

ENG TEKNOLOGI HOLDINGS BHD.

Company No. 234669 M
(Incorporated in Malaysia)

Interim Financial Statements
30 June 2007

ENG TEKNOLOGI HOLDINGS BHD.
(Incorporated in Malaysia)

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ENG TEKNOLOGI HOLDINGS BHD.
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	3 months period ended		6 months period ended	
		30 June		30 June	
		2007	2006	2007	2006
		RM'000	RM'000	RM'000	RM'000
Revenue		101,603	87,157	209,154	175,078
Cost of sales		(98,938)	(70,068)	(202,048)	(136,778)
Gross profit		2,665	17,089	7,106	38,300
Other income		1,472	1,340	2,708	1,397
Administrative expenses		(5,910)	(6,654)	(12,542)	(13,475)
Selling and marketing expenses		(5,088)	(1,817)	(8,263)	(3,394)
Other expenses		(365)	(1,116)	(1,124)	(1,660)
Net foreign exchange (loss)/gain		(196)	(803)	3,581	(1,346)
Finance costs		(2,457)	(1,233)	(3,403)	(1,735)
Share of loss of associate		(1)	-	(5)	-
(Loss)/profit before tax		(9,880)	6,806	(11,942)	18,087
Income tax expense	20	2,387	(1,270)	5,492	(3,126)
(Loss)/profit for the period		(7,493)	5,536	(6,450)	14,961
Attributable to:					
Equity holders of the Company		(6,196)	4,523	(5,744)	11,891
Minority interests		(1,297)	1,013	(706)	3,070
		(7,493)	5,536	(6,450)	14,961
(Loss)/earnings per share attributable to equity holders of the Company:					
Basic, for (loss)/profit for the period (sen)	28	(5.2)	3.8	(4.8)	10.0
Diluted, for (loss)/profit for the period (sen)	28	(5.2)	3.7	(4.8)	9.8
The cost of sales, administrative expenses and other expenses were arrived at after:-					
(a) depreciation		(9,723)	(7,502)	(19,454)	(14,350)
(b) amortisation		(24)	(29)	(49)	(53)
Included in the finance costs were:					
(a) interest expense		(1,716)	(814)	(3,773)	(1,206)
(b) net foreign exchange (loss)/gain arising from financing activities		(635)	(206)	609	(142)

The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

ENG TEKNOLOGI HOLDINGS BHD.
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEETS

	Note	As At 30 June 2007 RM'000	As At 31 December 2006 (restated) RM'000
ASSETS			
Non-current Assets			
Property, plant and equipment		151,383	159,021
Prepaid land lease payments		4,627	4,675
Intangible assets		28,221	28,579
Interest in an associate		2,617	2,532
Other investments		104	102
Retirement benefits plan asset		125	117
Deferred tax assets		1,780	-
		<u>188,857</u>	<u>195,026</u>
Current Assets			
Inventories		53,841	58,864
Trade receivables		88,289	88,750
Other receivables		15,491	20,964
Cash and bank balances		35,585	44,473
		<u>193,206</u>	<u>213,051</u>
TOTAL ASSETS		<u>382,063</u>	<u>408,077</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital		119,097	119,097
Share premium		963	963
Other reserves		(4,971)	(5,907)
Retained earnings		48,501	61,376
		<u>163,590</u>	<u>175,529</u>
Minority interests		<u>16,198</u>	<u>17,002</u>
Total equity		<u>179,788</u>	<u>192,531</u>
Non-current Liabilities			
Retirement benefits obligation		124	89
Borrowings	24	40,466	31,860
Deferred tax liabilities		532	5,581
		<u>41,122</u>	<u>37,530</u>
Current Liabilities			
Retirement benefits obligation		127	117
Borrowings	24	92,861	89,845
Trade payables		42,015	49,217
Other payables		25,073	37,820
Current tax payable		1,077	1,017
		<u>161,153</u>	<u>178,016</u>
Total liabilities		<u>202,275</u>	<u>215,546</u>
TOTAL EQUITY AND LIABILITIES		<u>382,063</u>	<u>408,077</u>
Net assets per share (RM)		1.51	1.62
Net assets per share attributable to ordinary equity holders of the Company (RM)		1.37	1.47

The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

ENG TEKNOLOGI HOLDINGS BHD.
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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	← Attributable to Equity Holders of the Company →					Minority Interests RM'000	Total Equity RM'000
	Share Capital RM'000	← Non-distributable →		Retained Earnings RM'000	Total RM'000		
		Share Premium RM'000	Other Reserves RM'000				
At 1 January 2007	119,097	963	(5,907)	61,376	175,529	17,002	192,531
Foreign currency translation	-	-	779	-	779	(98)	681
Transfer from ESOS reserve, arising from forfeiture of vested ESOS	-	-	(18)	15	(3)	3	-
Net expense recognised directly in equity	-	-	761	15	776	(95)	681
Loss for the period	-	-	-	(5,744)	(5,744)	(706)	(6,450)
Total recognised income and expense for the period	-	-	761	(5,729)	(4,968)	(801)	(5,769)
Share-based payment under ESOS	-	-	175	-	175	(3)	172
Final tax exempt dividend	-	-	-	(7,146)	(7,146)	-	(7,146)
At 30 June 2007	119,097	963	(4,971)	48,501	163,590	16,198	179,788
At 1 January 2006	118,543	604	(3,571)	59,686	175,262	19,379	194,641
Foreign currency translation	-	-	(2,724)	-	(2,724)	(255)	(2,979)
Profit for the period	-	-	-	11,891	11,891	3,070	14,961
Total recognised income and expense for the period	-	-	(2,724)	11,891	9,167	2,815	11,982
Issue of ordinary shares pursuant to ESOS	472	278	-	-	750	-	750
Share-based payment under ESOS	-	-	431	-	431	32	463
Subsidiaries' interim tax exempt dividend	-	-	-	-	-	(1,706)	(1,706)
Final tax exempt dividend	-	-	-	(11,888)	(11,888)	-	(11,888)
Purchase of additional shares in a subsidiary	-	-	-	-	-	(2,785)	(2,785)
At 30 June 2006	119,015	882	(5,864)	59,689	173,722	17,735	191,457

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

ENG TEKNOLOGI HOLDINGS BHD.
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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	6 months period ended 30 June	
	2007	2006
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before tax	(11,942)	18,087
Adjustments for non-cash items	25,208	17,038
Operating profit before working capital changes	13,266	35,125
Decrease/(increase) in inventories	2,372	(10,211)
Decrease in receivables	3,440	282
Decrease in payables	(11,598)	(1,604)
(Increase)/decrease in long term receivable	(89)	73
Cash generated from operations	7,391	23,665
Tax paid	(3,635)	(2,153)
Interest paid	(1,543)	(1,065)
Net cash generated from operating activities	2,213	20,447
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(17,952)	(28,573)
Interest received	452	361
Proceeds from disposal of property, plant and equipment	190	1,134
Purchase of additional shares in a subsidiary	-	(4,540)
Registration of trademark	(2)	(3)
Net cash used in investing activities	(17,312)	(31,621)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid by the Company	(7,146)	(11,888)
Dividends paid by subsidiaries to minority shareholders	-	(4,132)
Drawdown of term loans	16,125	3,963
Net change in bank borrowings	(1,639)	29,614
Proceeds from issuance of shares for ESOS exercised	-	750
Repayment of lease and hire-purchase payables	(455)	(1,826)
Repayment of term loans	(5,308)	(4,139)
Net cash generated from financing activities	1,577	12,342
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(13,522)	1,168
FOREIGN EXCHANGE TRANSLATION EFFECT	2,542	(1,792)
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	42,184	29,745
CASH AND CASH EQUIVALENTS AS AT 30 JUNE	31,204	29,121

CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the consolidated cash flow statement comprise the following balance sheet amount:

	As At 30 June	
	2007 RM'000	2006 RM'000
Cash and bank balances	35,585	31,874
Bank overdrafts	<u>(4,381)</u>	<u>(2,753)</u>
	<u>31,204</u>	<u>29,121</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

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PART A – DISCLOSURE NOTES AS REQUIRED UNDER FRS 134

1. Basis of Preparation

The interim financial statements have been prepared under the historical cost convention except for the revaluation of certain leasehold properties included in property, plant and equipment.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2006.

Bank of Thailand had issued notices regarding the Rules and Practices on Currency Exchange in December 2006. Consequently, this has resulted in the Thai Baht being traded using different rates in on-shore and off-shore foreign exchange market. For subsidiaries in Thailand, transactions in foreign currencies are recorded and remeasured in the financial statements using Thai Baht on-shore rate. On consolidation, the Group translates the financial statements of subsidiaries in Thailand into Ringgit Malaysia using the published rates in Malaysia.

2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2006 except for the adoption of the following new/revised Financial Reporting Standards (“FRS”) effective for financial period beginning 1 January 2007:

FRS 6	Exploration for and Evaluation of Mineral Resources
FRS 117	Leases
Amendments to FRS 119 ₂₀₀₄	Employees Benefits-Actuarial Gains and Losses, Group Plans and Disclosures
FRS 124	Related Party Disclosures

FRS 6 is not relevant to the Group’s operations and the adoption of Amendment to FRS119₂₀₀₄ and FRS 124 does not have significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of FRS 117 are discussed below:

(a) FRS 117: Leases

The adoption of the revised FRS 117 has resulted in a retrospective change in the accounting policy relating to the classification of leasehold land. The up-front payments made for the leasehold land represents prepaid lease payments and are amortised on a straight-line basis over the lease term. A lease of land and building is apportioned into a lease of land and a lease of building in proportion to the relative fair values of the leasehold interest in the land element and the building element of the lease at the inception of the lease. Prior to 1 January 2007, leasehold land was classified as property, plant and equipment and was stated at cost or valuation less accumulated depreciation and any impairment losses. A leasehold land was last revalued in 1992.

Upon the adoption of the revised FRS 117 at 1 January 2007, the unamortised revalued amounts of leasehold land is retained as the surrogate carrying amount of prepaid lease payments as allowed by the transitional provisions of FRS117. The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively and as disclosed in Note 3, certain comparative amounts as at 31 December 2006 has been restated.

2. Changes in Accounting Policies (cont'd)

At the date of authorization of these financial statements, the following FRS, amendments to FRS and Interpretations were in issue but not yet effective:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 119	Employee Benefits
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 126	Accounting and Reporting by Retirement Benefit Plans
FRS 129	Financial Reporting in Hyperinflationary Economies
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendment to FRS 121	The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach under FRS 129 ₂₀₀₄ Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	Scope of FRS 2

The above FRS, amendments to FRS and Interpretations are expected to have no significant impact on the financial statements of the Group upon their initial application other than:

(a) FRS 112 : Income Taxes

The Group does not recognise deferred tax assets on unused reinvestment allowances as required by paragraph 36 of FRS 112₂₀₀₄ Income Taxes. Under the revised FRS 112 Income Taxes, the Group will have to recognise deferred tax asset on such unused reinvestment allowances to the extent that it is probable that future taxable profit will be available against which the unused reinvestment allowances can be utilised. The directors are unable to determine if the initial adoption of this revised FRS will have a material impact on the financial statements for the year ending 31 December 2008.

3. Comparatives

The following comparative amounts have been restated due to the adoption of new/ revised FRS:

	Previously stated	Reclassification	Restated
	RM'000	FRS 117 (Note 2(a)) RM'000	RM'000
At 31 December 2006			
Property, plant and equipment	163,696	(4,675)	159,021
Prepaid land lease payments	-	4,675	4,675

4. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2006 was not qualified.

5. Segmental Information

Analysis by nature of business and geographical location:

6 months period ended 30 June 2007	← Manufacturing →		Trading	← Others →		Amalgamated RM'000	Elimination/ Adjustment RM'000	Consolidated RM'000
	Malaysia RM'000	Other Asia Pacific Countries RM'000	Other Asia Pacific Countries RM'000	Malaysia RM'000	Other Asia Pacific Countries RM'000			
Revenue								
External sales	39,223	106,924	62,813	-	-	208,960	-	208,960
Inter-segment sales	107,086	1,483	-	346	492	109,407	(109,407)	-
	146,309	108,407	62,813	346	492	318,367	(109,407)	208,960
Unallocated revenue								194
Total revenue								<u>209,154</u>
Results								
Segment results	(5,616)	(6,147)	2,386	200	(18)	(9,195)	-	(9,195)
Unallocated expenses								661
Finance costs								(3,403)
Share of loss of associate								(5)
Loss before tax								<u>(11,942)</u>
Income tax expense								5,492
Loss for the period								<u>(6,450)</u>

5. Segmental Information (Cont'd)

6 months period ended 30 June 2006	← Manufacturing →		Trading	← Others →		Amalgamated RM'000	Elimination/ Adjustment RM'000	Consolidated RM'000
	Malaysia RM'000	Other Asia Pacific Countries RM'000	Other Asia Pacific Countries RM'000	Malaysia RM'000	Other Asia Pacific Countries RM'000			
Revenue								
External sales	29,329	103,208	42,413	-	-	174,950	-	174,950
Inter-segment sales	80,355	-	-	336	482	81,173	(81,173)	-
	109,684	103,208	42,413	336	482	256,123	(81,173)	174,950
Unallocated revenue								128
Total revenue								<u>175,078</u>
Results								
Segment results	13,361	6,259	909	200	(48)	20,681	-	20,681
Unallocated expenses								(859)
Finance costs								<u>(1,735)</u>
Profit before tax								18,087
Income tax expense								<u>(3,126)</u>
Profit for the period								<u>14,961</u>

The directors are of the opinion that all inter-segment transfers have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. Those transfers are eliminated on consolidation.

6. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 30 June 2007 except as disclosed in Note 2.

7. Changes in Estimates

There were no changes in estimates that have had a material effect in the current quarter results.

8. Comments about Seasonal or Cyclical Factors

The Group is subjected to the cyclical effects of the global technology industry and the fluctuations of the metal prices used as raw materials.

9. Dividend Paid

The amount of dividend paid during the financial period ended 30 June 2007 was as follows:

RM'000

In respect of the financial year ended 31 December 2006 as reported in the directors' report of that year:

Final tax exempt dividend of 6%, paid on 28 June 2007 7,146

10. Carrying Amount of Revalued Assets

The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the year ended 31 December 2006.

11. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities except for the following:

(a) Employee Share Options Scheme ("ESOS")

There was no issuance of ordinary shares pursuant to the Company's ESOS during the financial period ended 30 June 2007.

<u>ESOS</u>	<u>Option 1</u>	<u>Option 2</u>	<u>Option 3</u>	<u>Option 4</u>	<u>Option 5</u>	<u>Total</u>
Grant Date	23/10/2001	18/10/2002	23/05/2003	24/02/2004	15/08/2005	
Expiry Date	22/10/2011	22/10/2011	22/10/2011	22/10/2011	22/10/2011	
	('000)	('000)	('000)	('000)	('000)	('000)
As at 1/1/2007	1,660	176	668	587	4,748	7,839
Granted	-	-	-	-	-	-
Exercised	-	-	-	-	-	-
Foregone	-	-	56	8	254	318
As at 30/6/2007	1,660	176	612	579	4,494	7,521
Option price per Ordinary Share (RM)	1.62	1.40	1.48	2.90	1.84	

12. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter.

13. Commitments

The amount of commitments not provided for in the interim financial statements as at 30 June 2007 is as follows:

	As At 30 June 2007 RM'000
Approved and contracted for:	
Operating lease-buildings and equipment	17,848
Property, plant and equipment	1,789
Professional fee	56

14. Changes in Contingent Liabilities and Contingent Assets

The total contingent liabilities as at 30 June 2007 for the Company are corporate guarantees for credit facilities granted to subsidiaries of RM105.1 million (31 December 2006: RM102.0 million).

15. Subsequent Events

There were no material events subsequent to the end of the current quarter.

ENG TEKNOLOGI HOLDINGS BHD.
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**PART B – DISCLOSURE NOTES AS REQUIRED UNDER BURSA MALAYSIA SECURITIES
BERHAD LISTING REQUIREMENTS**

16. Performance Review

The Group's revenue for the reporting quarter was RM101.6 million. The revenue compared to the corresponding quarter increased RM14.4 million. Although revenue was better off, the Group recorded a loss before tax of RM9.9 million whilst achieving a profit before tax of RM6.8 million in the corresponding quarter last year.

For the period ending June 2007, the Group's revenue was RM209.2 million which was an increase of 19% compared to RM175.8 million of the corresponding period last year. For the period ending June 2007, the Group has a year to date loss before tax of RM11.9 million compared to a profit before tax of RM18.1 million for the same period last year.

The significant reason was the impact from the loss of a major customer in China and the cost of transitioning to new customers as well as inventory obsolescence charges.

17. Material Change in Profit Before Tax Against Preceding Quarter

The Group's revenue of RM101.6 million for the reporting quarter was seasonally lower as expected. In the preceding quarter, the Group's revenue was RM107.6 million. The loss before tax has widened to RM9.9 million in this reporting quarter compared to RM2.1 million in the immediate preceding quarter.

The main attributes for lower earnings versus preceding quarter were lower revenue due to seasonal slack in demand and inventory obsolescence charges.

18. Prospects

The overall hard disk drive industry demand is expected to strengthen in the second half year. The Group expects to return to profitability for the period.

19. Profit Forecast or Profit Guarantee

Not applicable.

20. Income Tax Expense

	3 months period ended 30 June		6 months period ended 30 June	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	112	447	257	801
Foreign tax	257	611	715	1,658
	<u>369</u>	<u>1,058</u>	<u>972</u>	<u>2,459</u>
Underprovision of foreign tax in prior year	-	6	-	6
	<u>369</u>	<u>1,064</u>	<u>972</u>	<u>2,465</u>
Deferred tax	(2,756)	206	(5,425)	661
Overprovision of deferred tax in prior year	-	-	(1,039)	-
	<u>(2,756)</u>	<u>206</u>	<u>(6,464)</u>	<u>661</u>
Total income tax expense	<u>(2,387)</u>	<u>1,270</u>	<u>(5,492)</u>	<u>3,126</u>

The effective tax rate was lower than the statutory tax rate principally due to certain income not subject to tax and incentives enjoyed by the local subsidiaries under the Income Tax Act, 1967 and by foreign subsidiaries under their respective tax legislations.

21. Sales of Unquoted Investments and Properties

There were no sales of unquoted investments and properties during the financial period ended 30 June 2007.

22. Quoted Securities

There were no purchase or sales of quoted securities during the financial period ended 30 June 2007 and no investment in quoted securities as at 30 June 2007.

23. Corporate Proposals

There were no corporate proposals announced but not completed.

24. Borrowings

Details of the Group's borrowings as at 30 June 2007 are as follows:

	As At 30 June 2007 RM'000	As At 31 December 2006 RM'000
Short term		
Secured	19,313	19,005
Unsecured	73,548	70,840
	<u>92,861</u>	<u>89,845</u>
Long term		
Secured	38,359	28,626
Unsecured	2,107	3,234
	<u>40,466</u>	<u>31,860</u>
	<u>133,327</u>	<u>121,705</u>

24. Borrowings (Cont'd)

Borrowings denominated in foreign currency:

	As At 30 June 2007		As At 31 December 2006	
	Foreign currency '000	RM'000 equivalent	Foreign currency '000	RM'000 equivalent
Short term				
Secured	USD 4,069	14,045	USD 3,145	11,103
Secured	-	-	SGD 13	29
Secured	THB 440	48	THB 427	43
Unsecured	USD 3,213	11,047	USD 5,474	19,283
Unsecured	HKD 3,914	1,728	-	-
Unsecured	SGD 84	289	SGD 106	243
Long term				
Secured	USD 10,099	34,862	USD 6,723	23,732
Secured	THB 605	66	THB 823	82

25. Off Balance Sheet Financial Instruments

Notional amount as at
2 August 2007
RM'000

Forward foreign exchange contracts:

 Within 1 year 81,153

Credit risk, or the risk of counterparties defaulting, is controlled by strictly limiting the Group's association to creditworthy financial institutions in Malaysia.

Market risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. Exposure to market risk may be reduced through offsetting on and off balance sheet positions.

There are no significant credit and market risks posed by the above off balance sheet financial instruments. The related accounting policies for the off balance sheet financial instruments are as disclosed in the financial statements for the year ended 31 December 2006.

26. Changes in Material Litigation

There was no pending material litigation at the close of the report.

27. Dividend

The directors do not recommend any interim dividend for the financial period ended 30 June 2007.

28. (Loss)/Earnings Per Share

(a) Basic

Basic (loss)/earnings per share amounts are calculated by dividing (loss)/profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	3 months period ended 30 June		6 months period ended 30 June	
	2007	2006	2007	2006
(Loss)/profit attributable to ordinary equity holders of the Company (RM'000)	(6,196)	4,523	(5,744)	11,891
Weighted average number of ordinary shares in issue ('000)	119,097	118,718	119,097	118,718
Basic (loss)/earnings per share (sen)	(5.2)	3.8	(4.8)	10.0

(b) Diluted

For the purpose of calculating diluted (loss)/earnings per share, the (loss)/profit for the period attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the period have been adjusted for the dilutive effects of share options granted to employees.

	3 months period ended 30 June		6 months period ended 30 June	
	2007	2006	2007	2006
(Loss)/profit attributable to ordinary equity holders of the Company (RM'000)	(6,196)	4,523	(5,744)	11,891
Weighted average number of ordinary shares in issue ('000)	119,097	118,718	119,097	118,718
Effects of dilution:				
Share options	534	2,129	534	2,129
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	119,631	120,847	119,631	120,847
Diluted (loss)/earnings per share (sen)	(5.2)	3.7	(4.8)	9.8

29. Authorisation for Issue

On 9 August 2007, the Board of Directors authorised the issue of these interim financial statements.

By Order of the Board
Eng Teknologi Holdings Bhd (234669 M)

THUM SOOK FUN (MAICSA 7025619)
Secretary
9 August 2007