no existing or potential conflict of interests in its capacity as the Independent Market Researcher.

Messrs Raine & Horne confirms that there is no existing or potential conflict of interests in its capacity as the Valuer.

10. PROFORMA HISTORICAL FINANCIAL INFORMATION

10.1 PROFORMA CONSOLIDATED INCOME STATEMENTS

The following is a summary of the proforma consolidated income statements of Ewein for the past three (3) FYE 31 December 2005 to 2007 prepared based on the assumption that our Group has been in existence throughout the financial years under review. The proforma consolidated income statements have been prepared for illustrative purposes only and should be read in conjunction with the basis of preparation and the accompanying notes and assumptions as set out in the Reporting Accountants' Letter on Proforma Consolidated Financial Information set out in Section 10.4 of this Prospectus.

	31.12.05 RM	31.12.06 RM	31.12.07 RM
Revenue	<u>75,198,345</u>	<u>101,077,947</u>	<u>104,686,939</u>
Profit before depreciation and interest	7,541,415	13,442,767	14,208,151
Depreciation	(2,285,015)	(1,890,719)	(1,902,604)
Interest expense	(268,397)	(247,948)	(264,607)
PBT	<u>4,988,003</u>	<u>11,304,100</u>	<u>12,040,940</u>
Tax expense	(63,507)	(1,054,650)	(1,952,211)
PAT	<u>4,924,496</u>	<u>10,249,450</u>	<u>10,088,729</u>
Proforma number of shares in issue	105,462,600	105,462,600	105,462,600
Gross profit	9,000,349	16,388,518	17,324,898
Gross profit margin (%) *	11.97	16.21	16.55
Pre-tax profit margin (%) **	6.63	11.18	11.50
Net profit margin (%) ^	6.55	10.14	9.64
EPS (sen)			
- Gross	4.73	10.72	11.42
- Net	4.67	9.72	9.57
Gross dividend rate (%)	-	-	-

Notes:

- * *Gross profit over revenue*
- ** *Profit before taxation over revenue*
- ^ *Profit after taxation over revenue*

10. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

10.2 PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2007

The following proforma consolidated balance sheets of our Group as at 31 December 2007 have been prepared for illustrative purposes only and should be read in conjunction with the accompanying notes and assumptions as set out in the Reporting Accountants' Letter on Proforma Consolidated Financial Information set out in Section 10.4 of this Prospectus.

	Company RM	Proforma (I) RM
Property, plant and equipment	-	19,023,124
Other investments	-	4,816,391
Goodwill on consolidation	-	656,714
Deferred tax assets	-	1,000,000
Current assets		
Inventories	-	8,945,729
Trade and other receivables	-	26,903,481
Tax recoverable	-	64,000
Cash and cash equivalents	1	22,435,431
	<u>1</u>	<u>58,348,641</u>
Current liabilities		
Trade and other payables	55,658	24,937,554
Borrowings	-	827,648
Taxation	-	1,152,187
	<u>55,658</u>	<u>26,917,389</u>
Net current (liabilities)/assets	(55,657)	31,431,252
	<u>(55,657)</u>	<u>56,927,481</u>
Financed by :		
Share capital	1 *	21,248,806
(Accumulated loss)/Retained earnings	(55,658)	31,171,761
Shareholders' funds	<u>(55,657)</u>	<u>52,420,567</u>
Borrowings	-	3,772,037
Deferred tax liabilities	-	734,877
	<u>(55,657)</u>	<u>56,927,481</u>
Ratios		
Number of shares in issue	2	105,462,600
Net (liabilities)/assets (NA) per share (RM) **	(27,828.50)	0.50
Net tangible (liabilities)/assets (NTA) per share (RM) ^	(27,828.50)	0.49
Current ratio (times) #	-	2.17
Total borrowings - all interest bearing debts (RM)	-	4,599,685
Gearing (times) ##	-	0.09

10. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

Notes:

- * Denotes 2 ordinary shares of RM0.50 each
- ** NA over number of shares in issue
- ^ NTA over number of shares in issue
- # Current assets over current liabilities
- ## All interest-bearing debts over shareholders' funds

Proforma I incorporates the Acquisitions and Internal Reorganisation and the estimated listing expenses of RM1,300,000 (excluding expenses relating to the Offers) which is charged to the Income Statement.

The acquisition of MBMI is accounted for using reverse acquisition accounting in accordance with Malaysian Financial Reporting Standards No. 3, Business Combinations ("FRS 3"). Upon completion of the acquisition of MBMI, Ewein becomes the legal parent company of Ewein Group. Due to the relative values of MBMI, the former shareholders of MBMI became the majority shareholders of Ewein. Accordingly, the substance of the business combination is that MBMI acquires Ewein in a reverse acquisition. Under FRS 3, as a result of the reverse acquisition which was assumed to have taken place on 31 December 2007, the proforma consolidated balance sheets have been prepared in the name of the legal parent, Ewein, but it represents a continuation of the balance sheet of the legal subsidiary, MBMI, which is deemed as the acquirer.

Subsequently, the KRSB Acquisition is accounted for using acquisition method accounting.

10.3 PROFORMA CONSOLIDATED CASH FLOW STATEMENT

The following proforma consolidated cash flow statement of our Group as at 31 December 2007 have been prepared for illustrative purposes only and should be read in conjunction with the accompanying notes and assumptions as set out in the Reporting Accountants' Letter on Proforma Consolidated Financial Information as at 31 December 2007 disclosed in Section 10.4 of this Prospectus.

	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
PBT	12,041
Adjustments for :	
Depreciation	1,902
Interest expense	265
Loss on disposal of other investment	20
Impairment loss on plant and equipment	1,004
Dividend income	(112)
Gain on disposal of plant and equipment	(119)
Interest income	(449)
Operating profit before working capital changes	<u>14,552</u>
Decrease in :	
Inventories	266
Trade and other receivables	4,699
Trade and other payables	<u>(9,315)</u>
Cash generated from operating activities	10,202
Tax paid	(2,894)
Net cash generated from operating activities	<u>7,308</u>

10. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property, plant and equipment	(1,787)
Purchase of other investments	(81)
Proceeds from disposal of plant and equipment	120
Proceeds from disposal of quoted investments	276
Interest received	449
Dividend received	96
Net cash used in investing activities	(927)
CASH FLOWS FROM FINANCING ACTIVITIES	
Drawdown of term loan	341
Interest paid	(265)
Listing expenses	(1,300)
Repayment of hire purchase obligations	(257)
Repayment of bank borrowings, net	(271)
Net cash used in financing activities	(1,752)
Net increase in cash and cash equivalents	4,629
Cash and cash equivalents at beginning of year	17,610
Cash and cash equivalents at end of year	<u>22,239</u>

Note:

Cash and cash equivalents comprise the following amounts

	31.12.2007
	RM'000
Fixed deposits with licensed banks (excluding pledged deposits)	11,870
Short term deposit with licensed banks	9,000
Cash and bank balances	1,369
	<u>22,239</u>

10. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

10.4 REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED FINANCIAL INFORMATION

(Prepared for inclusion in this Prospectus)



KPMG (Firm No. AF 0758)
Chartered Accountants
1st Floor, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah
10050 Penang, Malaysia.

Telephone +60 (4) 227 2288
Fax +60 (4) 227 1888
Internet www.kpmg.com.my

The Board of Directors
Ewein Berhad
51-8-A, Menara BHL Bank,
Jalan Sultan Ahmad Shah
10050 Penang

Your ref
Our ref RC/LKT/EWEINpfi
Contact 604-227 2288

Date : 12 February 2008

Dear Sirs

**Ewein Berhad (“Ewein” or “The Company”)
Reporting accountants’ letter on the proforma consolidated financial information**

We report on the proforma consolidated financial information of Ewein and its subsidiaries (“Ewein Group” or “the Group”) which have been prepared for illustrative purposes only and based on basis of assumptions (as set out in Section 9 of this report), and after making certain adjustments to show what:

- i) the financial results of Ewein Group for the financial years ended 31 December 2005 to 2007 would have been if the group structure as of the date of issuance of the Prospectus had been in place since the beginning of the periods being reported on;
- ii) the financial position of Ewein Group as of the date of the balance sheet as at 31 December 2007; and
- iii) the cash flows of Ewein Group for the financial year ended 31 December 2007.

It is the sole responsibility of the Board of Directors of Ewein to prepare the proforma consolidated financial information. Our responsibility is to form an opinion on the proforma consolidated financial information and to report our opinion to you based on our work. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the proforma information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

10. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)



Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the proforma consolidated financial information to the audited financial statements of the subsidiaries of Ewein for the financial years ended 31 December 2005 to 2007, considering the evidence supporting the adjustments and discussing the proforma consolidated financial information with the Directors of Ewein.

The proforma consolidated financial information has been compiled based on hypothetical assumption that Ewein Group existed three years ago, although in fact it had not been. Hence, users of the financial information should take note of the following:

- The proforma consolidated financial information should not in anyway be regarded as audited;
- The proforma consolidated financial information, because of its nature, may not give a true and fair view of Ewein Group's actual financial results, financial position and cash flows; and
- The issuance of this letter by us should not in anyway indicate that the proforma consolidated financial information may be used as a valid basis for assessing the future performance of Ewein Group.

Users of the proforma consolidated financial information should therefore take note of the above limitations and use the financial information entirely at their own risk.

Except for the matters discussed in the preceding paragraphs, in our opinion,

- i) the proforma consolidated financial information have been properly prepared from the audited financial statements of the subsidiaries of Ewein which were prepared in accordance with approved accounting standards for private entities issued by the Malaysian Accounting Standards Board;
- ii) such basis is consistent with the accounting policies (as set out in Section 6.1 of this report) to be adopted by Ewein Group;
- iii) each material adjustment made to the information used in the preparation of the proforma consolidated financial information is appropriate for the purposes of preparing the proforma consolidated financial information; and
- iv) the proforma consolidated financial information has been properly prepared on the basis of assumptions stated.

Yours faithfully

KPMG
Chartered Accountants

10. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

1. INTRODUCTION

The proforma consolidated financial information, comprising the proforma consolidated income statements for the financial years ended 31 December 2005 to 2007, the proforma consolidated balance sheets as at 31 December 2007, the proforma consolidated cash flow statement for the year ended 31 December 2007, the statement of assets and liabilities as at 31 December 2007 and the notes thereto, have been prepared for inclusion in the Prospectus of Ewein dated 10 Mar 2008 in connection with the restructuring and listing of Ewein Berhad ("Ewein" or "the Company") on the Second Board of Bursa Malaysia Securities Berhad ("Securities Exchange").

2. RESTRUCTURING AND LISTING SCHEME

2.1 As part of the restructuring and listing, Ewein undertook the following restructuring exercises:

2.1.1 Acquisitions

a) MBM Industries Sdn. Bhd. ("MBMI") Acquisition

Ewein acquired the entire issued and paid-up share capital of MBMI comprising of 18,000,000 ordinary shares of RM1.00 each for a total purchase consideration of RM49,482,493 fully satisfied by the issuance of 98,964,986 new ordinary shares of RM0.50 each ("Ewein Shares") at par.

b) Kelpen Resources Sdn. Bhd. ("KRSB") Acquisition

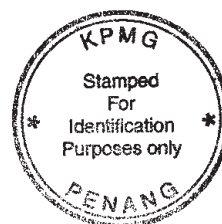
Ewein acquired the remaining 46% of the issued and paid-up share capital of KRSB not already owned by MBMI comprising of 920,000 ordinary shares of RM1.00 each for a total purchase consideration of RM3,248,806 fully satisfied by the issuance of 6,497,612 new Ewein Shares at par.

The Acquisitions were completed on 15 January 2008.

2.1.2 Internal Reorganisation

Ewein had acquired MBMI's entire equity interest in Tekun Asas Sdn Bhd ("TASB") and Precision Press Industries Sdn Bhd ("PPISB") and 54% of the equity interest in KRSB for a cash consideration of RM50,723,659 which was accounted for as an amount owing to MBMI by Ewein. Pursuant to the Acquisitions and the Internal Reorganisation, MBMI, TASB, PPISB, KRSB (and its wholly-owned subsidiary Kelpen Plastics Technology Sdn Bhd ("KPTSB")) had become wholly-owned subsidiaries of Ewein.

The Internal Reorganisation was completed on 15 January 2008.



10. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**2. RESTRUCTURING AND LISTING SCHEME (Cont'd)****2.1.3 Hijauwasa Sdn Bhd ("Hijauwasa") Restricted Offer for Sale**

Subsequent to the Internal Reorganisation, Hijauwasa made a restricted offer for sale of 8,100,000 Ewein Shares representing approximately 7.68% of the issued and paid-up share capital of Ewein at the offer price of RM0.70 per share ("Offer Price") to Med-Bumikar Mara Sdn Bhd ("Med-Bumikar"), one of the substantial Bumiputera shareholders of MBM Resources Berhad ("MBMR").

The Hijauwasa Restricted Offer for Sale was completed on 13 Feb 2008.

2.1.4 MBMR Restricted Offer for Sale to Med-Bumikar

In conjunction with the listing of Ewein on the Second Board of the Securities Exchange, MBMR made a non-renounceable restricted offer for sale of 21,358,477 Ewein Shares representing approximately 20.25% of the issued and paid-up share capital of Ewein to Med-Bumikar, a substantial Bumiputera shareholder of MBMR at the Offer Price.

The MBMR Restricted Offer for Sale to Med-Bumikar was completed on 13 Feb 2008.

2.1.5 Offers**(i) MBMR Restricted Offer for Sale to Public**

In conjunction with the listing of Ewein on the Second Board of the Securities Exchange, MBMR is making a non-renounceable restricted offer for sale of 18,117,557 Ewein Shares representing approximately 17.18% of the issued and paid-up share capital of Ewein to the shareholders of MBMR who are Public (save for excluded parties) as at 5.00 p.m. on 6 Mar 2008 at the Offer Price, of which at least 30% will, to the extent possible, be allocated to Bumiputera individuals, companies, societies, co-operatives and institutions.

(ii) Offer for Sale

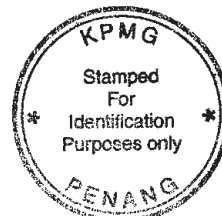
In conjunction with the listing of Ewein, Hijauwasa is making an offer for sale of 7,000,000 Ewein Shares representing approximately 6.64% of the issued and paid-up share capital of Ewein at the Offer Price in the following manner :

(i) Public

6,000,000 Ewein Shares representing approximately 5.69% of the issued and paid-up share capital of Ewein shall be reserved for application by the Public, of which at least 30% will, to the extent possible, be allocated to Bumiputera individuals, companies, societies, co-operatives and institutions.

(ii) Eligible Directors and employees

1,000,000 Ewein Shares representing approximately 0.95% of the issued and paid-up share capital of Ewein shall be reserved for application by eligible directors and employees of the Ewein Group.



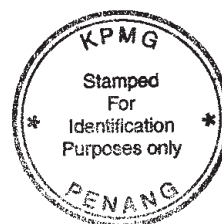
10. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

2. RESTRUCTURING AND LISTING SCHEME (Cont'd)

2.1.6 Listing

The Securities Exchange had, on 5 February 2008, approved-in-principle the admission of Ewein to the Official List of the Securities Exchange and the listing of and quotation for the entire issued and paid-up share capital of Ewein of RM52,731,300 comprising 105,462,600 Ewein Shares on the Second Board of the Securities Exchange.

The above restructuring and listing scheme were approved by the Securities Commission on 15 November 2007.



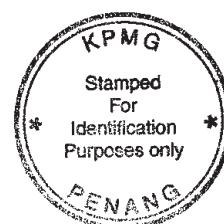
10. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

3. SUMMARISED PROFORMA CONSOLIDATED INCOME STATEMENTS OF EWEIN GROUP

3.1 The summarised proforma consolidated income statements of Ewein Group for the past three (3) financial years ended 31 December 2005 to 2007 have been prepared for illustrative purposes assuming that the Ewein Group had been in existence throughout the financial years under review.

	31.12.05 RM	31.12.06 RM	31.12.07 RM
Revenue	<u>75,198,345</u>	<u>101,077,947</u>	<u>104,686,939</u>
Profit before depreciation and interest	7,541,415	13,442,767	14,208,151
Depreciation	(2,285,015)	(1,890,719)	(1,902,604)
Interest expense	(268,397)	(247,948)	(264,607)
Profit before taxation	<u>4,988,003</u>	<u>11,304,100</u>	<u>12,040,940</u>
Tax expense	(63,507)	(1,054,650)	(1,952,211)
Profit after taxation	<u>4,924,496</u>	<u>10,249,450</u>	<u>10,088,729</u>
Proforma number of shares in issue	105,462,600	105,462,600	105,462,600
Gross profit	9,000,349	16,388,518	17,324,898
Gross profit margin (%) *	11.97	16.21	16.55
Pre-tax profit margin (%) **	6.63	11.18	11.50
Net profit margin (%) ^	6.55	10.14	9.64
Earnings per share (sen)			
- Gross	4.73	10.72	11.42
- Net	4.67	9.72	9.57
Gross dividend rate (%)	-	-	-

- * Gross profit over revenue
 ** Profit before taxation over revenue
 ^ Profit after taxation over revenue



10. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

3. SUMMARISED PROFORMA CONSOLIDATED INCOME STATEMENTS OF EWEIN GROUP (Cont'd)
3.1.1 Notes to the Summarised Proforma Consolidated Income Statements of Ewein Group

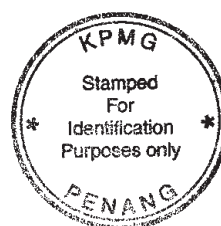
- i) For the purpose of the notes to the proforma consolidated financial information, the following definitions are used:

MBMI	MBM Industries Sdn. Bhd.
TASB	Tekun Asas Sdn. Bhd.
PPISB	Precision Press Industries Sdn. Bhd.
KRSB	Kelpen Resources Sdn. Bhd.
KPTSB	Kelpen Plastics Technology Sdn. Bhd.

- ii) The summarised proforma consolidated income statements of Ewein Group for the financial years ended 31 December 2005 to 2007 are prepared for illustrative purposes only and are based on the audited financial statements of MBMI, TASB, PPISB, KRSB and KPTSB.
- iii) There were no extraordinary or exceptional items for all the years under review.
- iv) The proforma gross earnings per share has been calculated based on the profit before taxation and minority interest, and on the assumption that the issued and paid-up share capital of the 105,462,600 ordinary shares of RM0.50 each had been in issue throughout the years under review.

The proforma net earnings per share has been calculated based on the net profit for the year and on the assumption that the issued and paid-up share capital of Ewein of 105,462,600 ordinary shares of RM0.50 each had been in issue throughout the years under review.

- v) The summarised proforma consolidated income statements of Ewein Group for the financial years ended 31 December 2005 to 2007 did not take into account the fair value adjustments in relation to the Acquisitions and Internal Reorganisation set out in Note 2.1.1 and 2.1.2.

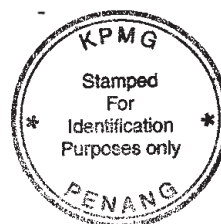


10. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

4. PROFORMA CONSOLIDATED BALANCE SHEETS OF EWEIN GROUP AS AT 31 DECEMBER 2007

4.1 The proforma consolidated balance sheets of Ewein Group have been prepared for illustrative purposes only assuming that Ewein Group had been in existence throughout the financial years under review and should be read in conjunction with the basis of assumptions set out in the notes below.

	Company RM	Proforma (I) RM
Property, plant and equipment	-	19,023,124
Other investments	-	4,816,391
Goodwill on consolidation	-	656,714
Deferred tax assets	-	1,000,000
Current assets		
Inventories	-	8,945,729
Trade and other receivables	-	26,903,481
Tax recoverable	-	64,000
Cash and cash equivalents	1	22,435,431
	<u>1</u>	<u>58,348,641</u>
Current liabilities		
Trade and other payables	55,658	24,937,554
Borrowings	-	827,648
Taxation	-	1,152,187
	<u>55,658</u>	<u>26,917,389</u>
Net current (liabilities)/assets	(55,657)	31,431,252
	<u>(55,657)</u>	<u>56,927,481</u>
Financed by :		
Share capital	1 *	21,248,806
(Accumulated loss)/Retained earnings	(55,658)	31,171,761
Shareholders' funds	<u>(55,657)</u>	<u>52,420,567</u>
Borrowings	-	3,772,037
Deferred tax liabilities	-	734,877
	<u>(55,657)</u>	<u>56,927,481</u>
Ratios		
Number of shares in issue	2	105,462,600
Net (liabilities)/assets (NA) per share (RM) **	(27,828.50)	0.50
Net tangible (liabilities)/assets (NTA) per share (RM) ^	(27,828.50)	0.49
Current ratio (times) #	-	2.17
Total borrowings - all interest bearing debts (RM)	-	4,599,685
Gearing (times) ##	-	0.09



10. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

4. PROFORMA CONSOLIDATED BALANCE SHEETS OF EWEIN GROUP AS AT 31 DECEMBER 2007 (Cont'd)

- * Denotes 2 ordinary shares of RM0.50 each
- ** NA over number of shares in issue
- ^ NTA over number of shares in issue
- # Current assets over current liabilities
- ## All interest-bearing debts over shareholders' funds

4.2 Notes to the proforma consolidated balance sheets of Ewein Group as at 31 December 2007

The proforma consolidated balance sheets together with the notes thereon have been prepared based on accounting principles and bases consistent with those adopted by the subsidiaries of Ewein for the financial year ending 31 December 2007, a summary of which is set out in Section 6.1 of this report, and are presented in a form suitable for inclusion in the Prospectus. There will be no significant changes in the accounting policies to be adopted by Ewein Group except for the adoption of the new and revised Financial Reporting Standards ("FRSs") issued by the Malaysian Accounting Standards Board ("MASB") that are effective for Ewein Group's first annual reporting date as a public entity after its listing on the Second Board of the Securities Exchange. The adoption of the above new and revised FRSs has no material impact on the financial statements of Ewein Group.

- 4.2.1 The proforma consolidated balance sheets of Ewein and its subsidiaries have been prepared for illustrative purposes only assuming Ewein Group had been in existence on that date and are based on the audited financial statements of Ewein, MBMI, TASB, PPISB, KRISB and KPTSB as at 31 December 2007.

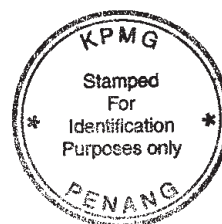
Intercompany balances have been eliminated in arriving at the proforma consolidated balance sheets.

- 4.2.2 The following transactions are assumed to have been effected as at 31 December 2007:

(I) Proforma I

Proforma I incorporates the Acquisitions and Internal Reorganisation as set out in Sections 2.1.1 and 2.1.2 of this report and the estimated listing expenses of RM1,300,000 (net of expenses relating to the Offers) which is charged to the Income Statement.

The assets and liabilities of the subsidiaries of Ewein at the date of the Acquisitions are based on net book values as stated in their audited financial statements as at 31 December 2007. For the purpose of the proforma consolidated balance sheets, the Directors of Ewein have assessed that the fair values of the assets and liabilities of the subsidiaries at the date of the Acquisitions and Internal Reorganisation approximate their carrying values as at 31 December 2007.



10. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

4.2 Notes to the proforma consolidated balance sheets of Ewein Group as at 31 December 2007 (Cont'd)

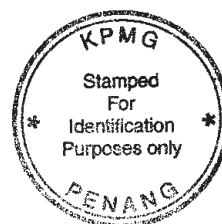
(I) Proforma I (cont'd)

The acquisition of MBMI is accounted for using reverse acquisition method of accounting in accordance with Malaysian Financial Reporting Standards No. 3, Business Combinations ("FRS 3"). Upon completion of the acquisition of MBMI, Ewein becomes the legal parent company of Ewein Group. Due to the relative values of MBMI, the former shareholders of MBMI became the majority shareholders of Ewein. Accordingly, the substance of the business combination is that MBMI acquires Ewein in a reverse acquisition. Under FRS 3, as a result of the reverse acquisition which was assumed to have taken place on 31 December 2007, the proforma consolidated balance sheets have been prepared in the name of the legal parent, Ewein, but it represents a continuation of the balance sheet of the legal subsidiary, MBMI, which is deemed as the acquirer.

Subsequently, the KRSB Acquisition is accounted for using purchase method of accounting.

4.2.3 The movements of the issued and paid-up share capital and retained earnings of Ewein Group after taking into account the transactions mentioned in Notes 4.2.2 above are as follows:

	Number of ordinary shares '000	Par value RM	Share Capital RM'000	Retained earnings RM'000
Balance at date of incorporation	*	0.50	*	-
Proforma I				
- Issued as consideration for MBMI Acquisition	98,965	0.50	49,483	-
- Effect on retained earnings arising from the MBMI Acquisition	-		-	32,472
- Adjustment for reverse acquisition of MBMI Acquisition	-		(31,483)	-
	98,965		18,000	32,472



10. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

4.2 Notes to the proforma consolidated balance sheets of Ewein Group as at 31 December 2007 (Cont'd)

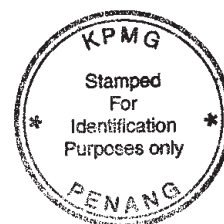
	Number of ordinary shares '000	Par value RM	Share Capital RM'000	Retained earnings RM'000
- Issued as consideration for KRSB Acquisition	6,498	0.50	3,249	-
- Estimated listing expenses (net of expenses relating to the Offers)	-		-	(1,300)
After Proforma I	<u>105,463</u>		<u>21,249</u>	<u>31,172</u>

* Denotes RM1.00, comprising 2 ordinary shares of RM0.50 each.

4.2.4 The movements in cash and cash equivalents of Ewein Group after taking into account the transactions mentioned in Notes 4.2.2 and 4.2.3 above are as follows:

	RM'000
Company	*
Proforma I	
- Acquisitions and Internal Reorganisation	23,735
- Estimated listing expenses (net of expenses relating to the Offers)	(1,300)
After Pro forma I	<u>22,435</u>

* Denotes RM1.00



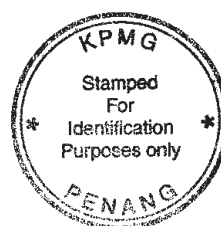
10. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

5. PROFORMA CONSOLIDATED CASH FLOW STATEMENT OF EWEIN GROUP

The proforma consolidated cash flow statement of Ewein Group for the year ended 31 December 2007 set out below, is based on the audited financial statements of Ewein, MBMI, TASB, PPI SB, KR SB and KPT SB.

The proforma consolidated cash flow statement is provided for illustrative purposes only, and has been presented on the basis that the Acquisitions and Internal Reorganisation had been in effect throughout the financial year under review.

	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before tax	12,041
Adjustments for :	
Depreciation	1,902
Interest expense	265
Loss on disposal of other investment	20
Impairment loss on plant and equipment	1,004
Dividend income	(112)
Gain on disposal of plant and equipment	(119)
Interest income	(449)
Operating profit before working capital changes	14,552
Decrease in :	
Inventories	266
Trade and other receivables	4,699
Trade and other payables	(9,315)
Cash generated from operating activities	10,202
Tax paid	(2,894)
Net cash generated from operating activities	7,308
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property, plant and equipment	(1,787)
Purchase of other investments	(81)
Proceeds from disposal of plant and equipment	120
Proceeds from disposal of quoted investments	276
Interest received	449
Dividend received	96
Net cash used in investing activities	(927)



10. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

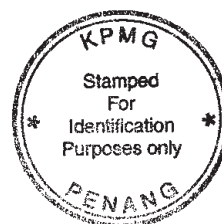
5. PROFORMA CONSOLIDATED CASH FLOW STATEMENT OF EWEIN GROUP (Cont'd)

	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES	
Drawdown of term loan	341
Interest paid	(265)
Listing expenses	(1,300)
Repayment of hire purchase obligations	(257)
Repayment of bank borrowings, net	(271)
Net cash used in financing activities	(1,752)
Net increase in cash and cash equivalents	4,629
Cash and cash equivalents at beginning of year	17,610
Cash and cash equivalents at end of year	22,239

NOTE:

Cash and cash equivalents comprise the following amounts:

	31.12.2007 RM'000
Fixed deposits with licensed banks (excluding pledged deposits)	11,870
Short term deposit with licensed banks	9,000
Cash and bank balances	1,369
	22,239



10. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

6. STATEMENT OF ASSETS AND LIABILITIES

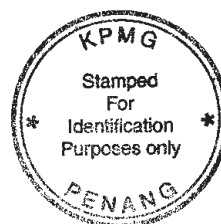
The detailed statement of assets and liabilities has been prepared for illustrative purposes only and is based on the audited balance sheets of Ewein, MBMI, TASB, PPISB, KRSB and KPTSB as at 31 December 2007.

The proforma statement of assets and liabilities has been prepared under the reverse acquisition method of accounting and purchase method of accounting, to show the effects of the Acquisitions, Internal Reorganisation, Offers and the estimated listing expenses of RM1,300,000 (net of expenses relating to the Offers) on the assumption that the respective transactions had been completed on 31 December 2007 and should be read in conjunction with the notes thereon:-

	Note	Company RM'000	Proforma Group RM'000
Property, plant and equipment	6.2	-	19,023
Other investments	6.3	-	4,816
Goodwill on consolidation		-	657
Deferred tax assets	6.10	-	1,000
Current assets			
Inventories	6.4	-	8,946
Trade and other receivables	6.5	-	26,903
Tax recoverable		-	64
Cash and cash equivalents	6.6	*	22,435
		*	58,348
Current liabilities			
Trade and other payables	6.7	56	24,937
Borrowings	6.8	-	828
Taxation		-	1,152
		56	26,917
Net current (liabilities)/assets		(56)	31,431
		(56)	56,927
Financed by :			
Share capital	6.9	*	21,249
(Loss carried forward)/Retained earnings		(56)	31,172
Shareholders' funds		(56)	52,421
Borrowings	6.8	-	3,772
Deferred tax liabilities	6.10	-	734
		(56)	56,927
Number of shares in issue ('000)		**	105,463
Net tangible asset (NTA) per ordinary share (RM)		(24,828.50)	0.49

* Denotes RM1.00

** Represents 2 ordinary shares of RM0.50 each.



10. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES**6.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following accounting policies are to be adopted by the proforma Ewein Group and are consistently applied throughout the year.

a) Basis of Accounting

The Proforma Consolidated Statement of Assets and Liabilities of Ewein Group has been prepared on the historical cost basis except as disclosed in the notes to the Statement of Assets and Liabilities and in compliance with the provisions of the Companies Act, 1965 and applicable approved accounting standards for private entities issued by the Malaysian Accounting Standards Board.

b) Basis of Consolidation

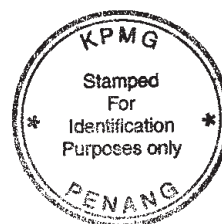
Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases.

The Proforma Consolidated Statement of Assets and Liabilities include the audited financial statements of the subsidiaries made up to 31 December 2007 on the assumption that the Acquisitions and Internal Reorganisation of Ewein Group as stated in Section 2.1.1 and 2.1.2 had been effected as at 31 December 2007. The financial statements of the subsidiaries have been consolidated using reverse acquisition method of accounting and purchase method of accounting for the MBMI and KRSB Acquisitions respectively.

A subsidiary is excluded from consolidation when control is intended to be temporary if the subsidiary is acquired and held exclusively with a view of its subsequent disposal in the near future and it has not previously been consolidated or it operates under severe long term restrictions which significantly impair its ability to transfer funds to the Company. Subsidiaries excluded on these grounds are accounted for as investments.

Under the purchase method of accounting, the results of subsidiaries acquired or disposed of during the year are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the Group financial statements. The difference between the acquisition cost and the fair values of the subsidiaries' net assets is reflected as goodwill or negative goodwill as appropriate.

Intra-group transactions and balances and the resulting unrealised profits are eliminated on consolidation. Unrealised losses resulting from intra-group transactions are also eliminated unless cost cannot be recovered.



10. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

6.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Goodwill/Negative goodwill

Goodwill represents the excess of the cost of acquisition over the fair values of the net identifiable assets acquired and is stated at cost less accumulated impairment losses, if any.

Negative goodwill represents the excess of the fair values of the net identifiable assets acquired over the cost of acquisition and is recognised in the income statement immediately.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment retired from active use and held for disposal are stated at the carrying amount at the date when the asset is retired from active use, less impairment losses, if any.

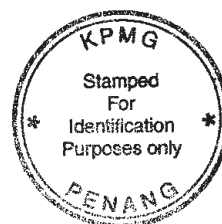
Depreciation

Long term leasehold land is amortised in equal instalments over the lease period of 99 years. Short term leasehold land and factory building are amortised in equal instalments over the lease period of 44 years.

Capital expenditure-in-progress is not depreciated. On other property, plant and equipment, depreciation is calculated to write off the cost of the assets over the term of their estimated useful lives.

The principal annual rates used are as follows:

	%
Office building	10
Other buildings	2
Plant, machinery, tools and equipment	10-20
Furniture, fittings and office equipment	8-20
Motor vehicles	20



10. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

6.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Investments

Long term investments other than in subsidiaries are stated at cost. An allowance is made when the Directors are of the view that there is a diminution in their value which is other than temporary.

Long term investment in subsidiaries at the Company level is stated at cost less accumulated impairment losses where applicable.

(f) Impairment

The carrying amount of assets, other than inventories and financial assets (other than investments in subsidiaries), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the income statement.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

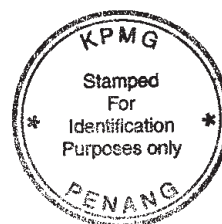
An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The reversal is recognised in the income statement

(g) Inventories

Raw materials, work-in-progress, manufactured inventories and consumables are stated at the lower of cost and net realisable value with first-in, first-out being the main basis for cost. For work-in-progress and manufactured inventories, cost consists of materials, direct labour and an appropriate proportion of fixed and variable production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(h) Trade and other receivables

Trade and other receivables are stated at cost less allowance for doubtful debts.



10. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

6.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Hire purchase

Assets acquired under hire purchase instalment plans are capitalised as plant and equipment and the corresponding obligations are treated as a liability. Financing charges are allocated to the Income Statement over the hire purchase periods using the 'sum-of-digit' method to give a constant periodical rate of interest on the remaining hire purchase liability.

(j) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statements, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(k) Liabilities

Borrowings and trade and other payables are stated at cost.

(l) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(m) Income tax

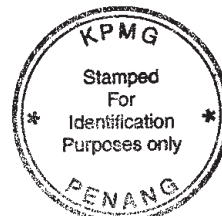
Tax expense comprises current and deferred tax. Tax expense is recognised in the income statements except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit (tax loss). Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.



10. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

6.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)
(n) Foreign currency transactions

Transactions in foreign currencies are translated into Ringgit Malaysia at rates of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Ringgit Malaysia at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to Ringgit Malaysia at the foreign exchange rates ruling at the date of the transactions.

(o) Revenue
i) Sale of goods

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

ii) Dividend income

Dividend income is recognised when the right to receive payment is established.

(p) Financing costs

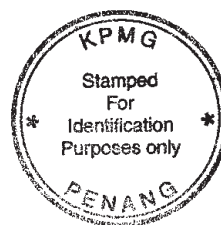
All interest and other costs incurred in connection with borrowings are expensed as incurred. The interest component of hire purchase obligations is recognised in the income statement so as to give a constant periodic rate of interest on the outstanding liability at the end of each accounting period.

(q) Employee benefits
i) Short term employee benefits

Wages, salaries and bonuses are recognised as expenses in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when absences occur.

ii) Defined contribution plan

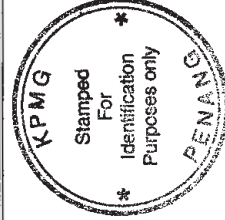
Obligations for contributions to statutory pension funds recognised as an expense in the income statement as incurred. Once the contributions have been paid, the Group has no further payment obligations.



10. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

6.2 PROPERTY, PLANT AND EQUIPMENT - PROFORMA GROUP

	Short term leasehold land and buildings RM	Long term leasehold land RM	Factory building RM	Office building RM	Other buildings RM	Plant, machinery, tools and equipment RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Capital expenditure- in-progress RM	Total RM
<i>Cost</i>										
At 1 January 2007	5,697	914	2,626	404	392	25,078	6,829	1,268	1,719	44,927
Additions	-	-	63	-	159	250	357	-	-	829
Reclassification	1,000	-	350	-	316	53	-	-	(1,719)	-
Disposals	-	-	-	-	-	(91)	-	-	-	(91)
At 31 December 2007	6,697	914	3,039	404	867	25,290	7,186	1,268	-	45,665
<i>Accumulated depreciation</i>										
At 1 January 2007	653	62	613	404	26	17,257	4,262	548	-	23,825
Impairment loss	-	-	-	-	-	1,004	-	-	-	1,004
Charge for the year	129	38	55	-	9	943	544	185	-	1,903
Disposals	-	-	-	-	-	(90)	-	-	-	(90)
At 31 December 2007	782	100	668	404	35	18,110	4,806	733	-	25,638
- Accumulated depreciation	782	100	668	404	35	18,110	4,806	733	-	25,638
- Accumulated impairment loss	-	-	-	-	-	1,004	-	-	-	1,004
At 31 December 2007	782	100	668	404	35	19,114	4,806	733	-	26,642



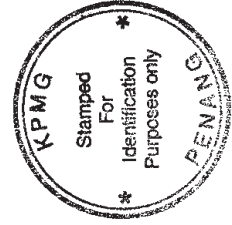
10. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

6.2 PROPERTY, PLANT AND EQUIPMENT - PROFORMA GROUP (CONT'D)

<i>Net book value</i>					
At 31 December					
2007	5,915	814	2,371	-	832
				6,176	2,380
					535
					-
					19,023

The short term leasehold land, factory and office buildings of the Proforma Group are charged to banks for term loans granted to certain subsidiaries of the Proforma Group (see Note 6.8).

The net book value of plant and machinery, office equipment and motor vehicles includes an amount of RM805,346 representing assets acquired under hire purchase instalments plans.



10. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)
NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (Cont'd)
6.3 OTHER INVESTMENTS, at cost

	Company RM'000	Proforma Group RM'000
Quoted shares in Malaysia	-	4,816
Market value of quoted shares	-	4,107

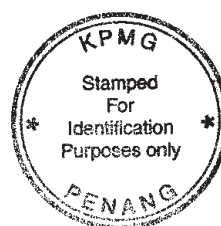
No provision for diminution in value of the quoted shares was made as the Directors are of the opinion that the diminution is temporary in nature.

6.4 INVENTORIES, at cost

	Company RM'000	Proforma Group RM'000
Raw materials	-	3,274
Work-in-progress	-	600
Manufactured inventories	-	4,669
Consumable spares	-	403
	-	8,946

6.5 TRADE AND OTHER RECEIVABLES

	Company RM'000	Proforma Group RM'000
Trade debtors	-	25,781
Less: Allowance for doubtful debt	-	(742)
		25,039
Other receivable, deposits and prepayments	-	1,864
	-	26,903



10. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (Cont'd)

6.6 TRADE AND OTHER RECEIVABLES

Ageing analysis of trade receivables as at 31 December 2007 of the Proforma Group is as follows:

	0-30 Days RM'000	31-60 days RM'000	61-90 days RM'000	> 90 days RM'000	Proforma Group Total RM'000
Trade receivables	6,879	8,897	7,875	2,130	25,781
Less : Allowance for doubtful debts	-	-	-	(742)	(742)
Net receivables	<u>6,879</u>	<u>8,897</u>	<u>7,875</u>	<u>1,388</u>	<u>25,039</u>
% of total trade receivables	27	36	31	6	100

6.6 CASH AND CASH EQUIVALENTS

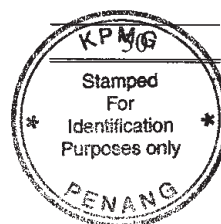
	Company RM'000	Proforma Group RM'000
Fixed deposits with a licensed bank	*	12,066
Short term deposits with licensed banks	-	9,000
Cash and bank balances	-	1,369
	<u>*</u>	<u>22,435</u>

* Denotes RM1

Fixed deposits with licensed banks of the Proforma Group amounting to RM196,000 are pledged as securities for bank facilities granted to a subsidiary.

6.7 TRADE AND OTHER PAYABLES

	Company RM'000	Proforma Group RM'000
Trade payables	-	19,947
Other payables and accrued expenses	50	4,990
		<u>24,937</u>



10. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)
NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (Cont'd)
6.8 BORROWINGS, SECURED

	Company RM'000	Proforma Group RM'000
Current		
Term loans - secured	-	602
Hire purchase obligations	-	226
	-	828
Non-current		
Term loans - secured	-	3,658
Hire purchase obligations	-	114
	-	3,772

The secured term loans of the Proforma Group are secured by legal charges over the land and buildings, pledged fixed deposits and are guaranteed by certain Directors of the Proforma Group.

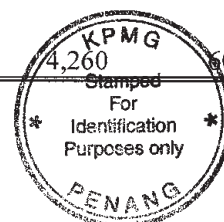
The term loans of the proforma Group are subject to interest at 1.5% per annum above the lender's base lending rate.

Hire purchase obligations are payable as follows:

	Company			Proforma Group		
	Payments RM'000	Interest RM'000	Principal RM'000	Payments RM'000	Interest RM'000	Principal RM'000
Less than 1 year	-	-	-	239	13	226
Between 1 and 5 years	-	-	-	133	19	114
	-	-	-	372	32	340

Terms and debt repayment schedule for term loans are as follows:

	Total	Under 1 year	1 – 5 years
	RM'000	RM'000	RM'000
Company - 31 December 2007	-	-	-
Proforma Group - 31 December 2007	4,260	602	3,658



10. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (Cont'd)

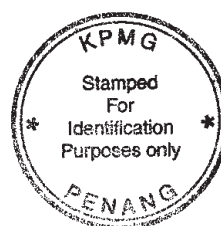
6.9 SHARE CAPITAL

	Proforma Group Number of shares (000)	Proforma Group RM'000
<i>Ordinary shares of RM0.50 each</i>		
Authorised	<u>100,000</u>	<u>50,000</u>
Issued and fully paid :		
Balance at date of incorporation	*	*
New shares issued pursuant to MBMI Acquisition	98,965	49,483
Adjustment for reverse acquisition of MBMI	-	(31,483)
	<u># 98,965</u>	<u># 18,000</u>
New shares issued pursuant to KRSB Acquisition	6,498	3,249
	<u>105,463</u>	<u>21,249</u>

* Denotes RM1, comprising 2 ordinary shares of RM0.50 each.

Upon the completion of the MBMI Acquisition, Ewein became the legal parent company of MBMI. Due to the relative values of MBMI, the former shareholders of MBMI became the majority shareholders of Ewein through the issue of the 98,964,986 new ordinary shares of RM 0.50 each. Accordingly, the substance of the business combination is that MBMI acquired Ewein through a reverse acquisition.

The amount recognised as issued equity instruments in the consolidated financial statements is determined by adding the issued equity of MBMI immediately before the business combination to the cost of business combination. However, the equity structure appearing in the consolidated financial statements (i.e. the number and type of equity instruments issued) shall reflect the equity structure of Ewein, including the equity instruments issued by Ewein to effect the combination.



10. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (Cont'd)

6.10 DEFERRED TAX

The recognised deferred tax assets and liabilities are as follows:

	Company RM'000	Proforma Group RM'000
<i>Deferred tax assets</i>		
Unutilised tax losses	-	1,000
<i>Deferred tax liabilities</i>		
Property, plant and equipment - capital allowances	-	734

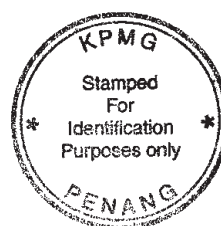
7. STATEMENT OF ADJUSTMENTS

As Ewein has not prepared any audited consolidated financial statements during the periods being reported on, the proforma consolidated financial information as set out therein therefore reflect the net adjustments assuming the Proforma Group has been in place from the beginning of the periods being reported on.

8. PROFORMA NTA PER ORDINARY SHARE

Based on the statement of assets and liabilities of the proforma Ewein Group as at 31 December 2007, the proforma NTA per ordinary share after the Acquisitions and Internal Reorganisation is calculated as follows :-

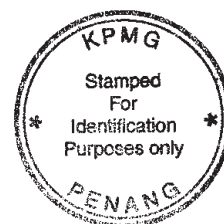
	Proforma Group
NTA (RM'000)	51,764
Total no of ordinary shares in issue ('000)	105,463
NTA per share (RM)	0.49



10. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

9. BASIS OF PREPARATION OF PROFORMA CONSOLIDATED FINANCIAL INFORMATION

- 9.1 The proforma consolidated financial information has been prepared to illustrate what:
- a) the financial results of Ewein Group for the financial years ended 31 December 2005 to 2007 would have been if the group structure as of the date of issuance of the Prospectus had been in place since the beginning of the periods being reported on;
 - b) the financial position of Ewein Group as of the date of the balance sheet as at 31 December 2007; and
 - c) the cash flows of Ewein Group for the financial year ended 31 December 2007.
- 9.2 The proforma consolidated financial information have been prepared based on the audited financial statements of the respective companies within the Ewein Group for the financial years ended 31 December 2005 to 2007, after giving effect to the proforma adjustments considered appropriate as set out in the proforma consolidated financial information.
- 9.3 For illustrative purposes, it was assumed that the Acquisitions and Internal Reorganisation as detailed in Sections 2.1.1 and 2.1.2 of this report respectively took place on 31 December 2007 in arriving at the proforma consolidated balance sheets as at 31 December 2007. The Acquisitions and Internal Reorganisation have been reflected in the proforma consolidated balance sheets as at 31 December 2007 using the reverse acquisition method of accounting and purchase method of accounting for the MBMI and KRSB Acquisitions respectively.
- 9.4 For illustrative purposes, it was assumed that the event stated in Section 2.1 of this report took place since the beginning of the periods being reported on in arriving at the proforma consolidated income statements for each of the three (3) years ended 31 December 2005 to 2007.
- 9.5 For illustrative purposes, it was assumed that the events stated in Section 2.1 of this report took place since the beginning of the period ended 31 December 2007 in arriving at the proforma consolidated cash flow statement for the year ended 31 December 2007.
- 9.6 The proforma consolidated financial information have been prepared for illustrative purposes only and, because of their nature, may not give a true picture of the actual financial position, results of operations and cash flows of Ewein Group.
- 9.7 The proforma consolidated financial information have been prepared in accordance with the accounting policies to be adopted by the Group, which are similar to those of its subsidiaries, as set out in the audited financial statements of its subsidiaries.

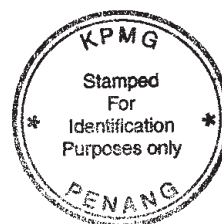


10. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

9. BASIS OF PREPARATION OF PROFORMA CONSOLIDATED FINANCIAL INFORMATION

9.8 For the purpose of inclusion in the proforma consolidated financial information, the statutory audited financial statements of TASB, MBMI and PPISB for the three (3) years ended 31 December 2005 to 2007, audited financial statements of KRSB and KPTSB for the financial years ended 31 March 2005 to 2006, financial period ended 31 December 2006 and financial year ended 31 December 2007 and audited financial statements of Ewein for the financial period ended 31 December 2006 and financial year ended 31 December 2007 have been prepared in accordance with applicable approved accounting standards for private entities issued by the Malaysian Accounting Standards Board and were audited in accordance with approved Standards on Auditing in Malaysia.

The audit reports in respect of the statutory financial statements of TASB, MBMI, PPISB, KRSB and KPTSB for the financial years under review were not subject to any qualifications.



11. MANAGEMENT DISCUSSION AND ANALYSIS OF PROFORMA FINANCIAL PERFORMANCES AND RESULTS OF OPERATIONS

The following is our Management's discussion and analysis of the proforma financial performances and results of operations of the Group, assuming that our Group had been in existence throughout the financial years under review, and should be read in conjunction with the Reporting Accountants' Letter on the Proforma Consolidated Financial Information and the related notes thereon as set out in Section 10.4 of this Prospectus.

11.1 ANALYSIS OF PAST OPERATING RESULTS AND KEY FINANCIAL RATIOS

11.1.1 Analysis of Revenue

By Company

FYE 31 December	Proforma Group		
	2005	2006	2007
	RM'000	RM'000	RM'000
TASB	69,229	92,529	93,866
PPISB	4,186	5,764	7,441
MBMI	360	300	-
KRSB	-	-	-
KPTSB	5,970	5,086	5,714
	79,745	103,679	107,021
Consolidation adjustments	(4,547)	(2,601)	(2,334)
Total	75,198	101,078	104,687

By Activity

FYE 31 December	Proforma Group		
	2005	2006	2007
	RM'000	RM'000	RM'000
Precision sheet metal fabricated parts	69,229	92,529	93,866
Fabrication of precision mould, tools and dies	4,186	5,764	7,441
Precision injection moulding parts and product finishing	5,970	5,086	5,714
Inter-co dividend income	360	300	-
	79,745	103,679	107,021
Consolidation adjustments	(4,547)	(2,601)	(2,334)
Total	75,198	101,078	104,687

By Market

FYE 31 December	Proforma Group		
	2005	2006	2007
	RM'000	RM'000	RM'000
Export	5,698	8,237	11,694
Domestic/Indirect Export	69,500	92,841	92,993
Total	75,198	101,078	104,687

11. MANAGEMENT DISCUSSION AND ANALYSIS OF PROFORMA FINANCIAL PERFORMANCES AND RESULTS OF OPERATIONS (Cont'd)

11.1.2 Analysis of PBT

By Company

FYE 31 December	Proforma Group		
	2005	2006	2007
	RM'000	RM'000	RM'000
TASB	4,786	9,571	10,711
PPISB	479	619	646
MBMI	873	261	(8)
KRSB	(3)	(3)	(7)
KPTSB	(218)	1,208	1,501
	5,917	11,656	12,483
Consolidation adjustments	(929)	(352)	(802)
Total	4,988	11,304	12,041

By Activity

FYE 31 December	Proforma Group		
	2005	2006	2007
	RM'000	RM'000	RM'000
Precision sheet metal fabricated parts	4,786	9,571	10,711
Precision injection moulding parts and product finishing	(218)	1,208	1,501
Fabrication of precision mould, tools and dies	479	619	646
Others	870	258	(15)
	5,917	11,656	12,483
Consolidation adjustments	(929)	(352)	(802)
Total	4,988	11,304	12,041

11.1.3 Key Financial Ratios

The key financial ratios of our proforma Group are as follows:

	FYE 31 December		
	2005	2006	2007
Trade receivables turnover (month)	2.99	3.49	2.87
Trade creditors turnover (month)	3.49	3.61	2.74
Inventories turnover period (month)	1.30	1.31	1.23

11.1.4 Commentary on past operating results

FYE 31 December 2006 as compared to FYE 31 December 2005

Revenue

Our Group's revenue increased by approximately RM25.9 million or 34.4% from FYE 31 December 2005 to approximately RM101.1 million in FYE 31 December 2006. The increase in revenue was mainly attributed to the increase in revenue generated by our major subsidiary, TASB, which showed strong growth in its revenue arising from the continued orders from existing customers as well as new customers secured during the year.

11. MANAGEMENT DISCUSSION AND ANALYSIS OF PROFORMA FINANCIAL PERFORMANCES AND RESULTS OF OPERATIONS *(Cont'd)*

Our Group's business development team has made intensive marketing efforts which resulted in an increase in revenue from domestic/indirect export market of approximately RM23.3 million or 33.5% from RM69.5 million in FYE 31 December 2005 to RM92.8 million in FYE 31 December 2006. In addition, our business development team had also placed emphasis on the information technology and networking business sectors which results in the direct export of KVM switches and satellite outdoor units to overseas markets.

Cost of sales

The cost of sales increased by approximately RM18.5 million or 27.9% which was in line with the increase in revenue. The slower rate of increase in cost of sales was mainly attributed to the economies of scale achieved from the production of larger quantities of products.

Gross profit

The gross profit margin improved from 11.97% to 16.21% mainly attributed to the slower rate of increase in cost of sales as compared to the rate of increase in revenue as explained above.

Operating expenses

The total operating expenses of approximately RM7.2 million represented 7.2% of our Group's total revenue (FYE 31 December 2005: 7.6%). The increase of approximately RM1.5 million or 26.4% as compared to the total operating expenses for the FYE 31 December 2005 was mainly attributed to increase in staff costs due to increase in headcount for operations staff to cater to the increase in revenue.

Taxation

The provision for taxation for the FYE 31 December 2006 amounted to RM2.0 million based on results for the financial year together with a provision for deferred taxation of RM0.4 million. There was a total overprovision of taxation of RM1.4 million for prior years. Based on the total provision for taxation of approximately RM2.4 million for the FYE 31 December 2006, the effective tax rate for the financial year was 21.2% which was lower than the statutory rate of 28%. This is due to utilisation of unutilised capital allowances brought forward and the availability of reinvestment allowances arising from the acquisition of plant and machineries in FYE 31 December 2006.

PAT

Due to the foregoing, our Group's PAT increased by RM5.3 million and our PAT margin improved from 6.55% to 10.14%.

FYE 31 December 2007 as compared to FYE 31 December 2006

Revenue

Our Group's revenue increased by approximately RM3.6 million or 3.6% from FYE 31 December 2006 to approximately RM104.7 million in FYE 31 December 2007. The increase in revenue was mainly attributed to increase in orders from existing customers especially in the export market where revenue increased by approximately RM3.5 million or 42.7% from RM8.2 million in FYE 31 December 2006 to RM11.7 million in FYE 31 December 2007.

Cost of sales

The cost of sales increased by approximately RM2.7 million or 3.2%, in line with the increase in revenue. The cost of sales represented 83.5% of the total revenue for the financial year (FYE 31 December 2005: 83.8%).

11. MANAGEMENT DISCUSSION AND ANALYSIS OF PROFORMA FINANCIAL PERFORMANCES AND RESULTS OF OPERATIONS *(Cont'd)*

Gross profit

The gross profit margin improved slightly from 16.21% to 16.55% mainly attributed to the slower rate of increase in cost of sales as compared to the rate of increase in revenue.

Operating expenses

The total operating expenses of approximately RM8.0 million represented 7.7% of our Group's total revenue (FYE 31 December 2006: 7.2%). The increase of approximately RM0.8 million or 10.9% was mainly attributed to higher staff costs incurred due to higher headcount for the FYE 31 December 2007, higher transportation costs incurred as a result of the increase in orders from outstation customers and impairment charge of RM1.0 million recognised for plant and machinery.

Taxation

The current year provision for taxation for the FYE 31 December 2007 amounted to approximately RM3.0 million based on results for the financial year together with a reversal of deferred taxation of RM0.9 million mainly due to the recognition of deferred tax assets of RM1.0 million by a subsidiary in relation to unutilised tax losses. There was a total overprovision of taxation of RM0.1 million for the prior year. Based on the total current year provision for taxation of approximately RM2.1 million for the FYE 31 December 2007, the effective tax rate for the financial year was 17.5% which was lower than the statutory rate of 27% due to the availability of unutilised tax losses brought forward.

PAT

Due to the foregoing, our Group's PAT decreased by RM0.1 million. Our PAT margin declined from 10.14% to 9.12% mainly due to the recognition of reversal of deferred taxation of RM0.9 million as mentioned above.

Exceptional/Extraordinary Items

There were no exceptional or extraordinary items in all the financial years under review.

Impact of Foreign Exchange, Interest Rates or Commodity Prices on Operating Profits

There was no material impact of fluctuations of foreign exchange, interest rates or commodity prices on the operating profits of our Group in the relevant financial years under review.

11.2 TREND INFORMATION

Business and Financial Prospects

Based on the industry overview set out in Section 6 of this Prospectus, our Board believes that the demand for our products is promising and our business is poised for growth. Based on the financial forecast set out in Section 12.1 of this Prospectus, our Board is expecting an improvement of approximately 13.8% in the consolidated PBT of our Group for the FYE 31 December 2008 as compared to Proforma Group FYE 31 December 2007. Our Group's future plans, strategies and prospects are set out in Sections 5.9 and 5.10 of this Prospectus.

Production, Sales and Inventory

There have been no significant changes in our production mix since the FYE 31 December 2007 up to the Latest Practicable Date.

11. MANAGEMENT DISCUSSION AND ANALYSIS OF PROFORMA FINANCIAL PERFORMANCES AND RESULTS OF OPERATIONS (Cont'd)

The revenue of our Group has been on an increasing trend during the financial years under review. Our Group's revenue is expected to improve by approximately 6.6% as compared to the revenue for the FYE 31 December 2007.

Our Group endeavours to maintain its inventory levels at the optimum level by implementing the JIT method which is elaborated in Section 5.4.3 of this Prospectus.

Cost and Selling Price

There have been no significant changes in the cost and selling price since the FYE 31 December 2007 up to the Latest Practicable Date.

State of Order Book

Our Group does not have any long-term contractual agreements with its customers, which is a norm in the industry in which our Group is operating in. Despite the lack of long-term contractual agreements, our Group believes that our customers have the confidence and recognise the quality of its products, which are sold at competitive prices.

11.3 DIRECTORS' DECLARATION ON FINANCIAL PERFORMANCE OF EWEIN GROUP

Save as disclosed in Section 10 and 11 of this Prospectus, our Directors are of the view that the financial performance, position and operations of our Group are not affected by any of the following:

- (i) unusual, infrequent events or transactions or significant economic changes that have materially affected the financial performance, position and operations of our Group;
- (ii) known trends, demands, commitments, events or uncertainties that have had, or that our Group reasonably expects to have, a material favourable or unfavourable impact on the financial performance, position and operations of our Group; and
- (iii) 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.

11.4 LIQUIDITY AND CAPITAL RESOURCES**11.4.1 Working capital**

Our Group generally finances its growth and operations mainly through a combination of internally generated funds and banking facilities provided by our principal bankers. The principal uses of our working capital are to purchase raw materials as well as to meet operational expenses. Our Group typically maintains a positive working capital balance.

Based on the proforma consolidated balance sheet of our Group as at 31 December 2007 after adjusting for the Acquisitions and Internal Reorganisation, our current ratio is 2.17 times. As at the Latest Practicable Date, we have approximately RM23.5 million of cash and cash equivalents. Further details of our Group's borrowing are set out in Section 11.4.3 of this Prospectus.

The Directors of Ewein are of the opinion that, after taking into account the current ratio and cash flow position of our Group, our Group will have adequate working capital for its present and foreseeable requirements for a period of twelve (12) months from the date of this Prospectus.

11. MANAGEMENT DISCUSSION AND ANALYSIS OF PROFORMA FINANCIAL PERFORMANCES AND RESULTS OF OPERATIONS (Cont'd)

11.4.2 Proforma Group Cash Flow Summary

The following is a summary of the proforma Group cash flow, based on our Group's proforma consolidated cash flow statement for the FYE 31 December 2007 as set out in Section 10.3 and 10.4 of this Prospectus and has been presented on the basis that the Acquisitions and Internal Reorganisation had been in effect throughout the financial year under review:

	Proforma Group FYE 31 December 2007 RM'000
Net cash from operating activities	7,308
Net cash used in investing activities	(927)
Net cash used in financing activities	(1,752)
Net increase in cash and cash equivalents	<u>4,629</u>
Cash and cash equivalents brought forward	<u>17,610</u>
Cash and cash equivalents carried forward	<u><u>22,239</u></u>

Net cash from operating activities

For the FYE 31 December 2007, our Group generated net cash flows of RM7.31 million from our operating activities, comprised mainly cash receipts from customers. Included in the operating cash flows were taxation paid during the year amounting to RM2.9 million.

Net cash used in investing activities

Our Group had utilised RM0.93 million in investing activities which mainly comprise of cash outflow of RM1.79 million for purchases of plant and equipment and cash inflows from proceeds from disposal of plant and equipment and quoted investments of RM0.12 million and RM0.28 million respectively as well as interest received from fixed deposits of approximately RM0.45 million.

Net cash used in financing activities

For the FYE 31 December 2007, our Group utilised RM1.75 million for financing activities which mainly consist of repayments of bank borrowings (hire purchase and term loans) of RM0.53 million as well as the assumption that the listing expenses of RM1.3 million has been paid in FYE 31 December 2007.

11.4.3 Borrowings

As at the Latest Practicable Date, the total outstanding interest-bearing borrowings of our Group are as follows:

	Note	←----- Proforma Group -----→		Total RM'000
		Payable within twelve (12) months RM'000	Payable after twelve (12) months RM'000	
<u>Interest bearing</u>				
Term loans	(i)	690	3,568	4,258
Hire purchase	(ii)	198	147	345
		<u>888</u>	<u>3,715</u>	<u>4,603</u>

11. MANAGEMENT DISCUSSION AND ANALYSIS OF PROFORMA FINANCIAL PERFORMANCES AND RESULTS OF OPERATIONS (Cont'd)

Notes:

- (i) *The purposes of the term loans are for working capital purposes; and to finance equipments and a bungalow of the Group.*
- (ii) *The purposes of the hire purchase facilities are to finance the motor vehicles and machineries of the Group.*

Save for the interest bearing borrowings as disclosed above, our Group does not have any non-interest bearing borrowings or foreign borrowings.

There has not been any default by our Group on payments of either interest and/or principal sums in respect of its borrowings throughout the FYE 31 December 2007 up to the Latest Practicable Date.

The proforma gearing ratio as at the Latest Practicable Date, based on the shareholders' equity shown in Section 10.2 of this Prospectus, is 0.09 times.

11.5 FINANCIAL INSTRUMENTS FOR HEDGING

As at the Latest Practicable Date, our Group has not used any financial instruments for hedging purposes.

11.6 MATERIAL CAPITAL COMMITMENTS, MATERIAL LITIGATION AND CONTINGENT LIABILITIES**11.6.1 Material Capital Commitments**

As at the Latest Practicable Date, the Board is not aware of any material capital commitments incurred or known to be incurred by Ewein or its subsidiary companies, which upon become enforceable, may have a material impact on the financial position of our Group.

11.6.2 Material Litigation

Neither the Company nor its subsidiary companies is engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which may have a material effect on the financial position of the Company and/or its subsidiary companies upon becoming enforceable and the Directors of Ewein do not have any knowledge of any proceedings pending or threatened against the Company and/or its subsidiary companies or any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the Group and/or its subsidiary companies.

11.6.3 Contingent Liabilities

As at the Latest Practicable Date, our Group does not have any contingent liabilities which, upon becoming enforceable, may have a material impact on the financial position of our Group.

12. FUTURE FINANCIAL INFORMATION

12.1 FUTURE FINANCIAL INFORMATION

The consolidated profit forecast of our Group should be read in conjunction with the accompanying notes and assumptions as set out in the Reporting Accountants' Letter on the Consolidated Profit Forecast set out in Section 12.2 of this Prospectus.

	FYE 31 December 2008 RM'000
Revenue	<u>111,577</u>
Consolidated PBT	13,701
Taxation	<u>(3,467)</u>
Consolidated PAT	<u>10,234</u>
Number of issued and paid-up share capital ('000)	105,463
EPS based on the issued and paid-up share capital (sen)	
- Gross EPS	12.99
- Net EPS	9.70
PE Multiple based on the Offer Price of RM0.70 (times)	
- calculated over the gross EPS	5.39
- calculated over the net EPS	7.22

The completion date for the Acquisitions is on 15 January 2008. Accordingly, the consolidated profit forecast shown above is in relation to post-acquisition profits.

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12. FUTURE FINANCIAL INFORMATION (Cont'd)

12.2 REPORTING ACCOUNTANTS' LETTER ON THE CONSOLIDATED PROFIT FORECAST
(Prepared for inclusion in this Prospectus)

KPMG (Firm No. AF 0758)
Chartered Accountants
1st Floor, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah
10050 Penang, Malaysia.

Telephone +60 (4) 227 2288
Fax +60 (4) 227 1888
Internet www.kpmg.com.my

The Board of Directors
Ewein Berhad
51-8-A, Menara BHL Bank,
Jalan Sultan Ahmad Shah
10050 Penang

Your ref

Our ref RC/LKT/EWEINpfi

Contact 604-227 2288

Date : 12 February 2008

Dear Sirs

Ewein Berhad ("Ewein" or "The Company")**Reporting accountants' letter on the proforma consolidated financial information**

We report on the proforma consolidated financial information of Ewein and its subsidiaries ("Ewein Group" or "the Group") which have been prepared for illustrative purposes only and based on basis of assumptions (as set out in Section 9 of this report), and after making certain adjustments to show what:

- i) the financial results of Ewein Group for the financial years ended 31 December 2005 to 2007 would have been if the group structure as of the date of issuance of the Prospectus had been in place since the beginning of the periods being reported on;
- ii) the financial position of Ewein Group as of the date of the balance sheet as at 31 December 2007; and
- iii) the cash flows of Ewein Group for the financial year ended 31 December 2007.

It is the sole responsibility of the Board of Directors of Ewein to prepare the proforma consolidated financial information. Our responsibility is to form an opinion on the proforma consolidated financial information and to report our opinion to you based on our work. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the proforma information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

12. FUTURE FINANCIAL INFORMATION (Cont'd)



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 management expects to take as of the date the information is prepared (best-estimate assumptions). While information may be available to support the assumptions on which a 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.

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 statement, do not provide a reasonable basis for the preparation of the proforma consolidated profit forecast; and
- (ii) in our opinion, the proforma 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 to be adopted by Ewein Group.

Yours faithfully

KPMG
Firm Number: AF 0758
Chartered Accountants

12. FUTURE FINANCIAL INFORMATION (Cont'd)

**EWEIN BERHAD
AND ITS SUBSIDIARIES
("Ewein Group" or "the Group")**

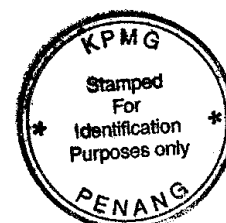
**PROFORMA CONSOLIDATED PROFIT FORECAST
FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2008**

On a proforma basis (assuming that Ewein Group had been in existence throughout the financial year ending 31 December 2008), the Directors forecast that the proforma consolidated profit forecast for the financial year ending 31 December 2008 on the assumption that Ewein Group had implemented the proposals set out in assumption (y) below will be as follows :-

	Forecast 2008 RM'000
Revenue	111,577
Consolidated profit before taxation	13,701
Taxation	(3,467)
Consolidated profit after taxation	10,234
Number of issued and paid-up share capital ('000)	105,463
Earnings per share ("EPS") based on the issued and paid-up share capital (sen)	
- Gross	12.99
- Net	9.70
Price to Earnings Multiple ("PE Multiple") based on the offer price of RM0.70 per ordinary share (times)	
- calculated over the gross EPS	5.39
- calculated over the net EPS	7.22

Note :

The completion date for the acquisitions as set out in assumption (y) is on 15 January 2008. Accordingly, the consolidated profit forecast shown above is in relation to post-acquisition profits.



12. FUTURE FINANCIAL INFORMATION (Cont'd)

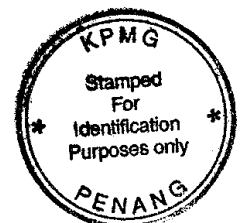
**EWEIN BERHAD
AND ITS SUBSIDIARIES
("Ewein Group" or "the Group")**

**PROFORMA CONSOLIDATED PROFIT FORECAST
FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2008**

BASES AND ASSUMPTIONS

The principal bases and assumptions upon which the proforma consolidated profit forecast has been arrived at are set out below:

- a) There will be no significant changes in the existing and intended principal activities, key management and operating structure of the Group.
- b) There will be no significant changes in the accounting policies adopted by the Group except for the adoption of the new and revised Financial Reporting Standards ("FRSs") issued by the Malaysian Accounting Standards Board ("MASB") that are effective for the Group's first annual reporting date after the listing of Ewein on the Second Board of Bursa Malaysia Securities Berhad ("Securities Exchange").
- c) There will be no change in the Group's structure for the financial year ending 31 December 2008.
- d) There will be no material setback in the growth of the Malaysian and global economy and political conditions which will adversely affect the operations of the Group.
- e) There will be no significant changes in the present government regulations and legislations, direct or indirect taxes and duties, which will adversely affect the operations of the Group or the markets in which it operates.
- f) There will be no major breakdown or disruption in the manufacturing facilities, industrial disputes or any abnormal circumstances, which will adversely affect the achievement of sales at their forecast levels, and/or disrupt the planned operations of the Group.
- g) There will be no unexpected problems that may affect the Group's various manufacturing programme.
- h) There will be no significant changes in the existing key personnel and management of the Group that will adversely affect the marketing capability and level of activities of the Group.
- i) There will be no significant changes in operating expenses including wages, cost of supplies, administrative and overhead expenses and other costs other than as forecast.



12. FUTURE FINANCIAL INFORMATION (Cont'd)

BASES AND ASSUMPTIONS (Cont'd)

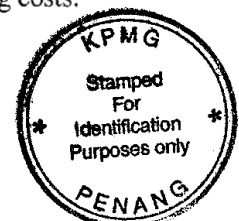
- j) There will be no significant changes in the current pricing of Group's products.

The forecast turnover and related costs are based on the Directors' forecast after taking into consideration the present conditions of selling prices and related costs of the Group. There will be no material changes to the forecast selling price, sales mix, sales volume and profit margins.

The sales mix for Tekun Asas Sdn Bhd ("TASB"), Precision Press Industries Sdn Bhd ("PPISB") and Kelpen Plastics Technology Sdn Bhd ("KPTSB"), the 3 main operating subsidiaries of the Group for the financial year ending 31 December 2008 are forecast as follows:

	TASB %	PPISB %	KPTSB %
Precision sheet metal fabricated parts	100	-	-
Precision injection moulding parts and product finishing	-	-	100
Design and fabrication of precision moulds, tools and dies	-	100	-
Total	<u>100</u>	<u>100</u>	<u>100</u>

- k) Production/processing costs will not be adversely affected by any abnormal circumstances or events. There will be no significant disruptions in the supply of raw materials and no material fluctuations in raw materials costs.
- l) There will be no significant changes in current demand and in the prevailing market conditions other than those included in the forecast which will adversely affect the performance of the Group.
- m) Existing financing facilities will remain available to the Group with no significant changes in the interest rates from those presently prevailing. In addition, the Group will be able to obtain sufficient financing facilities for working capital purposes, if necessary.
- n) The bases of taxation will be consistent with their present levels. The Malaysian income tax rate relevant to the Group is expected to be at 26% for the financial year ending 31 December 2008.
- o) There will be no material contingent liabilities arising during the forecast period which may materially affect the forecast. The Group will not be engaged in any material litigation and there will be no legal proceedings against the Group which will adversely affect the results of the Group.
- p) Capital expenditure program will be implemented and incurred on schedule and there will be no material acquisitions or disposal of property, plant and equipment other than those in the forecast.
- q) There will be no major capital and revenue cost item variations that are beyond the control of the Group and there will be no significant changes in labour and other operating costs.



12. FUTURE FINANCIAL INFORMATION (Cont'd)

BASES AND ASSUMPTIONS (Cont'd)

- r) Goodwill on consolidation will be stated at cost less accumulated impairment losses, if any in the year of acquisition.
- s) There will be no significant fluctuation in foreign currency exchange rates from the prevailing rates against Ringgit Malaysia as follows :-

	2008
USD 1	: 3.31

- t) All trade debts arising from the sale of goods or services are collectible and those known to be doubtful have been adequately provided for.
- u) The existing terms and conditions of contracts and agreements entered into by the Group will remain in force.
- v) The Group's turnover for the financial year ending 31 December 2008 is forecast to be RM111.58 million and the average consolidated gross profit margin is forecast at 16.58%.

The average gross profit margins for significant companies within Ewein Group for the financial year ending 31 December 2008 are forecast as follows:

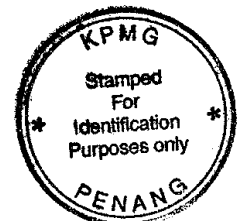
<u>Company</u>	%
TASB	14.62
PPISB	10.83
KPTSB	39.69

- w) Interest rates will remain at the present level.
- x) Related party transactions are entered in the normal course of business and the terms of which are established on a negotiated basis which is no less favourable than those arranged with independent third parties.
- y) In conjunction with, and as an integral part of Ewein's listing scheme, Ewein had/will implement the following:-

Acquisitions

- i) MBM Industries Sdn. Bhd. ("MBMI") Acquisition

Ewein had acquired the entire issued and paid-up share capital of MBMI comprising of 18,000,000 ordinary shares of RM1.00 each for a total purchase consideration of RM49,482,493 fully satisfied by the issuance of 98,964,986 new ordinary shares of RM0.50 each ("Ewein Shares") at par.



12. FUTURE FINANCIAL INFORMATION (Cont'd)

BASES AND ASSUMPTIONS (Cont'd)

Acquisitions

ii) Kelpen Resources Sdn. Bhd. ("KRSB") Acquisition

Ewein had acquired the remaining 46% of the issued and paid-up share capital of KRSB not already owned by MBMI comprising of 920,000 ordinary shares of RM1.00 each for a total purchase consideration of RM3,248,806 fully satisfied by the issuance of 6,497,612 new Ewein Shares at par.

The Acquisitions were completed on 15 January 2008.

Internal Reorganisation

Ewein had acquired MBMI's entire equity interest in TASB and PPISB and 54% of the equity interest in KRSB for a cash consideration of RM50,723,659 which was accounted for as an amount owing to MBMI by Ewein. Pursuant to the Acquisitions and the Internal Reorganisation, MBMI, TASB, PPISB, KRSB (and its wholly-owned subsidiary KPTSB) had become wholly-owned subsidiaries of Ewein.

The Internal Reorganisation was completed on 15 January 2008.

Hijauwasa Sdn Bhd ("Hijauwasa") Restricted Offer for Sale

Subsequent to the Internal Reorganisation, Hijauwasa made a restricted offer for sale of 8,100,000 Ewein Shares representing approximately 7.68% of the issued and paid-up share capital of Ewein at the offer price of RM0.70 per share ("Offer Price") to Med-Bumikar Mara Sdn Bhd ("Med-Bumikar"), one of the substantial Bumiputera shareholders of MBM Resources Berhad ("MBMR").

The Hijauwasa Restricted Offer for Sale was completed on 13 Feb 2008.

MBMR Restricted Offer for Sale to Med-Bumikar

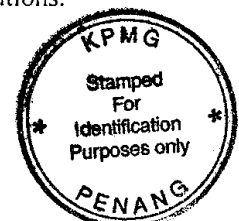
In conjunction with the listing of Ewein on the Second Board of the Securities Exchange, MBMR made a non-renounceable restricted offer for sale of 21,358,477 Ewein Shares representing approximately 20.25% of the issued and paid-up share capital of Ewein to Med-Bumikar, a substantial Bumiputera shareholder of MBMR at the Offer Price.

The MBMR Restricted Offer for Sale to Med-Bumikar was completed on 13 Feb 2008.

Offers

MBMR Restricted Offer for Sale to Public

In conjunction with the listing of Ewein on the Second Board of the Securities Exchange, MBMR is making a non-renounceable restricted offer for sale of 18,117,557 Ewein Shares representing approximately 17.18% of the issued and paid-up share capital of Ewein to the shareholders of MBMR who are Public (save for excluded parties) as at 5.00 p.m. on 6 Mar 2008 at the Offer Price, of which at least 30% will, to the extent possible, be allocated to Bumiputera individuals, companies, societies, co-operatives and institutions.



12. FUTURE FINANCIAL INFORMATION (Cont'd)

BASES AND ASSUMPTIONS (Cont'd)**Offer for Sale**

In conjunction with the listing of Ewein, Hijauwasa is making an offer for sale of 7,000,000 Ewein Shares representing approximately 6.64% of the issued and paid-up share capital of Ewein at the Offer Price in the following manner :

(i) Public

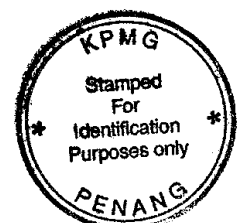
6,000,000 Ewein Shares representing approximately 5.69% of the issued and paid-up share capital of Ewein shall be reserved for application by the Public, of which at least 30% will, to the extent possible, be allocated to Bumiputera individuals, companies, societies, co-operatives and institutions.

(ii) Eligible Directors and employees

1,000,000 Ewein Shares representing approximately 0.95% of the issued and paid-up share capital of Ewein shall be reserved for application by eligible directors and employees of the Ewein Group.

Listing

The Securities Exchange had, on 5 February 2008, approved-in-principle the admission of Ewein to the Official List of the Securities Exchange and the listing of and quotation for the entire issued and paid-up share capital of Ewein of RM52,731,300 comprising 105,462,600 Ewein Shares on the Second Board of the Securities Exchange.



12. FUTURE FINANCIAL INFORMATION *(Cont'd)*

12.3 DIRECTORS' ANALYSIS AND COMMENTARY ON THE CONSOLIDATED PROFIT FORECAST

The consolidated revenue of Ewein for the FYE 31 December 2008 is forecast at RM111.577 million representing an increase of approximately 6.2% as compared to the consolidated revenue of the proforma Group for the FYE 31 December 2007. The consolidated PBT of Ewein is forecast to increase by 13.8% for the FYE 31 December 2008 as compared to the consolidated PBT of the proforma Group for the FYE 31 December 2007.

Our Board believes that the revenue and profitability of our Group for the FYE 31 December 2008 will be driven by the following principal growth factors:

(i) Emphasis on working closely with EMS companies

As elaborated in Section 5.9 of this Prospectus, our Group aims to work closely with the EMS companies to assist them in achieving better efficiency in their value chain. Through this effort, our Group foresees a closer working relationship with our EMS customers and hence will be able to generate more revenue from our existing or potential EMS customers.

(ii) Provision of more complementary services

Our Group also aims to offer more products and services to be supplied as a bundle to our OEM customers such as precision plastic injection moulding services to complement our existing metal fabrication products. Our Board expects the additional products and services to contribute positively to the future revenue and earnings of our Group.

(iii) Positive outlook of the industry

In light of the market growth factors of the electronics industry as elaborated in Section 6 of this Prospectus in the executive summary of the Independent Market Research Report prepared by D&B, our Board is optimistic of the prospects of our Group.

Our Board has reviewed and analysed the reasonableness of the bases and assumptions stated herein after due and careful inquiry in arriving at the consolidated profit forecast for the FYE 31 December 2008. The consolidated profit forecast for the FYE 31 December 2008 has been prepared on bases and accounting principles consistent with those previously adopted in the preparation of the audited financial statements of our Group. Our Board is of the opinion that the consolidated profit forecast is reasonable, fair and achievable in the light of the prospects of the industry in which our Group operates, the future plans, strategies and prospects of our Group and the forecasted level of gearing, liquidity and working capital requirements of our Group.

Notwithstanding the above, certain assumptions, such as interest and exchange rates, may differ significantly from current expectations and this may have a material impact on Ewein's profit forecast. Accordingly, our Group's actual result may differ from the forecast results shown.

12.4 SENSITIVITY ANALYSIS

The following sensitivity analysis is prepared by the management of our Group and is based on the consolidated profit forecast assumptions as set out in Section 12.1 of this Prospectus and assuming all other factors remain unchanged except for the 5% and 10% upward and downward variations in revenue and cost of sales, respectively. Notwithstanding the impact of the variations in sales volume and cost of sales, there may be other factors which have not been taken into account, which variations may have a significant impact, either positively or negatively, on the financial results of our Group.

12. FUTURE FINANCIAL INFORMATION (Cont'd)

12.4.1 Variations in Revenue

	FYE 31 December 2008	
	PAT RM'000	Change in PAT %
Up 10%	11,616	13.5
Up 5%	10,914	6.6
Forecast	10,234	-
Down 5%	9,702	(5.2)
Down 10%	9,307	(9.1)

Based on the above assumptions, the sensitivity analysis shows that our Group will remain profitable over the forecast year despite a 5% and 10% downward variation in revenue for the FYE 31 December 2008.

12.4.2 Variations in Cost of Sales

	FYE 31 December 2008	
	PAT RM'000	Change in PAT %
Up 10%	3,265	(68.1)
Up 5%	6,769	(33.9)
Forecast	10,234	-
Down 5%	13,619	33.1
Down 10%	17,160	67.7

Based on the above assumptions, the sensitivity analysis shows that our Group will remain profitable over the forecast year despite a 5% and 10% upward variation in cost of sales for the FYE 31 December 2008.

12.5 DIVIDEND FORECAST

Based on the forecast consolidated PAT of our Company as set out in Section 12.1 above and on the assumption that the present basis for calculating taxation and taxation rates remain unchanged, our Directors propose to declare net dividend of 5% or 2.5 sen per Ewein Share based on the issued and paid up share capital of 105,462,600 Ewein Shares for the FYE 31 December 2008:

FYE 31 December 2008	RM
Dividend per Share (sen)	
- Gross	3.38
- Net	2.50
Dividend yield ⁽ⁱ⁾ (%)	
- Gross	4.83
- Net	3.57
Net dividend cover ⁽ⁱⁱⁱ⁾ (times)	3.88

Notes:

(i) Calculated based on gross/net dividend per Share divided by the Offer Price.

(ii) Calculated based on the forecast consolidated PAT of our Company for the FYE 31 December 2008 divided by the aggregate net dividend proposed of RM2.637 million.

12. FUTURE FINANCIAL INFORMATION (Cont'd)

It is the policy of our Company to recommend dividends to allow its shareholders to participate in profits while leaving adequate reserves for the future growth of our Group. Dividends will be paid subject to the following:

- (i) assessment by the Directors of Ewein of the financial conditions including but not limited to our Group's cash flow position prevailing at that point in time;
- (ii) future capital requirements in employing internally generated funds; and
- (iii) any other factors that the Board of Directors may consider to be relevant.

Our Directors may, at their discretion, waive any future dividend payments as and when deemed necessary in the best interests of our Group.

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13. ACCOUNTANTS' REPORT



KPMG (Firm No. AF 0758)
Chartered Accountants
1st Floor, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah
10050 Penang, Malaysia.

Telephone +60 (4) 227 2288
Fax +60 (4) 227 1888
Internet www.kpmg.com.my

The Board of Directors
Ewein Group Berhad
51-8-A, Menara BHL Bank,
Jalan Sultan Ahmad Shah
10050 Penang

Date : 12 February 2008

Dear Sirs,

EWEIN BERHAD ("Ewein" or "The Company") ACCOUNTANTS' REPORT

1. INTRODUCTION

This report has been prepared by Messrs KPMG, an approved company auditor, for inclusion in the Prospectus of Ewein dated 10 March 2008 in connection with the restructuring and listing of Ewein on the Second Board of Bursa Malaysia Securities Berhad ("Bursa Securities").

2. GENERAL INFORMATION

2.1 COMPANY'S BACKGROUND

Ewein Berhad ("Ewein") was incorporated in Malaysia on 2 August 2006 under the Companies Act, 1965 as a private limited company under the name of Ewein Sdn Bhd ("ESB"). On 5 April 2007, ESB was converted into a public limited liability company and assumed its present name.

Ewein is incorporated as an investment holding company in conjunction with the listing of Ewein and its subsidiaries (collectively known as "Ewein Group" or "the Group") on the Second Board of Bursa Securities.

Further details on its subsidiaries are set out in paragraph 2.4 below.

2.2 RESTRUCTURING AND LISTING

As an integral part of the listing of and quotation for the entire issued and paid-up capital of Ewein on the Second Board of Bursa Securities, the Company undertook a restructuring and listing scheme which was approved by the relevant authorities and entails the following :

Page 1

13. ACCOUNTANTS' REPORT (Cont'd)

**2.2 RESTRUCTURING AND LISTING****2.2.1 Acquisitions****a) MBM Industries Sdn. Bhd. ("MBMI") Acquisition**

Ewein had acquired the entire issued and paid-up share capital of MBMI comprising of 18,000,000 ordinary shares of RM1.00 each for a total purchase consideration of RM49,482,493 fully satisfied by the issuance of 98,964,986 new ordinary shares of RM0.50 each ("Ewein Shares") at par.

b) Kelpen Resources Sdn. Bhd. ("KRSB") Acquisition

Ewein acquired the remaining 46% of the issued and paid-up share capital of KRSB not already owned by MBMI comprising of 920,000 ordinary shares of RM1.00 each for a total purchase consideration of RM3,248,806 fully satisfied by the issuance of 6,497,612 new Ewein Shares at par.

The Acquisitions were completed on 15 January 2008.

2.2.2 Internal Reorganisation

Ewein had acquired MBMI's entire equity interest in Tekun Asas Sdn. Bhd. ("TASB") and Precision Plastic Industries Sdn. Bhd. ("PPISB") and 54% of the equity interest in KRSB for a cash consideration of RM50,723,659 which was accounted for as an amount owing to MBMI by Ewein. Pursuant to the Acquisitions and the Internal Reorganisation, MBMI, TASB, PPISB, KRSB (and its wholly-owned subsidiary Kelpen Plastics Technology Sdn. Bhd. ("KPTSB")) had become wholly-owned subsidiaries of Ewein.

The Internal Reorganisation was completed on 15 January 2008.

2.2.3 Hijauwasa Sdn Bhd ("Hijauwasa") Restricted Offer for Sale

Subsequent to the Internal Reorganisation, Hijauwasa made a restricted offer for sale of 8,100,000 Ewein Shares representing approximately 7.68% of the issued and paid-up share capital of Ewein at the offer price of RM0.70 per share ("Offer Price") to Med-Bumikar MARA Sdn Bhd ("Med-Bumikar"), one of the substantial Bumiputera shareholders of MBM Resources Berhad ("MBMR").

The Hijauwasa Restricted Offer for Sale was completed on **13 Feb 2008**.

13. ACCOUNTANTS' REPORT (Cont'd)

**2.2 RESTRUCTURING AND LISTING SCHEME (Cont'd)****2.2.4 MBMR Restricted Offer for Sale to Med-Bumikar**

In conjunction with the listing of Ewein on the Second Board of the Bursa Securities, MBMR made a non-renounceable restricted offer for sale of 21,358,477 Ewein Shares representing approximately 20.25% of the issued and paid-up share capital of Ewein to Med-Bumikar, a substantial Bumiputera shareholder of MBMR at the Offer Price.

The MBMR Restricted Offer for Sale to Med-Bumikar was completed on **13 Feb 2008**.

2.2.5 Offers**(i) MBMR Restricted Offer for Sale to Public**

In conjunction with the listing of Ewein on the Second Board of Bursa Securities, MBMR is making a non-renounceable restricted offer for sale of 18,117,557 Ewein Shares representing approximately 17.18% of the issued and paid-up share capital of Ewein to the shareholders of MBMR who are Public (save for excluded parties) as at 5.00 p.m. on **6 Mar 2008** at the Offer Price, of which at least 30% will, to the extent possible, be allocated to Bumiputera individuals, companies, societies, co-operatives and institutions.

(ii) Offer for Sale

In conjunction with the listing of Ewein, Hijauwasa is making an offer for sale of 7,000,000 Ewein Shares representing approximately 6.64% of the issued and paid-up share capital of Ewein at the Offer Price in the following manner :

(a) Public

6,000,000 Ewein Shares representing approximately 5.69% of the issued and paid-up share capital of Ewein shall be reserved for application by the Public, of which at least 30% will, to the extent possible, be allocated to Bumiputera individuals, companies, societies, co-operatives and institutions.

(b) Eligible Directors and employees

1,000,000 Ewein Shares representing approximately 0.95% of the issued and paid-up share capital of Ewein shall be reserved for application by eligible directors and employees of the Ewein Group.

13. ACCOUNTANTS' REPORT (Cont'd)

**2.2 RESTRUCTURING AND LISTING SCHEME (Cont'd)****2.2.6 Listing**

The Securities Exchange had, on 5 February 2008, approved-in-principle the admission of Ewein to the Official List of the Securities Exchange and the listing of and quotation for the entire issued and paid-up share capital of Ewein of RM52,731,300 comprising 105,462,600 Ewein Shares on the Second Board of the Securities Exchange.

The above restructuring and listing scheme were approved by the Securities Commission on 15 November 2007

13. ACCOUNTANTS' REPORT (Cont'd)



3. FINANCIAL STATEMENTS AND AUDITORS

The auditors of Ewein and MBMI for the financial years/period under review in this report are as follows:

Subsidiaries	Financial period	Auditors
Ewein	Financial period/year ended 31 December 2006 and 2007	KPMG
MBMI	Financial years ended 31 December 2005 to 2007	KPMG

For the purpose of this report, the audited financial statements of Ewein since its date of incorporation on 2 August 2006 and for the financial year ended 31 December 2007 are presented.

The audited financial statements of MBMI and the consolidated audited financial statements of MBMI and its subsidiaries, namely TASB, PPISB, KRISB and KPISB ("MBMI Group"), for the financial years/period ended 31 December 2005 to 2007 are presented while the audited financial statements of the other subsidiaries companies are not shown separately as the results of MBMI Group itself form more than 75% of the Ewein Group's proforma profit before taxation for the financial years ended 31 December 2005 to 2007.

The auditors' reports of all the subsidiaries for the financial years/period under review were not subject to any qualification.

4. ACCOUNTING POLICIES AND STANDARDS

This report is prepared in accordance with applicable approved accounting standards in Malaysia and consistent with those accounting principles and bases adopted by the subsidiaries of Ewein for the financial year ending 31 December 2006, a summary of which is set out in Section 6.1 of Reporting Accountants' Letter on Proforma Financial Information.

Commencing 1 January 2008, Ewein adopted all the new and revised Financial Reporting Standards ("FRS") issued by MASB that are relevant to its operations and effective for accounting periods beginning on 1 January 2007. The adoption of these new and revised FRS has no material effect on the financial statements of Ewein.

13. ACCOUNTANTS' REPORT (Cont'd)


5. INCOME STATEMENTS

The income statements of Ewein, MBMI and MBMI Group, based on the audited financial statements for the relevant financial years/period under review, are set out below:

Ewein

	Period from 2.8.2006 (date of incorporation) to 31.12.2006 RM	31.12.2007 RM
Revenue	-	-
Administrative costs	(49,658)	(6,000)
Loss before tax	<u>(49,658)</u>	<u>(6,000)</u>
Tax expense	-	-
Loss for the period	<u>(49,658)</u>	<u>(6,000)</u>
Dividend per ordinary share (sen)	<u>-</u>	<u>-</u>
Weighted average number of shares in issue during the period	2	2
Loss per share (sen)		
- Gross	(24,829)	(3,000)
- Net	(24,829)	(3,000)
Gross profit margin (%)	-	-
Net profit margin (%)	-	-
Debtors' turnover period (months)	*	*
Creditors' turnover period (months)	*	*
Inventory turnover period (months)	*	*

* Not computed as Ewein is an investment holding company

13. ACCOUNTANTS' REPORT (Cont'd)



5. INCOME STATEMENTS (Cont'd)

MBMI (Group)

	Financial year ended 31 December		
	2005 RM	2006 RM	2007 RM
Revenue	69,228,775	101,077,947	104,686,939
Cost of sales	(61,194,665)	(86,256,805)	(87,362,041)
Gross profit	<u>8,034,110</u>	<u>14,821,142</u>	<u>17,324,898</u>
Distribution costs	(935,887)	(1,115,680)	(1,325,398)
Administrative expenses	(3,447,482)	(4,429,296)	(5,429,786)
Other operating expenses	-	(23,089)	(1,004,158)
Other operating income	1,647,456	3,564,349	2,739,991
Operating profit	<u>5,298,197</u>	<u>12,817,426</u>	<u>12,305,547</u>
Finance costs	(38,475)	(247,948)	(264,607)
Share of results of an associate	(1,586)	(55,779)	-
Profit before tax	<u>5,258,136</u>	<u>12,513,699</u>	<u>12,040,940</u>
Tax expense	(63,507)	(1,054,650)	(1,952,211)
Profit after tax	<u>5,194,629</u>	<u>11,459,049</u>	<u>10,088,729</u>
Less: Minority interest	-	(530,743)	(662,205)
Net profit for the year	<u><u>5,194,629</u></u>	<u><u>10,928,306</u></u>	<u><u>9,426,524</u></u>
Dividend per ordinary share (sen)	<u>20</u>	<u>-</u>	<u>-</u>
Weighted average number of shares in issue	18,000,000	18,000,000	18,000,000
Earnings per share (sen)			
- Gross	29.21	69.52	66.89
- Net	28.86	60.71	52.37
Gross profit margin (%)	11.61	14.66	16.55
Net profit margin (%)	7.50	10.81	9.00
Debtors' turnover period (months)	3.02	3.43	2.87
Creditors' turnover period (months)	3.67	3.57	2.74
Inventories' turnover period (months)	1.33	1.28	1.23

13. ACCOUNTANTS' REPORT (Cont'd)



5. INCOME STATEMENTS (Cont'd)

MBMI (Company)

	Financial year ended 31 December		
	2005 RM	2006 RM	2007 RM
Revenue	360,000	300,000	-
Administrative expenses	(5,371)	(16,331)	(7,756)
Other operating expenses	-	(23,089)	-
Other operating income	517,880	-	-
Profit/(Loss) before tax	<u>872,509</u>	<u>260,580</u>	<u>(7,756)</u>
Tax expense	-	-	-
Net profit/(Loss) for the year	<u>872,509</u>	<u>260,580</u>	<u>(7,756)</u>
Dividend per ordinary share (sen)	<u>20</u>	<u>20</u>	<u>-</u>
Weighted average number of shares in issue	18,000,000	18,000,000	18,000,000
Earnings/(Loss) per share (sen)			
- Gross	4.85	1.45	(0.04)
- Net	4.85	1.45	(0.04)
Gross profit margin (%)	*	*	*
Net profit margin (%)	242.36	86.86	-
Debtors' turnover period (months)	*	*	*
Creditors' turnover period (months)	*	*	*
Inventory turnover period (months)	*	*	*

* Not computed as MBMI is an investment holding company

13. ACCOUNTANTS' REPORT (Cont'd)



6. DIVIDENDS

The dividends paid or declared by MBMI for the years under review were as follows:

Financial year ended	Type of dividend	Gross dividend rate (%)	Gross dividend RM	Tax rate (%)	Net dividend RM
2005	Interim	36	360,000	-	360,000
2006	-	-	-	-	-
2007	-	-	-	-	-

7. BALANCE SHEETS

The balance sheets of Ewein, MBMI and MBMI Group, based on the audited financial statements for the relevant financial years/period under review, are set out below:

Ewein

	Note	As at 31 December	
		2006 RM	2007 RM
Asset			
Cash in hand		1	1
Total current asset		<u>1</u>	<u>1</u>
Total asset		<u>1</u>	<u>1</u>
Equity			
Share capital	a	1	1
Loss carried forward		(49,658)	(55,658)
Total equity		<u>(49,657)</u>	<u>(55,657)</u>
Liability			
Other payables and accruals	b	49,658	55,658
Total current liability		<u>49,658</u>	<u>55,658</u>
Liability		<u>49,658</u>	<u>55,658</u>
Total equity and liability		<u>1</u>	<u>1</u>

13. ACCOUNTANTS' REPORT (Cont'd)


7. BALANCE SHEETS (Cont'd)
Ewein (Cont'd)
Notes to balance sheet
a Share capital

	2006	2007
	RM	RM
Authorised :		
Ordinary shares of RM0.50 each		
At date of incorporation	100,000	50,000,000
Addition during the period/year	49,900,000	-
	50,000,000	50,000,000

b Other payables and accruals

	2006	2007
	RM	RM
Other payables	43,658	43,658
Accruals	6,000	12,000
	49,658	55,658