

4. INFORMATION ON THE ORNAPAPER GROUP (Cont'd)

(xi) Achievements/Awards of Ornapaper

Ornapaper Group's business can be traced back for more than 10 years. Its concerted efforts in satisfying its clients' needs and demands are well established in the industry. The Group's strength lies in its ability to customize high quality carton packaging within a short period of time at competitive rates.

As a testimony to its successful track record, the Group has received several awards and some of which are set out as below:-

Year	Company	Award/Certificate
2000	OISB(M)	<i>Malacca Industry Award 2000</i> - Winner for category paper, stationery and packaging
2000	OISB(M)	<i>Cyrel – Asia Pacific</i> - Winner for excellence in flexography corrugated white liner process 4 color +
2001	OISB(M)	<i>Malaysiastar Awards</i> - Winner for packaging of "soap box"
2002	OISB(M)	<i>Enterprise 50 Award</i>
2002	OISB(M)	National Award of Overseas Taiwanese Enterprises

(xii) Risk Management and Level of Trade Debtors

The Group has adopted a relatively effective risk management strategy. This is evident in their relatively low level of bad debts. This is largely attributed to its policy of supplying to reputable customers.

Ornapaper Group has always adopted a pro-active strategy to ensure that the level of bad debts remains acceptable. The Ornapaper Group's debtors turnover days were on the improving trend falling from 150 days in financial year 1998 to 86 days in financial year 2001. The provision for doubtful trade debts and bad debts written off were relatively insignificant in the last three (3) financial years as tabulated below:-

	←---Financial Years Ended 31 December ---→				
	1997	1998	1999	2000	2001
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	64,781	74,426	95,494	142,011	114,293
Provision for Doubtful Debts	1,800	499	142	1,014	827
Bad Debt written off	88	18	16	3	0
% Bad Debt to Turnover	0.1	0.0	0.0	0.0	0
Trade Debtors Turnover Period (days)	145	150	150	92	86

4. INFORMATION ON THE ORNAPAPER GROUP (Cont'd)Trade Debtors

A summary of the trade debtors ageing analysis for eight (8) month period ended 31 August 2002 is set out in the table below:-

Group Trade Receivables Analysis as at 31 August 2002						
	0 - 30 days	31- 60 days	61- 90 days	91- 120 days	Exceeding credit period	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group Trade Receivables	9,484	7,259	7,075	5,660	1,262	30,740
	30.9%	23.6%	23.0%	18.4%	4.1%	100.0%

Based on its management records as at 31 August 2002, total debts exceeding the credit period amounted to RM1,261,776 and the recoverability of the receivables exceeding credit limits are considered by management of Ornapaper to be high as the Company practices prudent credit management to ensure minimal default risk. In the eight (8) month period ended 31 August 2002, the total provision for doubtful debts for the Group stood at RM90,575. The Directors are of the opinion that the aforementioned provision is adequate.

(xiii) Competitive Strengths(a) *Capability to meet customer's demand*

With its design and production capabilities, the Ornapaper Group believes it is able to provide custom designed high quality products to meet its customer's demand for speed, cost-effectiveness and flexibility with its computer-aided design system, fast speed production line and well-trained workers. According to the management, the Ornapaper Group prides itself to have achieved the delivery time of one (1) day compared to the industry norm of three (3) days with product wastage at a low 6% as at 31 August 2002.

In addition, the Ornapaper Group's ability to print colour prints directly onto corrugated board gives Ornapaper a strong competitive edge. Such capability is desired by MNCs due to the importance of point-of-sales advertising as part their overall marketing and promotional strategies.

(b) *Wide customer base and cordial relationship with its customers*

The Group has developed a wide customer base through its long operating history and established a good working relationship with its customers over the years. For the last two (2) financial years, about 95% of the Group sales were attributable to recurring business from customers.

The Group's wide customer base is also augmented by its strategic alliance partners in Johor, Selangor and Perak. The Group also holds a 15% investment stake in Ornapaper Industry (Penang) Sdn Bhd ("OIPB"). The Group's collaboration in these strategic alliance partners and its investee company, OIPB together with its presence in Melaka and Batu Pahat helps to ensure that its products are distributed widely throughout West Malaysia. The tie-up with these strategic alliance partners allows Ornapaper to enhance its ability to sustain and expand its market share within the industry.

4. INFORMATION ON THE ORNAPAPER GROUP (Cont'd)

(c) *Experienced Management*

The Group has an experienced management team. Some part of the management has served the Group for more than ten (10) years and is the principal driving force behind the success of the Group. The management team has an average of five (5) years of experience. Each manager is proficient in his respective area of responsibility, such as management, planning, manufacturing and marketing. Besides Datuk Ting Chung Cheng, the management team has in-depth knowledge of the packaging industry as tabulated below:-

	Designation	Years of working experience in Packaging Industry	Packaging Companies previously attached
Datuk Ting Chung Cheng	Managing Director	>20	<ul style="list-style-type: none"> • Chung Cheng Carton Co. Ltd
See Wan Seng	Executive Director	>13	<ul style="list-style-type: none"> • Carton Box Industrial (M) Sdn Bhd
Paul Leong Liang Lee Ming @ Leong Lee Ming	Plant Manager, OISB(M)	>15	<ul style="list-style-type: none"> • Federal Paper Products Sdn Bhd
Chen Chung Sin, Jack	Assistant General Manager, OISB(M)	>12	<ul style="list-style-type: none"> • Indah Kiat Pulp & Paper, Indonesia, a member of Asia Pulp & Paper Group
Ong Jeck Choon	Planning, Raw Material and Purchasing Manager, OSIB(M)	>5	<ul style="list-style-type: none"> • Kotak Malaysia (KOM) Sdn Bhd
Foo Chee Jun	Director, OISB(BP)	>10	<ul style="list-style-type: none"> • Paper Packaging Industries Sdn Bhd, a subsidiary of KYM Holdings Berhad and • Prestige Packages Sdn Bhd
Lin Chin Yin	Production Manager, OISB(M)	>10	<ul style="list-style-type: none"> • Chung Cheng Carton Co. Ltd

(d) *Quality products and services*

The Group has always strived to provide high product quality and services to its customers. Towards this end, the Group has imposed stringent quality control measures, invested in equipment, production management and technical know-how. Its commitment to quality product and excellent service has been recognised by the MS ISO 9001 certification received by the Group in 1996.

In addition to providing quality products, the Group also strives to provide its customers with quality service. The Group has consistently emphasized the importance of being flexible in responding to and accommodating the needs of its customers to ensure the customers' needs are met even if subsequent alternations are made by its customers which may not be within the agreed scope of the job.

4. INFORMATION ON THE ORNAPAPER GROUP (Cont'd)

(e) *Strategic geographical locations*

As mentioned in Section (viii) earlier, the Group has established additional presence in Penang (through its 15% interest in Ornapaper Industry (Penang) Sdn Bhd) and in Johor, Selangor and Perak (through its strategic alliances).

With its wide distribution coverage throughout the length of the West Coast Peninsular Malaysia, the Group will be able to enjoy wider market penetration by not just serving the local manufacturers and exporters but manufacturers and exporters in various parts of the States in Peninsular Malaysia where its strategic partners are located.

(f) *Integrated Computerised Systems*

The Group's management information systems are widely applied throughout the organization. It has todate invested over RM1,400,000 in computer software and hardware peripherals. The Group's daily operations are currently managed under a integrated computerised system which oversees three separate sub-systems:-

- (i) Sales and Financial Management System which handles sales orders and the processing of sales orders;
- (ii) Production Management System which handles the scheduling of the production run; and
- (iii) Distribution Management System which manages delivery schedules and the tracking of transportation.

The above system is also linked with its strategic partners and Ornapaper Industry (Penang) Sdn Bhd throughout Malaysia through specifically commissioned LAN software. This information technology (IT) system increases its production efficiency productivity and speed of the Group in delivering its orders. The IT systems also brings specific benefits to the Group:-

- (i) Allows sales orders to be placed on-line by its related companies and price approvals are obtained on a real-time basis;
- (ii) Allows product design and development to be done using computers;
- (iii) Facilitates the scheduling of different production batches to minimize downtime and wastage; and
- (iv) Allows monitoring of stocks and credit control specifications, enabling management to make timely decisions effectively.

[The rest of this page is intentionally left blank]

4. INFORMATION ON THE ORNAPAPER GROUP (Cont'd)**4.5 Subsidiary Companies****OISB(M) (201386-K)****(i) History and Business Overview**

OISB(M) was incorporated on 24 July 1990 Malaysia as a private limited company under the Act.

OISB(M)'s principal activities are in the manufacturing and sale of carton boards and carton boxes. As at 30 November 2002, OISB(M) has 331 employees.

(ii) Share Capital

The present authorised share capital of OISB(M) is RM50,000,000 comprising 50,000,000 Shares of which RM22,727,000 comprising 22,727,000 Shares have been issued and fully paid-up.

The changes in the issued and paid-up share capital of OISB(M) since its incorporation are as follows:-

Date of allotment/ issuance	No. of ordinary shares allotted	Par Value (RM)	Consideration	Total issued and paid-up share capital (RM)
24.07.1990	5	1.00	Cash	5
20.11.1991	1,249,995	1.00	Cash	1,250,000
30.12.1995	3,750,000	1.00	2:1 Bonus Issue	5,000,000
30.12.1997	5,000,000	1.00	Cash	10,000,000
15.11.2000	10,000,000	1.00	1:1 Bonus Issue	20,000,000
02.01.2001	2,727,000	1.00	Cash	22,727,000

[The rest of this page is intentionally left blank]

4. INFORMATION ON THE ORNAPAPER GROUP (Cont'd)

(iii) Profit and Dividend

The financial records of OISB(M) are based on its audited accounts for the past five (5) financial years ended 31 December 1997 to 2001 and 8 month period ended 31 August 2002 are as follows:-

	Financial Year Ended 31 December					8-month period ended 31 August 2002
	1997	1998	1999	2000	2001	
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Turnover	64,815	73,890	92,888	137,325	110,689	73,391
EBIDTA	13,042	16,456	16,908	19,156	18,283	11,661
Interest expense	(4,634)	(10,170)	(7,360)	(6,581)	(4,607)	(1,752)
Depreciation & Amortisation	(2,225)	(3,672)	(3,502)	(3,777)	(3,619)	(2,397)
Profit before exceptional items	6,183	2,614	6,046	8,798	10,057	7,512
Exception items	-	-	-	-	-	-
Share of profits/losses of associated companies	-	-	-	-	-	-
PBT	6,183	2,614	6,046	8,798	10,057	7,512
Tax expense	(1,125)	4	-	(732)	(687)	(397)
Profit from ordinary activities	5,058	2,618	6,046	8,066	9,370	7,115
Extraordinary items	-	-	-	-	-	-
Minority interest	-	-	-	-	-	-
Net profit	5,058	2,618	6,046	8,066	9,370	7,115
Weighted average number of Shares in issue of RM1.00 each ('000)	5,000	10,000	10,000	20,000	22,727	22,727
Gross EPS (RM)	*0.31	#0.13	#0.30	0.44	0.44	**0.50
Net EPS (RM)	*0.25	#0.13	#0.30	0.40	0.41	**0.47
Gross dividend rate (%)	-	-	-	-	-	-

Notes:

- * The EPS for the financial year ended 31 December 1997 was computed based on 20,000,000 Shares with the incorporation of the bonus issue of 5,000,000 Shares in 1997 and 10,000,000 Shares in 2000
- # The EPS for the financial years ended 31 December 1998 and 1999 were calculated by dividing OISB(M)'s profit before/after taxation by the number of ordinary shares in issue during the years after incorporating a 1:1 bonus issue on 11 November 2000 as follows :

Year	Gross EPS	Net EPS
1998	$2,614 / (10,000 \times 2) = 0.13$	$2,618 / (10,000 \times 2) = 0.13$
1999	$6,046 / (10,000 \times 2) = 0.30$	$6,046 / (10,000 \times 2) = 0.30$

** Annualised

- (i) There were no extraordinary or exceptional items in all financial years under review.
- (ii) There was no material under/over provision of taxation in the respective financial years under review.
- (iii) No dividend has been paid or declared in all the financial years under review.
- (vi) The EPS for the year ended 31 December 2001 were calculated by dividing OISB(M)'s profit before/after taxation of RM10.06 million and RM9.37 million respectively by the weighted average number of shares.

4. INFORMATION ON THE ORNAPAPER GROUP (Cont'd)iv) Major Shareholder

OISB(M) is a wholly owned subsidiary of Ornapaper.

v) Subsidiary and associated company

OISB(M) does not have any subsidiary/associated company.

OISB(BP) (411405-W)(i) History and Business Overview

OISB(BP) was incorporated on 26 November 1996 in Malaysia as a private limited company under the Act.

OISB(BP)'s principal activities are in the manufacturing of carton boxes. As at 30 November 2002, OISB(BP) has 45 employees.

(ii) Share Capital

The present authorised share capital of OISB(BP) is RM5,000,000 comprising 5,000,000 Shares of which RM1,000,000 comprising 1,000,000 Shares have been issued and fully paid-up.

The changes in the issued and paid-up share capital of OISB(BP) since its incorporation are as follows:-

Date of allotment	No. of ordinary shares allotted	Par Value (RM)	Consideration	Total issued and paid-up share capital (RM)
26.11.1996	2	1.00	Subscriber shares	2
30.05.1997	999,998	1.00	Cash	1,000,000

[The rest of this page is intentionally left blank]

4. INFORMATION ON THE ORNAPAPER GROUP (Cont'd)

(iii) Profit and Dividend

The financial records of OISB(BP) are based on its audited accounts for the past five (5) financial years ended 31 December 1997 to 2001 and 8 month period ended 31 August 2002 are as follows:-

	Financial Year Ended 31 December					8-month period ended 31 August 2002
	1997	1998	1999	2000	2001	
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Turnover	410	2,379	6,555	9,802	9,433	6,478
EBIDTA	(72)	(931)	(344)	1,492	820	692
Interest expense	-	(7)	(6)	(6)	(68)	(5)
Depreciation & Amortisation	(41)	(166)	(210)	(223)	(234)	(141)
Profit/(Loss) before exceptional items	(113)	(1,104)	(560)	1,263	518	546
Exception items	-	-	-	-	-	-
Share of profits/losses of associated companies	-	-	-	-	-	-
PBT/(Loss)	(113)	(1,104)	(560)	1,263	518	546
Tax expense	-	-	-	-	(48)	(154)
Profit from ordinary activities	(113)	(1,104)	(560)	1,263	470	392
Extraordinary items	-	-	-	-	-	-
Minority interest	-	-	-	-	-	-
Net profit	(113)	(1,104)	(560)	1,263	470	392
Weighted average number of Shares in issue of RM1.00 each ('000)	1,000	1,000	1,000	1,000	1,000	1,000
Gross EPS (RM)	(0.11)	(1.10)	(0.56)	1.26	0.52	0.82*
Net EPS (RM)	(0.11)	(1.10)	(0.56)	1.26	0.47	0.59*
Gross dividend rate (%)	-	-	-	-	-	-

Notes:

* Annualised

- (i) There were no extraordinary or exceptional items in all financial years under review.
- (ii) There is no taxation charge for the financial period/years under review as the company is in a tax loss position.
- (iii) No dividend has been paid or declared in all the financial years under review.

iv) Major Shareholder

OISB(BP) is a wholly owned subsidiary of Ornapaper.

v) Subsidiary and associated company

OISB(BP) does not have any subsidiary/associate company.

4. INFORMATION ON THE ORNAPAPER GROUP (Cont'd)

4.6 Industry Overview & Prospects of Ornapaper***Overview of the Malaysian and Global Economy***

With a 1.1 per cent GDP growth in the first quarter of 2002, it is clear that the Malaysian economy is out of the short and shallow recession, but yet again, due to its high degree of openness to foreign trade and investment, the strength of the recovery has come into question once more. Although the outlook is getting better, the threat of the US economy reverting to a slower growth is real, and that could pose a downside risk to Malaysia's growth going forward. If global economic recovery loses steam, then Malaysia's growth pace may be affected.

MIER believes that the US economy will continue to recover at a moderate pace, and that positive developments in the real economy, coupled with low interest rates and tax cuts, will outweigh negative sentiments arising from the plummeting financial markets. This, of course, assumes that cases of accounting scandals will not increase dramatically and that the US government will undertake stringent measures to curb further abuse. Barring any unexpected events, MIER feels that the Malaysian economy can still register a 4.5% growth in 2002. Economic growth is projected to gain momentum in 2003, underpinned by a much better and a more stable global economy. This assumes that the US dollar stabilizes to a fair value that is in line with its fundamentals.

(Source: MIER On-Line Publication (www.mier.org.my) - Short-Term Outlook dated 19 July 2002)

Prospects for the Malaysian economy remain favourable. In the second half-year, growth is expected to be supported by continued expansion in domestic and external demand. On the domestic front, the composite index of leading indicators registered the eleventh consecutive positive growth in May, suggesting that the Malaysian economy is in its expansionary phase. The Coincident Index, an indicator of the current state of the overall economic activities, showed a positive growth for the second straight month in May.

During the period March to April 2002, four international credit rating agencies, namely Standard and Poor's, Moody's Investor Service, Fitch Ratings and Rating and Investment Inc. revised Malaysia's sovereign ratings outlook from "stable" to "positive". Overall, these agencies attributed the positive revision to the country's strengthening financial sector, accelerated corporate restructuring activity, continuing large current account surplus, robust international reserves and liquidity and broad economic soundness.

On 7 August 2002, Fitch Ratings upgraded Malaysia's long-term foreign and local currency ratings by single notches to 'BBB+' from 'BBB' and 'A' from 'A-', respectively, with a 'stable' ratings outlook. On 20 August 2002, S&P raised Malaysia's long-term foreign and local currency ratings by single notches to 'BBB+' from 'BBB' and 'A+' from 'A', respectively, with a 'stable' ratings outlook.

While the recent weakness in the global financial markets amidst the US corporate problems has raised concerns, policy response across the globe has been biased towards supporting recovery. In the US, although risk has risen, the balance of indicators suggests continued growth, but at a slower pace than earlier expected. In Europe and Japan, the purchasing manager's index showed continued but moderate expansion in industrial activity.

Recent economic data in the Asia region indicate further strengthening in regional economic activity. Growth is becoming more balanced and with strengthening domestic demand complemented by the turnaround in exports. In the second quarter of 2002, most of the regional countries have recorded positive export growth for the first time this year.

Domestic demand is playing a greater role in regional growth this year, aided by accommodative monetary policy and expansionary fiscal measures. The region is also benefiting from rising intra-regional trade, which is supported mainly from robust domestic demand. By enhancing these regional sources of growth, regional economies can be expected

4. INFORMATION ON THE ORNAPAPER GROUP (Cont'd)

to balance the sources of growth and improve their resilience to developments in the global economy.

(Source: Press Release by Bank Negara Malaysia on 21 August 2002)

With the mild recovery intact in 2002 and expected to gather momentum in 2003, the world economy is projected to register output growth of 3.7% with trade expanding at 6.6%. The US is forecast to chart a stronger GDP growth of 2.6%, while the euro area is expected to further improve by 2.9%. Japan, which has shown further signs of bottoming out, has entered into a recovery mode and is projected to grow by 1.1% in 2003. The Malaysian economy, with the stronger macroeconomic fundamentals already in place and complemented by more resilient corporate and financial sectors, is now poised to benefit from the much-improved global economic environment projected for 2003. Output expansion is anticipated in all sectors of the economy, with GDP envisaged to chalk 6%-6.5%, arising from a broader based economy with growth emanating from a more pronounced role of a revitalized and dynamic private sector.

The economy is envisaged to register stronger growth in 2002, following better export performance and continued pick-up in domestic demand. Overall, with GDP expanding by 2.5% in the first half of 2002 and expected to strengthen further in the second half, the full year growth is projected to be in the range of 4%-5%, achieving the forecasted rate in Budget 2002. The services and manufacturing sectors are expected to be the major contributors to growth.

(Source: Economic Report 2002/2003)

Manufacturing Sector

Output of the manufacturing sector improved gradually since February, led by increasing orders for semiconductors and other electronic goods. The momentum is expected to accelerate with improved performance in the second half of the year, supported by a gradual increase in final demand from overseas markets, particularly the Asia Pacific region. The revival of the domestic semiconductor and electronic components sub-sectors has also benefited supporting industries such as plastics, chemicals and fabricated metal and machinery. Value added in the manufacturing sector, therefore, recorded a growth of 1.6% in the first half and is projected to strengthen further to 8.7% in the second half of the year, thus giving an overall growth rate of 5.1% for 2002 (2001: -6.2%).

Likewise, growth in domestic-oriented industries is also expected to pick up. This is on account of robust income effect from higher export earnings as well as positive wealth effect given that the stock market is anticipated to trend up in 2003. This trend is expected to spur higher private consumption. Demand of consumer durables including passenger cars should stimulate strong output growth. Thus the overall value added of the manufacturing sector is expected to register a stronger growth of 8.5% in 2003 (2002: 5.1%)

(Source: Economic Report 2002/2003)

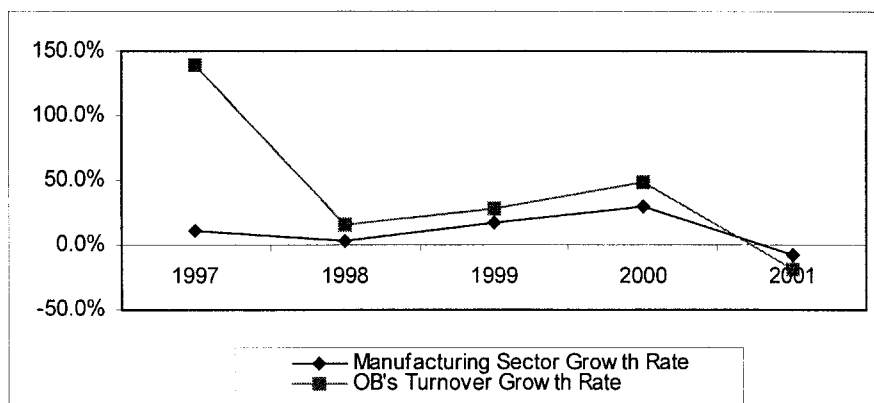
The manufacturing and services sectors will continue to be the major contributors to growth in the Eighth Plan period. The manufacturing sector is expected to grow at an average rate of 8.9% per annum, with its share to GDP increasing to 35.8% by 2005. Electrical and electronics industry will remain the driving force shifting towards higher technology and value added consumer and industrial products. Resource-based industries, particularly the petrochemical, pharmaceutical, furniture and food product industries as well as handicraft industry, are also expected to strengthen during the Plan period.

(Source: Eighth Malaysia Plan 2001-2005)

As Ornapaper's main business focus is manufacturing and sales of corrugated cartons and board, its products are mainly used in the manufacturing sector. Hence, the prospects of Ornapaper are inherently linked to the performance of the manufacturing sector which is also largely determined by the Malaysia's economic outlook. As depicted below, Ornapaper's

4. INFORMATION ON THE ORNAPAPER GROUP (Cont'd)

turnover performance is directly correlated to the manufacturing sector growth rate in the past five (5) years.



Source: Department of Statistics

Year	Manufacturing Sector Growth Rate	Ornapaper's Turnover Growth Rate
1997	11.0%	139%
1998	3.7%	15%
1999	16.5%	28%
2000	29.7%	49%
2001	-7.2%	-20%

As shown above, Ornapaper's managed to register a turnover growth rate that outpaced the overall manufacturing sector growth rate in the period from the year 1997 to 2002. The upsurge in the year 1997 was mainly due to the commissioning of its corrugator plant which was installed in late year 1996 allowing Ornapaper to produce its own carton boards for internal use as well as for sales to downstream corrugated carton box manufacturers. Prior to that, Ornapaper operated as a converter only.

Overall, the manufacturing sector has been resilient in the last ten (10) years from the period 1990 to 2000 by registering an average annual growth rate of 9.8%. Going forward, the manufacturing sector is projected to grow at an average rate of 8.9% per annum from year 2001 to 2005 as laid out in the Eighth Malaysia Plan and this bodes well for Ornapaper as its performance is expected to tread closely with the manufacturing sector's growth. According to Economic Report 2002/2003, the national's GDP and manufacturing sector growth rates for next year are expected to be at 6.0%-6.5% and 8.5% respectively. The corrugated carton industry turnover is therefore envisaged to grow at least in tandem with the BNM's GDP and manufacturing forecasts.

4. INFORMATION ON THE ORNAPAPER GROUP (Cont'd)

Packaging Market Overview

According to the management of Ornapaper, the packaging industry in Peninsular Malaysia is relatively well established. The industry structure has been significantly altered with the entrance of foreign multinational companies that have their own strict standards and specifications for the packaging of their products. With small local companies providing no specifications and accepting packaging manufacturer's standards, this has led to a two-tier end-user profile for the packaging industry. General standards are improving however, with increased competition encouraging local suppliers to demand more from their packaging suppliers.

The paper and board packaging is a particularly important sector for the export market.

During the late 1990's, the packaging industry is underwent a major transformation through international investment and corporatisation of domestic companies. Some of the most widely-used packaging formats are corrugated boxes, duplex cartons, multi-wall sack kraft paper bags, plastic laminates, PET bottles for soft drinks, woven bags and three-piece general line cans.

Converted Paper and Board Packaging Industry

The corrugated container industry is one of the more established sectors of the Malaysian packaging industry with about 40 to 50 corrugated box plants in Peninsular Malaysia. The Directors estimate the industry to be valued at around RM1.2 billion.

According to the estimates of Ornapaper's management, the Ornapaper Group's estimated market share within the corrugated carton industry was in the region of 10% in the financial year ended 2001. The estimated market share is based on Ornapaper's year 2001 turnover of RM114.2 million with an estimated corrugated carton industry worth of approximately RM1.2 billion in the same year.

According to the Department of Statistics, the manufacture of containers and boxes of paper and paper boards (which may include the paper products other than corrugated boards and cartons) in year 2001 stood at RM1.8 billion. Based on Ornapaper's turnover of RM114.2 million in the year 2001 and the said statistics for containers and boxes of paper and paper boxes, the Company's estimated market share is estimated to be in the region of 6.0%.

Packaging Market Prospects & Outlook

The management believes that prospects for the packaging industry in Malaysia remain good due to its comparatively low state of development at present and strong demand from end-user sectors such as food and drink. There is, however, still exists demand for sophisticated machinery, production processes and materials to meet international demands. The paper and board packaging sector, meanwhile, is highly congested and in need of consolidation. Opportunities in the export market could ease the pressure on idle capacity in this sector. Average annual growth between 2001-2006 is expected to track the manufacturing sector's in the same period.

Going forward, the manufacturing sector is projected to grow at an average rate of 8.9% per annum from year 2001 to 2005 as laid out in the Eighth Malaysia Plan and this bodes well for Ornapaper as its performance is expected to tread closely with the manufacturing sector's growth. According to Economic Report 2002/2003, the national's GDP and manufacturing sector growth rates for next year are expected to be at 6.0%-6.5% and 8.5% respectively. The corrugated carton industry turnover is therefore envisaged to grow at least in tandem with the GDP and the manufacturing sector.

4. INFORMATION ON THE ORNAPAPER GROUP (Cont'd)

Competitors of the Ornapaper Group

Ornapaper faces competition from various competitors, which include private and public listed companies such as Corrugated Offset Packaging Sdn Bhd, HPI Resources Berhad, Box-Pak (Malaysia) Berhad, Public Packages Holdings Berhad, Magni-Tech Industries Berhad, United Kotak Berhad and Golden Frontier Berhad. Notwithstanding this, Ornapaper tries to differentiate itself from the majority of its competitors through expanding its market reach through its, inter-alia, strategic alliances, delivering quality services and products to its clients, minimising delivery time, establishing a large pool of reliable and reputable suppliers and clients with long term relationships, developing new products and increasing the use of automation to improve the efficiency of its operations.

As Ornapaper is operating at an ancillary industry that serves the needs of various industries in particular, the electrical and electronics industry, textiles, furniture, food and beverage and tobacco sub-sectors, the future prospects of Ornapaper will largely depend on the performance of these industries which are set out as below:-

(a) *Electrical and Electronics (“E&E”) Sector*

There was a sharp turnaround in the domestic electrical and electronics industry which recorded a significant growth of 13.3% in June compared to -1.8% in March. The semiconductors and electronic component sub-sector in particular, recorded four consecutive months of positive growth since February, after 12 months of decline. Exports of electronics recovered and registered positive growth of 8.4% during the first six months (January-June 2001: 10.5%). Exports of household electrical appliances and audio-visual products also recovered and recorded positive growth of 9.2% and 28.9%, respectively during the first six months of 2002.

(Source: Economic Report 2002/2003)

Growth in the electronics industry is expected to be underpinned by several positive factors. The personal computer (PC) market is expected to show a stronger recovery relative to the telecommunications sector. Secondly, there is an increasing trend towards outsourcing activities in the manufacturing sector. As a result, some large manufacturers in the region are expected to transfer some operations to Malaysia following corporate consolidation of plants in the region. Malaysia is expected to benefit from these developments. Finally, demand from niche markets for products such as video games, personal digital assistants and emerging products such as photonics or optoelectronics is expected to continue to contribute to growth. For 2002, electronics exports are expected to grow by 9.5% (2001: -16.3%).

(Source: Bank Negara Annual Report 2001)

(b) *The Food Sector*

The food industry recorded a slower growth of 1.2% (January-June 2001: 7%) with a turnover amounting to RM4,500 million, of which slightly more than one third was exported. Most notably, export of food to the People's Republic of China has increased rapidly by 79.5% in the first six months of 2002, with palm and palm kernel oil constituting the bulk. Processing of fish and crustacea recorded a higher output growth of 13.7% (January-June 2001: 12.4%), with production of canned fish remaining positive at 17.3%. Output of food products that recorded positive growth are refined sugar, 19.9% (January-June 2001: -9.5%), canned pipeapples, 14.2%, (January-June 2001: -7.5%), full cream powdered milk, 13.9% (January-June 2001: -11%) and milk drinks, 10.7% (January-June 2001: -2.5%), reflecting higher consumer spending.

(Source: Economic Report 2002/2003)

4. INFORMATION ON THE ORNAPAPER GROUP (Cont'd)

(c) *The Furniture Sector*

Malaysia was one of the top ten furniture exporters last year. Export of wooden furniture and components is fast growing, accounting for 35% of the total wood-based export earnings. Nevertheless, the global economic downturn in 2001 saw its export earnings decline for the first time in 2001 by 8.2%. However, with the improved global economic performance, the exports of furniture staged a quick recovery of 9.9% to RM1,510 million in the first six months of 2002.

(Source: Economic Report 2002/2003)

(d) *The Textile & Apparel Sector*

The textiles and apparel industry also showed improvements in the second quarter with output recording a slower decline of 6.7% (Q2: 2001: -9.6%). A positive outlook is anticipated for the second half of 2002. There are clear signs of recovery for the clothing sub-sector, which recorded an increase of 15.6% in sales in the second quarter compared to the previous quarter due to pick-up in domestic and external demand. Going forward, the sector is forecast to improve further as some producers have embarked on investment in high-tech equipment and improving product quality and productivity as well as brand building, undertaken during the economic downturn in 2001. Consequently, they are in a better position to compete when external demand recovers in line with better global economic performance.

Being an export oriented industry, the performance of this industry will largely be dependent on the health of the world economy. The Malaysian's exports of textile and apparel has exhibited resilient growth in the past ten (10) years from year 1990 to 2000 by registering an average annual growth rate of 8.9 per cent. In year 2001, the major export markets by country for the textile & apparel industry were United States (20.3%), Singapore (16.9%) and Japan (13.4%) contributing a combined 50.6% to the textile & apparel export earnings.

Growth in world economy is expected to strengthen modestly in 2002 to 2.8% (2001: 2.5%), with momentum picking up towards the end of the year. World output will still be largely driven by the US, which is anticipated to register a stronger real GDP growth of 2.2% (2001: 0.3%). The Japanese economy registered a 0.5% growth in the second quarter (Q1: 2002: 0%) supported by a pick-up in exports and industrial production. With the current trend continuing in the year, the economy is expected to record a better performance overall. Singapore's real GDP growth contracted 2% in 2001. Growth remained in negative territory in the first quarter at 1.5% before rebounding to a positive 3.9% in the second, aided by external demand for manufactured goods and transport related services. Expansion in the manufacturing sector, which saw four quarters of decline, came from pharmaceuticals and electronics. Real GDP growth for 2002 is projected at 3%-4%.

(Source: Economic Report 2002/2003 & Department of Statistics)

4.7 Major Customers

The major customers who contribute more than five (5) percent of the Company's total turnover for the eight (8) month financial period ended 31 August 2002 are as set out below:-

Description	Percentage of Sales (%)	Length of relationship Years (Approximately)
Ornapaper Industry (Selangor) Sdn Bhd	25.5	6
Ornapaper Industry (Johor) Sdn Bhd	8.8	6
Witachi Sdn Bhd	5.1	1

4. INFORMATION ON THE ORNAPAPER GROUP (Cont'd)

Ornapaper does not overly dependent on any single customers. Ornapaper's top twenty customers are tabulated in Section 4.4 (iv) of this prospectus.

4.8 Major suppliers

The major suppliers who contribute more than five (5) percent of the Company's total purchases for the eight (8) month financial period ended 31 August 2002 are as set out below:-

Description	Percentage of Purchases (%)	Length of relationship Years (Approximately)
Genting Sanyen Industrial Paper Sdn Bhd & Genting Sanyen Paperboard Sdn Bhd	47.0	6
Muda Paper Mills Sdn Bhd	19.0	6
Pascorp Paper Industries Bhd	15.0	6

Ornapaper is not overly dependent on any single suppliers. The detailed list of suppliers is tabulated in Section 4 (vi) of this prospectus.

4.9 Future Plans and Strategies of Ornapaper

Ornapaper's business is directly linked to the manufacturing sector which in turn is dependent on the general health of both local and external economy. Over the last ten years, the Group has exhibited resilience in its performance, remaining profitable through the 1997 – 1998 economic crisis. With manufacturing sector expecting to chart continued growth, the Group hopes to leverage on its existing competitive strength and continue to strive to differentiate itself from its other competitors. The Group's strategy in establishing the strategic tie-ups with other converters/corrugators throughout Malaysia has placed itself in a better position to reach both its existing and potential customers in Malaysia. The Group has also made concerted efforts to search for new areas of growth by embarking on the development of new products.

With the listing exercise, the Directors aim to position the Group to be the preferred corrugated paper packaging products supplier in Malaysia through product innovation and the provision of high quality and timely products and services.

The Group's main objectives will continue to be as follows:-

(i) ***Increase market penetration***

The Company will focus on expanding its existing customer base with good payment records, and also to market for new business from existing customers as well as new customers by providing them with high quality carton products in a cost-effective way.

Existing Customers

The Company will continue to enhance its existing cordial relationship with its customers by providing stringent quality standard in its carton packaging products with short delivery time in the most cost-effective way. Continuous efforts will be taken to work closely with customers by visiting existing customers to understand their needs and explore new areas of usage for corrugated packing products.

New Customers

The Company will continue to expand its distribution networks under existing locations as well as to set up service points in new strategic geographical areas in Peninsular Malaysia and possibly East Malaysia. The Company plans to form more strategic alliances with other local corrugators and converters throughout Malaysia so as to accelerate the growth in Ornapaper's market share within the industry.

4. INFORMATION ON THE ORNAPAPER GROUP (Cont'd)

(ii) To expand its carton packaging products range

The Company plans to expand its existing carton packaging products range to meet the ever-changing market requirements for value-added products and services. The Company plans to develop heavy-duty corrugated paper products made from very high gramage paper combination corrugated paper boards by leveraging its existing hybrid corrugated production line. Heavy duty corrugated paper products are often used as a replacement for wooden crates and plastic containers. The advantages of heavy duty corrugated paper products over the wooden crates and plastic containers are that they are light-weight, environment friendly, recyclable and easily disposable. The heavy duty corrugated paper products are expected to be introduced in the market in 2004. In addition, the Group has also in 2002 launched its line of furniture products made of corrugated boards.

One of its new projects will be that of the investment in honeycomb material paper packaging products. This product could be used in many industries in replacing polystyrene foam or taking the place of corrugated paper in some applications. It is a versatile paper packaging product that serves as an alternative to many building materials. As an illustration, the usage of honeycomb products could be found in the following products domain:-

Packaging material	Honeycomb product	Composite product
Impact absorbing material	Paper pallets	Structural parts
Impact absorbent bag	Cupboard shelf	Parts for airplane
Partition boards	Partition boards	Shock absorbing flooring
Ultra-strength box	High compression box	Partition wall system (office furniture, dry mood partition room system)
Protective layers	Inner packaging material	Composite door (fire proof, sound proof)

The potential of honeycomb boards is promising and this is detailed as below:-

- Alters the “weak” image of paper products. For instance, with proper construction, the honeycomb boards can be used to produce comfortable homes that are strong and weather proof.
- Serves as an alternative replacement for polyester foam material in packaging, sound proofing, heat insulation usage without incurring a high cost in environment conservation.
- Substitute wooden planks and plywood in their usage thus protecting the green environment

The diversification of its products range will allow the Company to reach out a broader spectrum of the economy thus enabling the Company to open up new markets whilst meeting the diverse needs of both existing and new customers. The Company plans to launch its honeycomb paper products by end of year 2004.

(iii) To position itself to be a one-stop packaging product and service provider.

The Company intends to position itself as a one-stop packaging product and service provider by promoting greater variety of existing high quality products and services to better meet the customers’ needs and enhance its competitive edge. To this end, the Company plans to develop offset printing capabilities which will allow the Company to capture a larger share of the supply chain within the industry.

5. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

The Group is led by strong and committed promoters, directors and management with extensive experience in the packaging industry.

5.1 Promoters and Major Shareholders

5.1.1 Information on Promoters

The promoters of Ornapaper are Datuk Ting Chung Cheng, Ang Kwee Teng and See Wan Seng.

Detailed information of the promoters is as set out below:-

Name	Designation	Nationality/ Place of Incorporation	No. of shares held after the Listing Proposals			
			Direct No. of Shares	%	Indirect No. of Shares	%
Datuk Ting Chung Cheng	Managing Director	Taiwanese	8,368,649	13.50	-	-
Ang Kwee Teng	Executive Director	Malaysian	-	-	18,634,888	30.06 [^]
See Wan Seng	Executive Director	Malaysian	-	-	18,634,888	30.06 [^]

[^] Deemed interested by virtue of his substantial shareholdings in Intisari Delima Sdn Bhd

Please also refer to Section 5.2 below on the profiles of Directors of the Ornapaper Group.

5.1.2 Information on Major Shareholders

Intisari Delima Sdn Bhd ("IDSB")

IDSB was incorporated as a private limited company on 3 February 1995 in Malaysia under the Act. IDSB is an investment holdings company and has an authorized share capital RM100,000 divided into 100,000 ordinary shares of RM1.00 each of which 1,000 ordinary shares of RM1.00 each have been fully issued and paid-up.

Directors and Major Shareholders

Name	Nationality	No. of ordinary shares held			
		Direct No. of Shares	%	Indirect No. of Shares	%
Ang Kwee Teng	Malaysian	485	48.5	-	-
See Wan Seng	Malaysian	370	37.0	-	-
Sai Han Siong	Malaysian	145	14.5	-	-

None of the directors have any directorships or major shareholdings in other public corporations for the past two (2) years prior to the date of this Prospectus.

5. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES (Cont'd)

Pilihan Sistematik Sdn Bhd ("PSSB")

PSSB was incorporated as a private limited company on 25 September 1995 in Malaysia under the Act. IDSB is an investment holdings company and has an authorized share capital RM100,000 divided into 100,000 ordinary shares of RM1.00 each of which 2 ordinary shares of RM1.00 each have been fully issued and paid-up.

Directors and Major Shareholders

Name	Nationality	No. of ordinary shares held			
		Direct No. of Shares	%	Indirect No. of Shares	%
Sai Han Siong	Malaysian	1	50.0	-	-
Sai Tzy Horng	Malaysian	1	50.0	-	-

None of the directors have any directorships or major shareholdings in other public corporations for the past two (2) years prior to the date of this Prospectus.

Lembaga Tabung Haji ("LTB")

LTH is a corporation set up to manage the savings of Muslims, intending to perform the Haj pilgrimage or other beneficial expenses, take active part in capital investment in a way halal to Islam and provide protection, supervision and welfare to Haj pilgrims by maximizing returns to depositors on their savings.

Realising the need to help Muslim to save money without involving in activities deemed *haram* in Islam, Perbadanan Wang Simpanan Bakal-Bakal Haji was set up in November 1962, and began its operation on 30 September 1963. The corporation was merged with the Penang-based *Pejabat Urusan Hal Ehwal Haji*. Subsequently, an Act known as *Akta Lembaga Urusan dan Tabung Haji 1969 (or Act 8)* was passed by Parliament, leading to the formation of Lembaga Urusan dan Tabung Haji. On 1 June 1995, a new Act known as the *Akta Lembaga Tabung Haji 1995 (Act535)* to incorporate LTH came into effect.

5.2 Board of Directors

Datuk Ting Chung Cheng, aged 46, was appointed as the Managing Director of Ornapaper on 2 December 2002. He is originated from Taiwan's Yun Lin County. He graduated from Pacific Western University of America with a MBA and is currently pursuing a DBA Doctorate Degree. Upon his graduation, he worked for Taiwan's National Electronic Corporation and Cheng Long Corporation Ltd as a marketing executive. In 1981, he set up Chung Cheng Carton Co. Ltd. In 1990, he moved to Malaysia by setting up OISB(M) in Melaka and served as the Managing Director until this date. In 1998, he was conferred the Datukship by the State of Melaka for his contribution to the state and society for being instrumental in securing Taiwanese investments for the state. In 1999, he was accorded the prestigious award of Model of the Overseas Chinese Young Entrepreneur by the President of Taiwan for his outstanding managerial skill and leadership in the packaging industry. He has no directorship or major shareholdings in other public listed companies for the past two (2) years.

5. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES (Cont'd)

Ang Kwee Teng, aged 53, was appointed as an Executive Director of Ornapaper on 2 December 2002. He joined a legal firm, Sault & Co, right after school and had since obtained an ample experience in many areas of law including conveyancing, corporate acquisitions and mergers. He later left the legal firm to set up his own manufacturing businesses in various industries that include property and plantation. He has no directorship or major shareholdings in other public listed companies for the past two (2) years.

See Wan Seng, aged 55, was appointed as an Executive Director of Ornapaper on 2 December 2002. In 1973, he obtained a Bachelor of Commerce (Major in Accounting) from Nanyang University, Singapore. He has extensive experience in the paper industry business. He was involved in the setting up of Carton Box Industrial (M) Sdn Bhd ("CBISD"), a company involved in the manufacturing of paper boards and carton boxes in 1990. He served as a General Manager and Director of CBISB from 1990 to 1996. He also set up several companies involved in the business of real estate, plantation, quarrying and general trading. He has no directorship or major shareholdings in other public listed companies for the past two (2) years.

Tuan Haji Azhar Bin Nayan, aged 39, was appointed as a Non-Executive Director of Ornapaper on 2 December 2002. He is representing Lembaga Tabung Haji, which is a corporate shareholder of Ornapaper, on the Board of Ornapaper. He obtained a Degree in Bachelor of Science, majoring in Accounting and Finance from Northern Illinois University in 1985. In 1987, he obtained his MBA (majoring in Finance) from University of Missouri. Upon his graduation, he joined Ernst & Whinny as a Management Consultant. In that same year, he joined Arthur Andersen as an Auditor. In 1989, he joined Lembaga Tabung Haji as a General Manager. He is a member of the American Institute of Certified Public Accountants. He has no directorship or major shareholdings in other public listed companies for the past two (2) years.

Siow Kee Yen, aged 31, was appointed as the Independent Non-Executive Director of Ornapaper on 2 December 2002. He obtained an Honours Degree in Bachelor of Accountancy from University Utara Malaysia in 1996. Upon his graduation, he joined Arthur Andersen & Co, Melaka Branch as an Audit Assistant and was subsequently promoted to Audit Senior in 1999. In the same year, he obtained his membership of Malaysia Institute of Accountants, which carried the title of Public Accountant. In 2000, he joined Chin & Co as an Audit Manager, in charge of the Melaka Branch. Subsequently, he set up his own audit firm, KY Siow & Co. He has no directorship or major shareholdings in other public listed companies for the past two (2) years.

Adillah Binti Ahmad Nordin, aged 33, was appointed as the Independent Non-Executive Director of Ornapaper on 2 December 2002. She obtained her LL.B (Honours) from University of Nottingham in 1992. She was admitted to the English Bar and Malaysian Bar on 29 July 1993 and 17 May 1994 respectively. She is currently an Advocate and Solicitor with Adillah A. Nordin. She has no directorship or major shareholdings in other public listed companies for the past two (2) years.

5.2.1 Directors' Shareholdings in Ornapaper

The shareholdings of the Directors in Ornapaper after the Public Issue and Offer for Sale will be as follows:-

	Direct		Indirect	
	No of shares	%	No of shares	%
Datuk Ting Chung Cheng	8,368,649	13.50	-	-
Ang Kwee Teng	-	-	18,634,888 [^]	30.06
See Wan Seng	-	-	18,634,888 [^]	30.06
Tuan Haji Azhar Bin Nayan	25,000	0.04	-	-
Siow Kee Yen	15,000	0.02	-	-
Adillah Binti Ahmad Nordin	20,000	0.03	-	-

[^] Deemed interested by virtue of his substantial shareholdings in Intisari Delima Sdn Bhd

5. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES (Cont'd)

5.2.2 Directors' Directorships and Substantial Shareholdings in other Public Companies for the past two (2) years

None of the Directors hold or has held any directorships or five percent (5%) or more of the issue and paid-up share capital in other public companies for the past two (2) years.

5.2.3 Directorships' Remuneration and Benefits

The remuneration paid to the Directors of the Group for services rendered in all capacities to the Company and its subsidiaries for the eight month period ended 31 August 2002 amounted to RM235,934. For the financial year ending 31 December 2002, the remuneration payable to the Directors is estimated at RM286,860.

5.3 Management Team

Mr. Paul Leong Liang Lee Ming @ Leong Lee Ming aged 47, is the Plant Manager of OISB(M). He obtained an Honorary Degree in Electrical and Electronic Engineering from Northumbria University (formerly known as Newcastle Upon Tyne Polytechnic) in England. Upon his graduation, he served as an electronic engineer with Racal Electronics (M) Sdn Bhd. In 1985, he joined Federal Paper Products Sdn Bhd as a Plant Engineer. He was later promoted to Technical Manager in 1990. In 1991, he was promoted to Plant Manager and served as Plant Manager there until 1997. During his period with Federal Paper Products Sdn Bhd, he was responsible for the setting up of a new plant (Guolene Paper Products Sdn Bhd) in Shah Alam with the full installation of machinery. In 1997, he joined OISB(M) as a Plant Manager and is responsible for the entire production operation. With his in-depth knowledge in the carton industry, he also served as the Quality Management Representative for the ISO Quality System. He has no directorships or major shareholdings in other public listed companies for the past two (2) years.

Mr. Chen Chung Sin, Jack, aged 49, is the Assistant General Manager of OISB(M). He is originated from Taiwan's Taipei Country and graduated from National Central University of Taiwan with a Bachelor Degree in Mathematics. He served as a System Analysis Engineer at Formosa Plastic Group in Taiwan for nine (9) years. He later joined Indah Kiat Pulp & Paper Jarkata in Indonesia, a member of Asia Pulp & Paper Group ("APP Group"). For a period of twelve (12) years since 1985, he has worked as a Head of Computer Division, Executive Director of Converting Division, Vice Director of Administration Division, Executive Director of Corrugated Division and Vice Director of Tissue Division within the APP Group. In October 2001, he joined OISB(M) by heading the Management Division as an Assistant General Manager. With his ample experience, he is responsible for sales forecasting, budget planning and all aspects of business development. He has no directorships or major shareholdings in other public listed companies for the past two (2) years.

Mr. Tan Kim Soon, aged 34, is the Sales Manager of OISB(M). He has more than nine (9) years of hands-on experience in the corrugated carton and boards industry. He joined OISB(M) in 1992 as a Sales Representative and was promoted to Sales Manager in 1996. He is responsible for the servicing and marketing of all products offered by OISB(M) to both existing and potential customers. He has no directorship or major shareholdings in other public listed companies for the past two (2) years.

5. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES (Cont'd)

Mr. Ong Jek Choon, aged 48, is the Planning, Raw Material and Purchasing Manager of OISB(M). He has almost 26 years of experience in the corrugated carton and board industry. He started his career with Kotak Malaysia (KOM) Sdn Bhd in 1976 as a Production Planner. In 1981, he joined Scientex Containers Berhad (formally known as Seremban Fibre Containers Berhad) and was later promoted to Planning and Purchasing Executive in 1991. In 1996 he joined OISB(M) as Planning, Raw Material and Purchasing Executive. He was promoted to Planning, Raw Material and Purchasing Manager in 1999. His responsibilities include overall purchasing of raw materials, production planning and scheduling for the production process and also the control of the receipt of raw materials in the in-coming store. He has no directorship or major shareholdings in other public listed companies for the past two (2) years.

Mr. Lin Chin Yi, aged 36, is the Production Manager (Converting Department) of OISB(M). He began his career within the carton industry in Taiwan and had accumulated 4 years of working experience at Chung Cheng Carton Co.Ltd. In 1990, he joined OISB(M) when it was incorporated in the same year. With his vast hands-on experience in converting processes, he has contributed greatly to the growth of the converting operation. He has no directorship or major shareholdings in other public listed companies for the past two (2) years.

Ms. Cheong Sook Yam, aged 34, is the Accounts Executive of OISB(M). She graduated from Tunghai University, Taiwan with a Bachelor of Business Administration (Accounting) in 1992. Upon her graduation, she joined Deloitte, Kassim Chan as an Auditor. She was an Audit Senior in 1995 and was involved in audit, taxation, internal control system review, accountancy work and advisory services to various industries. In 1997, she joined Triumphal Associates Berhad as a Management Trainee and was in charge of internal control, system implementation and credit control functions. In 1999, she joined OISB(M) and is now heading the Account Department. She is responsible for implementing an efficient management accounting system and is also in charge of the credit control function. She has no directorship or major shareholdings in other public listed companies for the past two (2) years.

Mr. Tan Chin Hwee, aged 36, is the Director of OISB(BP). He graduated from the University of Malaya with a Bachelor of Accounting in 1991. Upon graduation, he joined Coppers & Lybrand, a public accounting firm. He was mainly involved in audit, taxation, internal control system review, accountancy work and advisory services to various industries. He was promoted to Audit Assistant Manager in 1995. In 1996, he joined Ample Consult Sdn Bhd, a business consultancy firm as a Manager before joining OISB(BP). He is currently in charge of the corporate planning and financial management of OISB(BP). He is a member of the Malaysian Institute of Accountants. He also sits on the Board of Directors of several other private limited companies. He has no directorship or major shareholdings in other public listed companies for the past two (2) years.

Mr. Foo Chee Juin, aged 47, is the Director of OISB(BP). He is an Associate member of the Institute of Bankers. He joined the packaging industry in November 1990 by taking up the post as an Administrative Manager in Paper Packaging Industries Sdn Bhd, a subsidiary of KYM Holdings Berhad. In 1993, he was later promoted to Assistant General Manager to oversee the entire operation of the company. In 1995, he left the company and was involved in the setting up of Prestige Packages Sdn Bhd, a company which is involved in the manufacturing of carton boxes and multi-wall paper bags. In 1999, he left the company to set up his own business. He is currently overseeing the entire operation of OISB(BP) which includes production, marketing and administration. He also sits on the Board of Directors of several other private limited companies. He has no directorship or major shareholdings in other public listed companies for the past two (2) years.

Ms. Leong Yoke Kam, aged 32, is the Director of OISB(BP). She has extensive experience in the company secretarial practice and is a member of the Company Secretaries Practice Group under the auspices of the Malaysian Association of the Institute of Chartered Secretaries and Administrators. She is a Director of a secretarial firm in Melaka. She also sits on the Board of Directors of several other private limited companies. She has no directorship or major shareholdings in other public listed companies for the past two (2) years.

5. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES (Cont'd)

Save for Tan Chin Hwee, who holds 435,586 shares representing a 0.7% interest in Ornapaper, the above management team has no shareholding in Ornapaper, direct and indirect as at 19 December 2002.

5.4 Family Relationship

None of the Directors and Senior Management of Ornapaper Group is related to each other.

5.5 Audit Committee

Ornapaper has set up an Audit Committee on 2 December 2002 which comprises the following Board members:-

Name	Designation	Directorship
Siow Kee Yen	Chairman	Independent Non-Executive Director
Adillah Binti Ahmad Nordin	Member	Independent Non-Executive Director
Datuk Ting Chung Cheng	Member	Managing Director

The main functions of the Audit Committee include the review of audit plan and audit report with the Auditors, review of Auditors' evaluation of internal accounting controls, review of the scope of internal audit procedures, review of balance sheets and profit and loss accounts and nomination of Auditors.

5.6 Continuity in Management

As in any other business, the Board of Directors believes that the continued success of the Ornapaper will depend on the ability and dedication of its Directors and management. The loss of any key members of the Group may adversely affect the Group's continued ability to compete. However, the Group has made efforts to train its staff and have the support of long-term management staff. Also, it is a continuous policy for Ornapaper to groom the newer members in the senior management to gradually take-over from the senior members to ensure smooth transition in the management team. The Group's future success will also depend on its ability to attract and retain skilled personnel.

5.7 Changes in Shareholders and Shareholdings for the Past Three (3) Years

Save as disclosed in Section 4.3 for the Acquisition of OISB(M) and OISB(BP) and the subscription of Shares as set out below, there are no changes to the shareholders and shareholdings of Ornapaper since its date of incorporation.

Date	Name of Shareholders	Consideration	Number of Shares
12 March 2002	Martin Ang Mui Chin	Subscribers' shares	1
12 March 2002	Gan Peng Teng	Subscribers' shares	1
17 October 2002	Martin Ang Mui Chin	Cash	249,999
17 October 2002	Gan Peng Teng	Cash	249,999