

ENG TEKNOLOGI HOLDINGS BHD.

Company No. 234669 M
(Incorporated in Malaysia)

Interim Financial Statements
30 September 2008

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		9 months period ended	
		30 September		30 September	
		2008	2007	2008	2007
		RM'000	RM'000	RM'000	RM'000
Revenue		145,227	141,034	432,658	350,188
Cost of sales		(118,715)	(119,846)	(349,378)	(321,894)
Gross profit		26,512	21,188	83,280	28,294
Other income		2,106	1,652	5,798	4,360
Administrative expenses		(7,671)	(5,980)	(21,855)	(18,522)
Selling and marketing expenses		(3,148)	(4,404)	(10,145)	(12,667)
Other expenses		2,005	(1,457)	(5,036)	1,000
Operating profit		19,804	10,999	52,042	2,465
Finance costs		(4,723)	(1,289)	(6,936)	(4,692)
Share of loss of associate		2	1	-	(4)
Profit/(Loss) before tax		15,083	9,711	45,106	(2,231)
Income tax expense	20	(4,259)	(335)	(11,767)	5,157
Profit for the period		10,824	9,376	33,339	2,926
Attributable to:					
Equity holders of the Company		9,292	7,825	28,313	2,081
Minority interests		1,532	1,551	5,026	845
		10,824	9,376	33,339	2,926

Earnings per share attributable to equity holders of the Company:

Basic, for profit for the period (sen)	28	7.8	6.5	23.8	1.7
Diluted, for profit for the period (sen)	28	7.8	6.5	23.7	1.7

The cost of sales, administrative expenses and other expenses were arrived at after:-

(a) depreciation	(11,211)	(9,670)	(32,052)	(29,124)
(b) amortisation	(24)	(25)	(74)	(74)

Included in the other expenses was:

(a) net foreign exchange gain/(loss)	3,132	(1,299)	(2,175)	2,282
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Included in the finance costs were:

(a) interest expense	(1,400)	(1,771)	(4,148)	(5,544)
(b) net foreign exchange (loss)/gain arising from financing activities	(3,141)	650	(2,174)	1,259

The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

ENG TEKNOLOGI HOLDINGS BHD.
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CONDENSED CONSOLIDATED BALANCE SHEETS

	Note	As At 30 September 2008 RM'000	As At 31 December 2007 (restated) RM'000
ASSETS			
Non-current Assets			
Property, plant and equipment		160,626	146,380
Prepaid land lease payments		4,507	4,580
Intangible assets		28,217	28,151
Interest in an associate		2,609	2,809
Other investments		64	67
Retirement benefits plan assets		183	175
Deferred tax assets		4,138	10,915
		<u>200,344</u>	<u>193,077</u>
Current Assets			
Inventories		65,265	51,261
Trade receivables		132,721	129,682
Other receivables		15,107	13,052
Tax recoverables		6,112	7,217
Cash and bank balances		36,127	45,270
		<u>255,332</u>	<u>246,482</u>
TOTAL ASSETS		<u>455,676</u>	<u>439,559</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital		119,187	119,097
Share premium		1,003	963
Treasury shares		(25)	-
Other reserves		(5,982)	(3,080)
Retained earnings		90,057	76,043
		<u>204,240</u>	<u>193,023</u>
Minority interests		<u>25,146</u>	<u>20,307</u>
Total equity		<u>229,386</u>	<u>213,330</u>
Non-current Liabilities			
Retirement benefits obligations		218	162
Borrowings	24	20,702	30,662
Deferred tax liabilities		534	228
		<u>21,454</u>	<u>31,052</u>
Current Liabilities			
Retirement benefits obligations		118	135
Borrowings	24	92,719	84,064
Trade payables		51,932	65,517
Other payables		56,327	43,891
Current tax payable		3,740	1,570
		<u>204,836</u>	<u>195,177</u>
Total liabilities		<u>226,290</u>	<u>226,229</u>
TOTAL EQUITY AND LIABILITIES		<u>455,676</u>	<u>439,559</u>
Net assets per share (RM)		1.92	1.79
Net assets per share attributable to ordinary equity holders of the Company (RM)		1.71	1.62

The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	← Attributable to Equity Holders of the Company →					Minority Interests	Total Equity	
	Share Capital RM'000	Share Premium RM'000	← Non-distributable →		Distributable Retained Earnings RM'000			Total RM'000
			Treasury Shares RM'000	Other Reserves RM'000				
At 1 January 2008								
As previously stated	119,097	963	-	(3,080)	69,071	186,051	18,134	204,185
Prior year adjustment - effect of adopting revised FRS 112	-	-	-	-	6,972	6,972	2,173	9,145
At 1 January 2008 (restated)	119,097	963	-	(3,080)	76,043	193,023	20,307	213,330
Foreign currency translation, representing net expense recognised directly in equity	-	-	-	(3,362)	-	(3,362)	(204)	(3,566)
Profit for the period	-	-	-	-	28,313	28,313	5,026	33,339
Total recognised income and expense for the period	-	-	-	(3,362)	28,313	24,951	4,822	29,773
Issue of ordinary shares pursuant to ESOS	90	15	-	-	-	105	-	105
Forfeiture of vested ESOS	-	-	-	(4)	3	(1)	1	-
Purchase of treasury shares	-	-	(25)	-	-	(25)	-	(25)
Share options granted under ESOS	-	-	-	489	-	489	16	505
Transfer to Share Premium, arising from exercise of ESOS	-	25	-	(25)	-	-	-	-
Tax exempt dividends	-	-	-	-	(14,302)	(14,302)	-	(14,302)
At 30 September 2008	119,187	1,003	(25)	(5,982)	90,057	204,240	25,146	229,386

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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	Share Premium RM'000	← Non distributable →		Distributable Retained Earnings RM'000	Total RM'000		
			Treasury Shares RM'000	Other Reserves RM'000				
At 1 January 2007								
As previously stated	119,097	963	-	(5,907)	61,376	175,529	17,002	192,531
Prior year adjustment - effect of adopting revised FRS 112	-	-	-	-	6,994	6,994	2,329	9,323
At 1 January 2007 (restated)	119,097	963	-	(5,907)	68,370	182,523	19,331	201,854
Foreign currency translation, representing net expense recognised directly in equity	-	-	-	220	-	220	(271)	(51)
Profit for the period	-	-	-	-	2,081	2,081	845	2,926
Total recognised income and expense for the period	-	-	-	220	2,081	2,301	574	2,875
Forfeiture of vested ESOS	-	-	-	(18)	15	(3)	3	-
Share options granted under ESOS	-	-	-	246	-	246	(2)	244
Final tax exempt dividend	-	-	-	-	(7,146)	(7,146)	-	(7,146)
At 30 September 2007	119,097	963	-	(5,459)	63,320	177,921	19,906	197,827

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	9 months period ended 30 September	
	2008 RM'000	2007 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	45,106	(2,231)
Adjustments for non-cash items	41,608	37,480
Operating profit before working capital changes	86,714	35,249
(Increase)/decrease in inventories	(14,828)	8,254
Increase in receivables	(2,463)	(37,441)
(Decrease)/increase in payables	(13,867)	4,983
Decrease/(increase) in long term receivable	193	(127)
Cash generated from operations	55,749	10,918
Tax paid	(1,955)	(2,077)
Tax refunded	533	-
Interest paid	(4,087)	(5,652)
Retirement benefits paid	(109)	-
Net cash generated from operating activities	50,131	3,189
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(40,770)	(20,934)
Dividend received	1	-
Interest received	396	591
Proceeds from disposal of property, plant and equipment	899	316
Registration of trademark	-	(2)
Net cash used in investing activities	(39,474)	(20,029)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid by the Company	(10,727)	(7,146)
Dividend paid by subsidiary to minority shareholder	(900)	-
Drawdown of hire-purchase payables	3,518	-
Drawdown of term loans	7,070	20,915
Net change in bank borrowings	6,388	(49)
Proceeds from issuance of shares for ESOS exercised	105	-
Purchase of treasury shares	(25)	-
Repayment of lease and hire-purchase payables	(1,048)	(670)
Repayment of term loans	(17,499)	(12,755)
Net cash (used in)/generated from financing activities	(13,118)	295
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,461)	(16,545)
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	(4,225)	(262)
CASH AND CASH EQUIVALENTS AS AT		
1 JANUARY	39,197	42,184
CASH AND CASH EQUIVALENTS AS AT		
30 SEPTEMBER	32,511	25,377

CASH AND CASH EQUIVALENTS

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

	As At 30 September	
	2008 RM'000	2007 RM'000
Cash and bank balances	36,127	30,252
Bank overdrafts	<u>(3,616)</u>	<u>(4,875)</u>
	<u>32,511</u>	<u>25,377</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2007 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 a property 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 2007. 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 2007.

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. However, Bank of Thailand had lifted this capital control measure effective 3 March 2008.

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 2007 except for the adoption of the following new and revised Financial Reporting Standards (“FRS”), amendment to FRS and Interpretations effective for financial period beginning on or after 1 July 2007:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
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 FRS129 Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	Scope of FRS 2

At the date of authorisation of these financial statements, FRS 139: Financial Instruments : Recognition and Measurement was in issue but not yet effective. The Group has not adopted FRS139 as it is only effective from 1 January 2010.

2. Changes in Accounting Policies (cont'd)

The other new and revised FRS, amendment to FRS and Interpretations do not have significant financial impact on the financial statements of the Group, except for FRS 112. The principal effects of the changes in accounting policies resulting from the adoption of FRS 112 are discussed below:

(a) FRS 112: Income Taxes

Prior to 1 January 2008, 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 had recognised 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 application is retrospective and accordingly, certain comparatives have been restated as disclosed in Note 3. The financial impact to the Group arising from this change in accounting policy is as follows:

	3 months ended		9 months ended	
	30 September 2008 RM'000	30 September 2007 RM'000	30 September 2008 RM'000	30 September 2007 RM'000
Decrease in profit for the period	1,260	-	3,463	-

3. Comparatives

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

	Previously stated RM'000	Increase/(Decrease)	Restated RM'000
		FRS 112 (Note 2(a)) RM'000	
At 31 December 2007:			
Deferred tax assets	2,499	8,416	10,915
Retained earnings	69,071	6,972	76,043
Minority interests	18,134	2,173	20,307
Deferred tax liabilities	957	(729)	228

4. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2007 was not qualified.

5. Segmental Information

Analysis by business segments:

9 months period ended 30 September 2008	Manufacturing RM'000	Trading RM'000	Others RM'000	Amalgamated RM'000	Elimination/ Adjustment RM'000	Consolidated RM'000
Revenue						
External sales	375,198	57,389	-	432,587	-	432,587
Inter-segment sales	54,196	-	1,289	55,485	(55,485)	-
	429,394	57,389	1,289	488,072	(55,485)	432,587
Unallocated revenue						71
Total revenue						<u>432,658</u>
Results						
Segment results	50,489	(553)	264	50,200	-	50,200
Unallocated expenses						1,842
Finance costs						(6,936)
Share of loss of associate						-
Profit before tax						<u>45,106</u>
Income tax expense						<u>(11,767)</u>
Profit for the period						<u>33,339</u>

5. Segmental Information (Cont'd)

9 months period ended 30 September 2007	Manufacturing RM'000	Trading RM'000	Others RM'000	Amalgamated RM'000	Elimination/ Adjustment RM'000	Consolidated RM'000
Revenue						
External sales	249,343	100,614	-	349,957	-	349,957
Inter-segment sales	96,605	-	1,266	97,871	(97,871)	-
	345,948	100,614	1,266	447,828	(97,871)	349,957
Unallocated revenue						231
Total revenue						350,188
Results						
Segment results	(1,973)	3,377	328	1,732	-	1,732
Unallocated expenses						733
Finance costs						(4,692)
Share of loss of associate						(4)
Loss before tax						(2,231)
Income tax expense						5,157
Profit for the period						2,926

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These 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 September 2008 except as disclosed in Note 2.

7. Changes in Estimates

There were no changes in estimates that have had a material effect on 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 September 2008 was as follows:

RM'000

In respect of the financial year ended 31 December 2007 as reported in the directors' report of that year:

Final tax exempt dividend of 9%, paid on 26 June 2008 10,727

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 2007.

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")

During the financial period ended 30 September 2008, the Company issued 90,000 fully paid-up ordinary shares of RM1 each for cash pursuant to the Company's ESOS.

<u>ESOS</u>	<u>Option 1</u>	<u>Option 2</u>	<u>Option 3</u>	<u>Option 4</u>	<u>Option 5</u>	<u>Option 6</u>	<u>Total</u>
Grant Date	23/10/2001	18/10/2002	23/05/2003	24/02/2004	15/08/2005	18/02/2008	
Expiry Date	22/10/2011	22/10/2011	22/10/2011	22/10/2011	22/10/2011	22/10/2011	
	('000)	('000)	('000)	('000)	('000)	('000)	('000)
As at 1/1/2008	1,660	176	599	578	4,425	-	7,438
Granted	-	-	-	-	-	2,420	2,420
Exercised	-	-	10	-	-	80	90
Foregone	-	-	3	-	-	-	3
As at 30/9/2008	1,660	176	586	578	4,425	2,340	9,765
Option price per Ordinary Share (RM)	1.62	1.40	1.48	2.90	1.84	1.13	

11. Debt and Equity Securities (cont'd)

(b) Shares held as Treasury Shares

During the financial period ended 30 September 2008, the Company had repurchased a total of 18,000 ordinary shares of RM1 each of its issued share capital from the open market for a total consideration of RM24,529 at an average cost of RM1.36 per share. The repurchased transactions were financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirements of Section 67A (as amended) of the Companies Act, 1965.

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 September 2008 is as follows:

	As At 30 September 2008 RM'000
Approved and contracted for:	
Property, plant and equipment	8,325
Future minimum rental payments for non-cancellable operating lease agreements	12,909

14. Changes in Contingent Liabilities and Contingent Assets

The total contingent liabilities as at 30 September 2008 for the Company are corporate guarantees for credit facilities granted to subsidiaries of RM105.1 million (31 December 2007: RM99.5 million).

15. Subsequent Events

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

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**PART B – DISCLOSURE NOTES AS REQUIRED UNDER BURSA MALAYSIA SECURITIES
BERHAD LISTING REQUIREMENTS**

16. Performance Review

The Group revenue for the reporting quarter was RM145.2 million. In comparison to the corresponding quarter last year, the Group revenue improved marginally by 3%. Profit before tax for the reporting quarter was RM15.1 million. This was a significant improvement over the corresponding quarter last year of RM9.7 million which represents an improvement of 56%.

The Group revenue for nine months period was RM432.7 million. Compared to RM350.2 million in the corresponding period in the last year, it was a 24% increase. Profit before tax for nine months period was RM45.1 million which was a significant improvement compared to a loss before tax of RM2.2 million for the corresponding period last year.

The profitability improvements for the reporting quarter and nine months period was mainly due to higher revenue, resulting efficiencies and return to profitability of China operations.

17. Material Change in Profit Before Tax Against Preceding Quarter

Revenue for the reporting quarter at RM145.2 million was an increase of 13% compared to the immediate preceding quarter. Profit for the reporting quarter at RM15.1 million was 24% better off than that of the immediate preceding quarter. The better performance compared to the preceding quarter was mainly due to higher revenue achieved. This was backed by the improved demand in the hard disk drive industry following a seasonally low preceding quarter.

18. Prospects

The hard disk drive industry has continued to grow in demand by 15% compared to immediate preceding quarter. Hence, the outlook for the Group should still be positive and should expect a good full year performance for financial year 2008 despite the ongoing global financial crisis.

19. Profit Forecast or Profit Guarantee

Not applicable.

20. Income Tax Expense

	3 months period ended 30 September		9 months period ended 30 September	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Current tax:				
Malaysian income tax	1,149	126	3,632	383
Foreign income tax	193	300	1,092	1,015
	<u>1,342</u>	<u>426</u>	<u>4,724</u>	<u>1,398</u>
Overprovision in prior year:				
Malaysian income tax	(72)	(35)	(34)	(35)
Foreign income tax	(22)	-	(22)	-
	<u>(94)</u>	<u>(35)</u>	<u>(56)</u>	<u>(35)</u>
	<u>1,248</u>	<u>391</u>	<u>4,668</u>	<u>1,363</u>
Deferred tax	2,364	(159)	6,094	(5,584)
Under/(Over)provision of deferred tax in prior year	647	103	1,005	(936)
	<u>3,011</u>	<u>(56)</u>	<u>7,099</u>	<u>(6,520)</u>
Total income tax expense	<u>4,259</u>	<u>335</u>	<u>11,767</u>	<u>(5,157)</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 26% (2007: 27%) of the estimated assessable profit for the year. The domestic statutory tax rate will be reduced to 25% in subsequent years of assessment. The computation of deferred tax as at 30 September 2008 has reflected these changes.

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 September 2008.

22. Quoted Securities

There were no purchase or sales of quoted securities during the financial period ended 30 September 2008 and no investment in quoted securities as at 30 September 2008.

23. Corporate Proposals

There have been no further developments to corporate proposals other than that already announced to Bursa Malaysia.

24. Borrowings

Details of the Group's borrowings as at 30 September 2008 are as follows:

	As At 30 September 2008 RM'000	As At 31 December 2007 RM'000
Short term		
Secured	26,081	22,997
Unsecured	66,638	61,067
	<u>92,719</u>	<u>84,064</u>
Long term		
Secured	20,702	29,713
Unsecured	-	949
	<u>20,702</u>	<u>30,662</u>
	<u>113,421</u>	<u>114,726</u>

Borrowings denominated in foreign currency:

	As At 30 September 2008		As At 31 December 2007	
	Foreign currency '000	RM'000 equivalent	Foreign currency '000	RM'000 equivalent
Short term				
Secured	USD 5,941	20,517	USD 5,116	16,933
Secured	THB 472	48	THB 452	50
Unsecured	USD 5,395	18,632	USD 2,338	7,739
Unsecured	HKD 13,334	5,930	HKD 16,184	6,865
Unsecured	THB 30,027	3,027	-	-
Long term				
Secured	USD 5,280	18,234	USD 8,170	27,042
Secured	THB 19	2	THB 375	41

25. Off Balance Sheet Financial Instruments

Notional amount as at
5 November 2008
RM'000

Forward foreign exchange contracts:	
Within 1 year	123,121

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 2007.

26. Changes in Material Litigation

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

27. Dividend

- (a) An interim tax exempt dividend of 3% (3 sen per share) in respect of the financial year ending 31 December 2008 (2007: Nil) was declared by the directors on 14 August 2008 and paid on 23 October 2008.
- (b) The total dividend per share to date for the current financial year is 3 sen tax exempt.

28. Earnings Per Share

(a) Basic

Basic earnings per share amounts are calculated by dividing 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 September		9 months period ended 30 September	
	2008	2007	2008	2007
Profit attributable to ordinary equity holders of the Company (RM'000)	9,292	7,825	28,313	2,081
Weighted average number of ordinary shares in issue ('000)	119,146	119,097	119,146	119,097
Basic earnings per share (sen)	7.8	6.5	23.8	1.7

(b) Diluted

For the purpose of calculating diluted earnings per share, the 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 September		9 months period ended 30 September	
	2008	2007	2008	2007
Profit attributable to ordinary equity holders of the Company (RM'000)	9,292	7,825	28,313	2,081
Weighted average number of ordinary shares in issue ('000)	119,146	119,097	119,146	119,097
Effects of dilution:				
Share options	396	215	396	215
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	119,542	119,312	119,542	119,312
Diluted earnings per share (sen)	7.8	6.5	23.7	1.7

29. Authorisation for Issue

On 12 November 2008, 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
 12 November 2008