

IRE★TEX

IRE-TEX CORPORATION BERHAD

(Company No 576121-A)
(Incorporated in Malaysia under the Companies Act, 1965)



IRE-TEX CORPORATION BERHAD

1498, Jalan Bukit Tengah
MK 11 Bukit Mertajam
Seberang Perai
14000 Penang
Malaysia

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fax: (604) 5022 753

PUBLIC ISSUE OF 9,800,000 NEW ORDINARY SHARES OF RM1.00 EACH COMPRISING:-

- 1,800,000 NEW ORDINARY SHARES OF RM1.00 EACH AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- 2,000,000 NEW ORDINARY SHARES OF RM1.00 EACH BY WAY OF PRIVATE PLACEMENT; AND
- 6,000,000 NEW ORDINARY SHARES OF RM1.00 EACH TO BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY;

AND

OFFER FOR SALE OF 8,000,000 ORDINARY SHARES OF RM1.00 EACH COMPRISING:-

- 6,000,000 ORDINARY SHARES OF RM1.00 EACH TO BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY; AND
- 2,000,000 ORDINARY SHARES OF RM1.00 EACH TO ELIGIBLE DIRECTORS, EMPLOYEES AND BUSINESS ASSOCIATES OF THE IRE-TEX CORPORATION BERHAD AND ITS SUBSIDIARIES;

AT AN ISSUE/OFFER PRICE OF RM1.40 PER ORDINARY SHARE PAYABLE IN FULL ON APPLICATION
IN CONJUNCTION WITH ITS LISTING ON THE SECOND BOARD OF THE MALAYSIA SECURITIES EXCHANGE BERHAD

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY
PROSPECTIVE INVESTORS, SEE "RISK FACTORS" AS SET OUT IN SECTION 3 HEREOF

Adviser, Managing Underwriter and Placement Agent



AmMerchant Bank Berhad

(23742-V) A member of the AmBank Group

THIS PROSPECTUS IS DATED 28 JANUARY 2004

RESPONSIBILITY STATEMENTS

THIS PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE DIRECTORS, PROMOTERS AND OFFERORS OF IRE-TEX CORPORATION BERHAD ("ITCB" OR THE "COMPANY") AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAIN HEREIN AND CONFIRM THAT, AFTER HAVING MADE ALL REASONABLE ENQUIRIES, THAT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT HEREIN FALSE OR MISLEADING. THE DIRECTORS HEREBY ACCEPT FULL RESPONSIBILITY FOR THE PROFIT AND/OR CASHFLOW ESTIMATE AND/OR FORECAST INCLUDED IN THIS PROSPECTUS AND CONFIRM THAT THE PROFIT AND/OR CASHFLOW ESTIMATE AND/OR FORECAST HAVE BEEN PREPARED BASED ON ASSUMPTIONS MADE.

THE ADVISER, MANAGING UNDERWRITER, UNDERWRITER AND PLACEMENT AGENT ACKNOWLEDGE THAT, BASED ON ALL AVAILABLE INFORMATION AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE INITIAL PUBLIC OFFERING AND ARE SATISFIED THAT THE PROFIT ESTIMATE AND/OR FORECAST (FOR WHICH THE DIRECTORS OF ITCB ARE FULLY RESPONSIBLE) PREPARED FOR INCLUSION IN THE PROSPECTUS HAVE BEEN STATED BY THE DIRECTORS AFTER DUE AND CAREFUL ENQUIRY AND HAVE BEEN DULY REVIEWED BY THE REPORTING ACCOUNTANTS.

STATEMENTS OF DISCLAIMER

THE SECURITIES COMMISSION ("SC") HAS APPROVED THE PUBLIC ISSUE AND OFFER FOR SALE IN RESPECT OF THE INITIAL PUBLIC OFFERING AND THAT THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE INITIAL PUBLIC OFFERING.

THE SC SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF ITCB AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SC. A COPY OF THIS PROSPECTUS, TOGETHER WITH THE FORM OF APPLICATION, HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

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TENTATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for ITCB's entire issued and paid-up share capital of RM40,000,000 comprising 40,000,000 ordinary shares of RM1.00 each on the Second Board of the Malaysia Securities Exchange Berhad is set out below:-

<u>Indicative Date</u>	<u>Event</u>
28 January 2004	Issue of Prospectus/ Opening date of the Public Issue/ Offer for Sale
6 February 2004	Closing date of the Public Issue/ Offer for Sale
9 February 2004	Tentative balloting date
16 February 2004	Tentative despatch date of notice of allotment to successful applicants
18 February 2004	Tentative listing date

THIS TIMETABLE IS TENTATIVE AND IS SUBJECT TO CHANGE, WHICH MAY BE NECESSARY TO FACILITATE IMPLEMENTATION PROCEDURES. THE APPLICATION PERIOD WILL REMAIN OPEN UNTIL 5.00 P.M. ON 6 FEBRUARY 2004 OR FOR SUCH OTHER LATER DATE AS THE DIRECTORS OF THE COMPANY, THE OFFERORS AND THE MANAGING UNDERWRITER MAY IN THEIR ABSOLUTE DISCRETION MUTUALLY DECIDE. IN THE EVENT THE CLOSING DATE FOR THE APPLICATIONS IS EXTENDED, INVESTORS WILL BE NOTIFIED OF THE CHANGE IN A WIDELY CIRCULATED ENGLISH AND BAHASA MALAYSIA NEWSPAPER IN MALAYSIA.

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DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Prospectus:-

Acquisitions	:	The acquisitions by ITCB of the entire issued and paid-up share capital of ITMSB, Baguda, ITESB, ITHP, CTLSB, ITPMX, ITLMS, ITSZ, EPSB and GHPSB
Act	:	Companies Act, 1965
ADA	:	Authorised Depository Agent
ADA Code	:	ADA (Broker) Code
AFP	:	Austin Foam Plastics Inc
AFTA	:	Asean Free Trade Area
AmMerchant Bank	:	AmMerchant Bank Berhad (Company No.: 23742-V)
Application	:	Refers to application for the IPO Shares by way of Application Forms or by way of Electronic Share Application
Application Form	:	Application for IPO Shares by way of a printed Application Form
ATM	:	Automated Teller Machine
Baguda	:	Baguda (M) Sdn Bhd (Company No.: 225436-P)
Board	:	The Board of Directors of ITCB
CDS	:	Central Depository System
CTLSB	:	Cal-Test Laboratory Sdn Bhd (Company No.: 523396-U)
Date of Offer	:	The date on which an Offer is made by the ESOS Committee to an Employee in the manner provided in Bye-Law 7
EBIDTA	:	Earnings before interest, depreciation, taxation and amortisation
Electronic Share Application	:	Application for IPO Shares through a Participating Financial Institution's ATM
EPE	:	Expanded Polyethylene
EPP	:	Expanded Polypropylene
EPS	:	Earnings Per Share
EPSB	:	Eppor-Pack Sdn Bhd (Company No.: 352964-M)
EPST	:	Expanded Polystyrene
EPU	:	Expanded Polyurethane
ESD	:	Electrostatic Discharge
ESOS	:	The employee share option scheme of up to ten percent (10%) of the issued and paid-up share capital of ITCB
ESOS Committee	:	A committee comprising of Director(s) and senior management personnel appointed by the Board to administer the ESOS Scheme.

DEFINITIONS (Cont'd)

ESOS Option	:	The contract constituted by acceptance by an employee in the manner provided by Bye-Law 8 of an offer made to such employee by the ESOS Committee pursuant to Bye-Law 7. Each option shall entitle an employee to subscribe for one(1) Share upon its exercise.
FIC	:	Foreign Investment Committee
GDP	:	Gross Domestic Product
GHPSB	:	GH Packaging Sdn Bhd (Company No.: 251096-P)
IGL	:	Ire-Tex Group Limited, formerly known as Irish & Label Packaging (Company No.: 54942)
Initial Public Offering or IPO	:	Public Issue and Offer for Sale collectively
IPO Share(s)	:	The Public Issue Share(s) and Offer Share(s), collectively
IRP	:	Irish Pound
ITCB Group or the Group	:	ITCB and its subsidiaries
ITCB or the Company	:	Ire-Tex Corporation Berhad (Company No.: 576121-A)
ITESB	:	Ire-Tex Electronics Sdn Bhd (Company No.: 469196-A)
ITHP	:	Iretex-Harta Packaging Sdn Bhd (Company No.: 497417-D)
ITHSB	:	Ire-Tex Holdings Sdn Bhd (Company No.: 572308-V)
ITLMS	:	Iretex-LMS Electronics (Xiamen) Co. Ltd (Company No.: 04391)
IPC	:	International Procurement Centre
ISTA	:	International Safe Transit Association
ITMSB	:	Ire-Tex (Malaysia) Sdn Bhd (Company No.: 351185-T)
ITP	:	Ire-Tex Packaging Limited (Company No.: 217318)
ITPMX	:	Ire-Tex Packaging Material (Xiamen) Co. Ltd (Company No.: 04185)
ITSZ	:	Iretex-Newbillion Packaging Material (Suzhou) Co. Ltd (Company No.: 009823)
KO	:	KO Limited Partnership
LCC	:	LCC Distribution Sdn Bhd (572601-U)
Listing	:	Admission to the Official List and the listing of and quotation for the entire issued and paid-up share capital of RM40,000,000 comprising 40,000,000 Shares on the Second Board of the MSEB
Listing Requirements	:	Listing Requirements of MSEB
Malaysian Public	:	Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organized under the laws of Malaysia

DEFINITIONS (Cont'd)

Market Day(s)	:	Any day between Monday and Friday (both days inclusive) which is not a public holiday and on which the MSEC is open for the trading of securities								
MCD or Central Depository	:	Malaysian Central Depository Sdn Bhd (165570-W)								
MI	:	Minority Interest								
MIH or Issuing House	:	Malaysian Issuing House Sdn Bhd (258345-X)								
MITI	:	Ministry of International Trade and Industry								
MNC(s)	:	Multi-nationals corporations								
MSEC	:	Malaysia Securities Exchange Berhad (635998-W)								
NTA	:	Net Tangible Assets								
Offer for Sale	:	Offer for sale by the Offerors of 8,000,000 ITCB Shares at an offer price of RM1.40 per Share payable in full on application, subject to the terms and conditions of this Prospectus, to be offered as follows:-								
		<table border="0"> <thead> <tr> <th style="text-align: left;">Offeree</th> <th style="text-align: right;">No. of ITCB Shares</th> </tr> </thead> <tbody> <tr> <td>Bumiputera investors approved by MITI</td> <td style="text-align: right;">6,000,000</td> </tr> <tr> <td>Eligible Directors, employees and business associates of ITCB Group</td> <td style="text-align: right;">2,000,000</td> </tr> <tr> <td>Total</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">8,000,000</td> </tr> </tbody> </table>	Offeree	No. of ITCB Shares	Bumiputera investors approved by MITI	6,000,000	Eligible Directors, employees and business associates of ITCB Group	2,000,000	Total	8,000,000
Offeree	No. of ITCB Shares									
Bumiputera investors approved by MITI	6,000,000									
Eligible Directors, employees and business associates of ITCB Group	2,000,000									
Total	8,000,000									
Offer Shares	:	The 8,000,000 Shares to be offered pursuant to the Offer for Sale								
Offerors	:	The Offerors of the Offer for Sale being Dr Yap Tatt Keat, ITP, KO and ITHSB								
Participating Financial Institution(s)	:	Refers to the Participating Financial Institutions for Electronic Share Application as listed in Section 13.5(ii)(o) of this Prospectus								
PAT	:	Profit After Tax								
PBSB	:	Phoenix Base Sdn Bhd (Company No.: 230068-P)								
PBT	:	Profit Before Tax								
PE Multiple	:	Price Earnings Multiple								
Pink Form Shares	:	The 2,000,000 Offer Shares in ITCB representing 5.0% of the enlarged issued and paid-up share capital of ITCB at the IPO price to the eligible Directors, employees and business associates of the ITCB Group								
Placement Agent	:	AmMerchant Bank								
Private Placement	:	Private placement of 2,000,000 Shares in ITCB representing 5.0% of the enlarged issued and paid-up share capital of ITCB at an IPO price of RM1.40 per Share to potential investors by the Placement Agent								
Promoters	:	Dr Yap Tatt Keat, ITP, KO and ITHSB collectively								
Public Issue	:	The public issue of 9,800,000 new Shares in ITCB representing 24.50% of the enlarged issued and paid-up share capital of ITCB at an issue price of RM1.40 per Share								

DEFINITIONS (Cont'd)

Public Issue Shares	:	The 9,800,000 new Shares to be issued pursuant to the Public Issue
R&D	:	Research and Development
Restructuring or Listing Scheme	:	The Acquisitions, Rights Issue, Public Issue, Offer for Sale and Listing collectively
Rights Issue	:	The rights issue of 10,747,173 new Shares on the basis of approximately 552 new Shares for every 1,000 existing Shares held based on the issued and paid-up share capital of 19,452,827 Shares after the Acquisitions
RM and sen	:	Ringgit Malaysia and sen respectively
RMB	:	Renminbi
SC	:	Securities Commission
SC Guidelines	:	Policies and Guidelines on Issue/Offer of Securities issued by Securities Commission as amended or expanded from time to time
SGHORM	:	Sin Guan Hup Oil & Rice Mill Sdn Bhd (Company No.: 63703-X)
SGS	:	SGS Yarsley International Certification Services, United Kingdom
Share(s)	:	Ordinary share(s) of RM1.00 each
Sq ft	:	Square Feet
US or USA	:	United States of America
USD	:	United States Dollar

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CORPORATE INFORMATION**BOARD OF DIRECTORS**

Name (Directorship/Position Held)	Address	Occupation	Nationality
YM Raja Said Abidin Bin Raja Shahrome (Chairman/ Independent Non-Executive Director)	18, Jalan SS5A/9 Kelana Jaya 47301 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Dr Yap Tatt Keat (Group Managing Director)	11, Cangkat Minden Lorong 12 11700 Gelugor Penang	Company Director	Malaysian
See Toh Kean Yaw (Executive Director)	6, Lebuhraya Maktab 10250 Penang	Accountant	Malaysian
Paul Charles Burke (Non-Executive Director)	Adelaide House Adelaide Road Glenageary Co Dublin Ireland	Company Director	Irish
Timothy Ian O' Hearn (Non-Executive Director)	501, North Weston Lane Austin, Texas 78733 USA	Company Director	American
Dr Lee Yu Huat @ Lee Yew Huat (Non-Executive Director)	2, Jalan 5, Minden Heights 11700 Gelugor Penang	Company Director	Malaysian
Lim Poay Guan (Non-Executive Director)	343D, Jalan Perak 11600 Penang	Company Director	Malaysian
Mohamad Bin Long (Independent Non-Executive Director)	28B, 4-1, Miami Green Jalan Pantai Miami 11100 Batu Feringgi Penang	Company Director	Malaysian
Fazrin Azwar Bin Dato' Md. Nor (Independent Non-Executive Director)	No. 15, Jalan Setiamurni 2 Bukit Damansara 50490 Kuala Lumpur	Company Director	Malaysian

AUDIT COMMITTEE

Name	Designation	Directorship
YM Raja Said Abidin Bin Raja Shahrome	Chairman	Independent Non-Executive Director
Mohamad Bin Long	Member	Independent Non-Executive Director
See Toh Kean Yaw	Member	Executive Director

CORPORATE INFORMATION (Cont'd)

- COMPANY SECRETARY** : Tan Cheng Ean (LS 000211)
5-G-7, Jalan Bukit Kecil Satu
Mawar Apartment
Taman Sri Nibong
11900 Penang
- REGISTERED OFFICE** : Suite 12-H, Gurney Tower Office
18, Persiaran Gurney
10250 Penang
Tel : (04)-3702880
Fax : (04)-3702880
- HEAD OFFICE** : 1498, Jalan Bukit Tengah
MK 11, Bukit Mertajam
Seberang Perai
14000 Penang
Tel : (04)-502 2752
Fax : (04)-502 2753
Website: www.iretex.com.my
Email : info@iretex.com.my
- REGISTRARS & TRANSFER OFFICE** : Agriteum Share Registration Services Sdn Bhd (578473-T)
2nd Floor, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah
10050 Penang
Telephone No. : (04)-2282321
- ISSUING HOUSE** : Malaysian Issuing House Sdn Bhd (258345-X)
27th Floor, Menara Multi-Purpose
Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Telephone No. : (03)-2693-2075
- PRINCIPAL BANKERS** : Bumiputra-Commerce Bank Berhad (13491-P)
8th Floor, Bangunan KWSP,
Lot 3009, Off Lebuh Tenggiri 2, Bandar Seberang Jaya
13700 Seberang Jaya
Penang
Telephone No. : (04)-3978033
- Bumiputra-Commerce Bank Berhad (13491-P)
1271, Jalan Baru
Taman Mas 13600 Perai
Penang
Telephone No. : (04)-3901577
- RHB Bank Berhad (6171-M)
1433 & 1434, Jalan Besar
14200 Sungai Bakap
Seberang Perai Selatan, Penang
Telephone No. : (04)-5823630

CORPORATE INFORMATION (Cont'd)

- RHB Bank Berhad (6171-M)
1st & 2nd Floor
2784 & 2785, Jalan Chain Ferry
Taman Inderawasih
13600 Perai
Telephone No. : (04)-3908997
- AUDITORS AND REPORTING ACCOUNTANTS** : BDO Binder
Chartered Accountants
Suite 12-A, Gurney Tower Office
18, Persiaran Gurney
10250 Penang
Telephone No. : (04)-3702885
- SOLICITORS FOR THE IPO** : Ghazi & Lim
19th Floor, Plaza MWE
No. 8, Lebuhr Farquhar
10200 Penang
Telephone No. : (04)-2633688
- ADVISER, MANAGING UNDERWRITER AND PLACEMENT AGENT** : AmMerchant Bank Berhad (23742-V)
22nd Floor, Bangunan AmBank Group
55, Jalan Raja Chulan
50200 Kuala Lumpur
Telephone No. : (03) – 2078 2633
- UNDERWRITERS** : AmMerchant Bank Berhad (23742-V)
22nd Floor, Bangunan AmBank Group
55, Jalan Raja Chulan
50200 Kuala Lumpur
Telephone No. : (03) – 2078 2633
- AmSecurities Sdn Bhd (92977-U)
15th Floor, Bangunan AmBank Group
55, Jalan Raja Chulan
50200 Kuala Lumpur
Telephone No. : (03) – 2078 2788
- INDEPENDENT BUSINESS AND MARKET RESEARCH CONSULTANTS** : Vital Factor Consulting Sdn Bhd
75C & 77C, Jalan SS22/19
Damansara Jaya 47400
Petaling Jaya, Selangor Darul Ehsan
Telephone No. : (03) – 7728 0248
- INDEPENDENT VALUERS** : Jones Lang Wootton
2nd Floor, Standard Chartered Bank Chambers
2, Lebuhr Pantai
10300 Penang
Telephone No. : (04)-2612353
- LISTING SOUGHT** : Second Board of the Malaysia Securities Exchange Berhad

IRE-TEX CORPORATION BERHAD

(Company No.: 576121-A)

(Incorporated in Malaysia under the Companies Act, 1965)

1. INFORMATION SUMMARY

THE FOLLOWING INFORMATION SUMMARY IS ONLY A SUMMARY OF THE SALIENT INFORMATION ABOUT THE ITCB GROUP. INVESTORS SHOULD READ AND UNDERSTAND THE WHOLE PROSPECTUS PRIOR TO DECIDING WHETHER TO INVEST IN THE SHARES OF THE COMPANY.

1.1 History and Business

ITCB was incorporated in Malaysia under the Companies Act, 1965 on 4 April 2002 as a private limited company under the name of Ire-Tex Corporation Sdn Bhd. On 23 May 2002, it was converted to a public limited company and since then assumed its present name. It is principally an investment holding company whilst its subsidiaries are principally involved in design and fabrication of polymer-based protective packaging products, provision of contract manufacturing services, manufacture of polymer-based materials, conversion of corrugated paper boxes, provision of material testing and equipment calibration services, procurement of raw materials, components and finished products, and property investment.

In 1995, Dr Yap Tatt Keat founded ITMSB in Penang together with Timothy Ian O'Hearn from AFP, US and Paul Charles Burke from IGL, Ireland. AFP and IGL were providing design and fabrication of protective packaging services to a MNC in USA and Europe. ITMSB was initially set up to support the MNC's protective packaging needs for the MNC's manufacturing facilities, the Asia Pacific customer centre in Malaysia. In 1998, ITESB was set up to provide contract manufacturing services in Malaysia. At the same time, ITPMX was set up in Xiamen, China to support the MNC's customer centre in China. In 1999, the Group's second subsidiary in China, ITLMS was established to provide contract manufacturing services. At the same time, the Group further expanded its earnings base by setting up ITHP in a joint venture with HPI Resources Berhad, a public listed company on the Second Board of the MSEB to provide protective packaging solutions to manufacturers in Johor, Singapore, Batam and Indonesia.

GHPSB is a converter of corrugated carton boxes for manufacturers in the electronics and electrical industry, computer and peripherals industry, packaging industry, furniture industry and food and beverage industry. EPSB is engaged in the manufacture of polystyrene and the moulding of EPST, EPE and EPP for manufacturers in the electronics and audio-visual industries. The Group serves a wide range of customers which includes locals and MNCs.

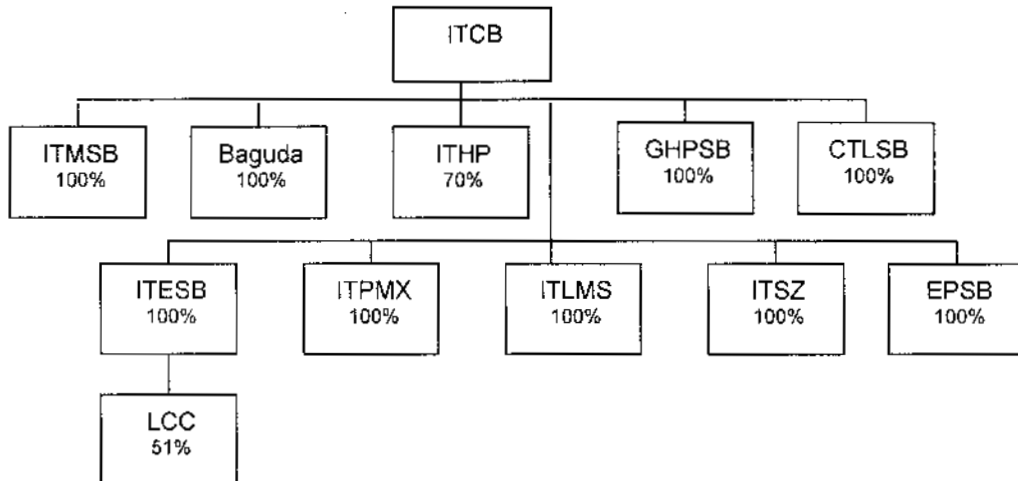
At present, the Group production facilities in Malaysia are located in Penang, Kedah and Johor whilst in China, they have two plants in Xiamen and Suzhou. As at 31 December 2003, the Group has 356 employees.

Over the years, the Group has continuously committed to provide quality products and services to its customers as reflected in the recognition for its quality standards received from accreditation bodies for most of its subsidiaries. In August 2001, CTLSB become part of the ISTA, USA certified testing laboratories worldwide. In March 2002, the Group through LCC was awarded its IPC status by the MITI.

With the IPC status, the Group would be able to globally source and procure quality materials for its customers at more competitive prices. The Group would continue to work closely with its customers to ensure the Group's materials meet its customers' specifications and needs.

1. INFORMATION SUMMARY (Cont'd)

An overview of the ITCB Group's corporate structure is set out below:-



Details of the subsidiaries of ITCB are summarised below:-

Company	Date and Place of Incorporation	Issued and Paid-up Share Capital (RM)	Effective Equity Interest (%)	Principal Activities
ITMSB	15.07.1995 Malaysia	2,266,200	100.00	Manufacturing of packaging materials for the computer and electronics products
ITESB	19.09.1998 Malaysia	600,000	100.00	Preparation and sub-assembly of computer chassis
ITHP	25.10.1999 Malaysia	500,000	70.00	Manufacturing and sales of protective packaging materials for the computer and electronics products
GHPSB	17.10.1992 Malaysia	700,000	100.00	Manufacturer of corrugated packaging materials
CTLSB	12.08.2000 Malaysia	2	100.00	Provide services of calibration and testing of equipment and general products
EPSB	27.07.1995 Malaysia	4,500,000	100.00	Manufacturer of sponge, packaging materials and other related products
Baguda	25.09.1991 Malaysia	1,500,000	100.00	Investment holding
ITPMX	04.06.1998 China	970,694 (equivalent to USD239,990)	100.00	Manufacturing and sales of protective packaging products for the computer and electronics products

1. INFORMATION SUMMARY (Cont'd)

Company	Date and Place of Incorporation	Issued and Paid-up Share Capital (RM)	Effective Equity Interest (%)	Principal Activities
ITLMS	11.06.1999 China	570,663 (equivalent to USD150,000)	100.00	Manufacturing and sales of electronic products
ITSZ	17.04.2001 China	950,000 (equivalent to USD250,000)	100.00	Manufacturing and sales of protective packaging products for the computer and electronics products
<i>Subsidiary of ITESB</i>				
LCC	01.03.2002 Malaysia	500,000	51.00	Sourcing, distributing and trading of raw materials, components and finished products.

Further information on the ITCB Group is set out in Section 4 of this Prospectus.

1.2 Shareholdings of Promoters, Substantial Shareholders, Directors and Key Management of ITCB Group

	Designation	After IPO ⁽¹⁾			
		<-----Direct----->		<-----Indirect----->	
		No. of Shares	%	No. of Shares	%
<i>Promoters</i>					
ITHSB	-	8,367,660	20.92	-	-
Dr Yap Tatt Keat	Group Managing Director	5,419,352	13.55	-	-
ITP	-	5,319,352	13.30	-	-
KO	-	3,193,634	7.98	-	-
<i>Substantial Shareholders</i> ⁽²⁾					
ITHSB	-	8,367,660	20.92	-	-
Dr Yap Tatt Keat	Group Managing Director	5,419,352	13.55	-	-
ITP	-	5,319,352	13.30	-	-
KO	-	3,193,634	7.98	-	-
Lee Chee Cheang	Director of ITESB, EPSB, GHPSB, CTLSB and Baguda, and Deputy Managing Director of EPSB	35,000	0.09	8,367,660 ⁽³⁾	20.92
IGL	-	-	-	5,319,352 ⁽⁴⁾	13.30
Paul Charles Burke	Non-Executive Director	20,000	0.05	5,319,352 ⁽⁵⁾	13.30
Timothy Ian O' Hearn	Non-Executive Director	20,000	0.05	3,193,634 ⁽⁶⁾	7.98
Kenneth Eugene Kurtz II	-	-	-	3,193,634 ⁽⁶⁾	7.98

1. INFORMATION SUMMARY (Cont'd)

	Designation	After IPO ⁽¹⁾			
		<-----Direct----->		<-----Indirect----->	
		No. of Shares	%	No. of Shares	%
<u>Directors</u>					
YM Raja Said Abidin Bin Raja Shahrome	Chairman/ Independent Non-Executive Director	820,000	2.05	-	-
Dr Yap Tatt Keat	Group Managing Director	5,419,352	13.55	-	-
See Toh Kean Yaw	Executive Director	80,000	0.20	-	-
Paul Charles Burke	Non-Executive Director	20,000	0.05	5,319,352 ⁽⁵⁾	13.30
Timothy Ian O' Hearn	Non-Executive Director	20,000	0.05	3,193,634 ⁽⁶⁾	7.98
Dr Lee Yu Huat @ Lee Yew Huat	Non-Executive Director	20,000	0.05	-	-
Lim Poay Guan	Non-Executive Director	20,000	0.05	-	-
Mohamad Bin Long	Independent Non-Executive Director	20,000	0.05	-	-
Fazrin Azwar Bin Dato' Md. Nor	Independent Non-Executive Director	1,990,000	4.98	-	-
<u>Key Management</u>					
Christopher A. Purcell	Deputy Managing Director of ITMSB and ITESB	80,000	0.20	-	-
Saharun Nizam Bin Saharan	QA & Engineering Director of ITMSB	80,000	0.20	-	-
Goh Tong Date	Director of ITSZ and Deputy Managing Director of China Operations	80,000	0.20	-	-
Lee Chee Cheang	Director of ITESB, EPSB, GHPSB, CTLSB and Baguda, and Deputy Managing Director of EPSB	35,000	0.09	8,367,660 ⁽⁹⁾	20.92
Lee Ping Leng	Administration Director of ITMSB	35,000	0.09	-	-
Hong Chew Kek	General Manager of ITHP	35,000	0.09	-	-
Wong Ghee Heng	Managing Director of GHPSB	35,000	0.09	-	-
Wong Chie Yu	Operations Director of ITPMX and ITLMS	35,000	0.09	-	-
Loo Soon Hin	Director of LCC and Operations Director of LCC	35,000	0.09	-	-

1. INFORMATION SUMMARY (Cont'd)

Notes:-

- (1) *Include Pink Form Shares allocation pursuant to the IPO.*
- (2) *MITI had via its letter dated 26 December 2003 allocated to several Bumiputera investors, amongst others, Lembaga Tabung Angkatan Tentera and Lembaga Tabung Haji, 5,000,000 Shares and 2,000,000 Shares representing 12.50% and 5.0% of the enlarged issued and paid-up share capital of ITCB respectively. In the event the said Bumiputera investors fully subscribed for their allocations pursuant to the IPO, they will become the substantial shareholders of ITCB. Further details of the allocation to the Bumiputera investors are disclosed in Section 4.3(e) of this Prospectus.*
- (3) *Deemed interested by virtue of his shareholding of more than 15.0% in the Shares of ITHSB.*
- (4) *Deemed interested by virtue of its shareholding of more than 15.0% in the shares of ITP.*
- (5) *Deemed interested by virtue of his indirect shareholding of more than 15.0% in the shares of IGL via Nobleford Investment Inc.*
- (6) *Deemed interested by virtue of his shareholding of more than 15.0% in the shares of KO.*

Further information on the Promoters, Substantial Shareholders, Directors and Key Management of ITCB Group are set out in Section 5 of this Prospectus

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1. INFORMATION SUMMARY (Cont'd)**1.3 Financial Statistics for the Past Five (5) Financial Years**

The following table has been extracted from the Accountants' Report in Section 8 of this Prospectus and should be read in conjunction with the notes and assumptions thereto.

A summary of the proforma consolidated financial results of ITCB Group based on the audited financial statements for the last five financial years ended 31 December 1998 to 2002 and the seven months period ended 31 July 2003 prepared on the assumption that the current group structure has been in existence throughout the years/period under review and after making such adjustments considered necessary, is provided for illustrative purposes only.

	← Financial Year Ended 31 December →					01.01.2003
	1998	1999	2000	2001	2002	to 31.07.2003
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Proforma Group						
Revenue	24,724	37,672	49,835	66,720	59,400	35,102
EBIDTA	5,562	8,125	8,179	10,635	9,380	6,260
Depreciation	(940)	(1,317)	(1,809)	(2,094)	(2,227)	(1,359)
Interest expenses	(657)	(528)	(411)	(362)	(331)	(209)
Amortisation of deferred expenditure	(71)	(177)	-	-	-	-
Profit before exceptional item	3,894	6,103	5,959	8,179	6,822	4,692
Exceptional item	-	-	-	504	-	-
PBT	3,894	6,103	5,959	8,683	6,822	4,692
Taxation	(1,257)	(83)	(1,384)	(1,423)	(807)	(583)
PAT	2,637	6,020	4,575	7,260	6,015	4,109
MI	-	-	15	(53)	36	(200)
PAT after MI	2,637	6,020	4,590	7,207	6,051	3,909
Number of Shares issued and fully paid-up('000)	30,200	30,200	30,200	30,200	30,200	30,200
Proforma gross EPS (sen)	12.89	20.21	19.73	28.75	22.59	*26.63
Proforma net EPS (sen)	8.73	19.93	15.20	23.86	20.04	*22.19

1. INFORMATION SUMMARY (Cont'd)

Notes:-

* Annualised.

(1) The above proforma consolidated financial results have been prepared based on the audited financial statements of ITCB, ITMSB, Baguda, ITESB, ITHP, CTLSB, ITPMX, ITLMS, ITSZ, LCC, EPSB and GHPSB.

(2) The revenue and PBT have been on an upward trend except for the financial year ended 31 December 2002.

In 1999, revenue increased mainly due to full operations from its subsidiaries especially ITESB and new customers from USA. The Group continued to expand its business in China by incorporating a new subsidiary, ITLMS.

In 2000 and 2001, the Group's revenue improved further with all companies enjoying continuing growth in the demand for their products especially from the China market as the Group received new orders for the production of new models from their customers.

In 2002, revenue decreased mainly due to general slow down in the world economy.

(3) The pre-tax profit margin of the Group ranges from 11.48% to 16.20% for the past five (5) financial years ended 31 December 1998 to 2002 and seven (7) months period ended 31 July 2003.

(4) The results of ITESB, EPSB and GHPSB from 1998 to 2000 have been adjusted on a time apportionment basis to coincide with the financial year end 31 December.

(5) There was a prior year adjustment in respect of the 1999 results of ITPMX which has been incorporated accordingly in the income statement of ITPMX as detailed in the Accountants' Report in Section 8.0 of this Prospectus.

(6) The proforma gross EPS has been calculated based on PBT and the number of Shares assumed in issue of 30,200,000 Shares after the Acquisitions and Rights Issue but before the Public Issue.

(7) The proforma net EPS has been calculated based on PAT and the number of Shares assumed in issue of 30,200,000 Shares after the Acquisitions and Rights Issue but before the Public Issue.

(8) The effective tax rate for 1998 was higher than the statutory tax rate due to certain tax disallowable expenses. The rate in 1999 was low due to tax waiver for Year of Assessment 2000. In 2000 to 2002, rates were low due to reinvestment allowances available for set off against profits. Profits from subsidiaries in China were tax exempted under the Income Tax Law of People's Republic of China for enterprises with foreign investment and foreign enterprises. These companies are exempted from income tax in its first two profit-making years and are entitled to 50% income tax reduction in the subsequent three years of operations. Enterprises located in the Xiamen Special Economic Zone are subject to income tax at the rate of 15%.

(9) Save for the exceptional item amounting to RM503,600 in respect of a gain on disposal of an associated company for the financial year ended 31 December 2001, there were no extraordinary and exceptional items for all the financial years/period under review.

The Accountants' Report is set out in Section 8 of this Prospectus.

1.4 Audit Qualifications in the Audited Financial Statements for the Past Financial Years/ Period

The financial statements of ITCB Group for the past five(5) financial years/period ended 31 December 2002 and the seven (7) months period ended 31 July 2003 were reported without any audit qualification.

1. INFORMATION SUMMARY (Cont'd)

1.5 Summary of Proforma Consolidated Balance Sheets of ITCB as at 31 July 2003

The proforma consolidated balance sheets are provided for illustrative purposes only and have been prepared based on the audited balance sheet of ITCB and its subsidiaries as at 31 July 2003 and on the accounting principles and basis consistent with those previously adopted in the preparation of the audited financial statements and the assumption that the following transactions have been effected on 31 July 2003.

PROFORMA CONSOLIDATED BALANCE SHEET					
AS AT 31 JULY 2003					
Audited as at 31.07.2003	Proforma I After Acquisitions	Proforma II After Proforma I and Rights Issue	Proforma III After Proforma II and Public Issue	Proforma IV After Proforma III and Utilisation of Proceeds	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS EMPLOYED					
Property, plant and equipment	-	14,214	14,214	14,214	27,114
Other investments	-	1,246	1,246	1,246	1,246
Deferred tax assets	-	30	30	30	30
Inventories	-	4,765	4,765	4,765	4,765
Trade receivables	-	17,400	17,400	17,400	17,400
Other receivables, deposits & prepa	-	3,519	3,519	3,519	3,519
Tax recoverable	-	688	688	688	688
Fixed deposits with licensed banks	-	1,349	1,349	1,349	1,349
Cash & bank balances	3	7,786	18,533	32,253	9,213
	3	35,487	46,234	59,954	36,914
Trade payables	-	6,009	6,009	6,009	6,009
Other payables & accruals	554	3,605	3,605	3,605	3,605
Short term borrowings	-	2,583	2,583	2,583	435
Provision for taxation	-	138	138	138	138
Dividend payable	-	5,439	5,439	5,439	-
	554	17,774	17,774	17,774	10,187
Net Current Assets/(Liabilities)	(551)	17,713	28,460	42,180	26,727
DEFERRED EXPENDITURE	529	529	529	529	-
	(22)	33,732	44,479	58,199	55,117
FINANCED BY					
SHARE CAPITAL	*	19,453	30,200	40,000	40,000
ACCUMULATED LOSSES	(22)	(22)	(22)	(22)	(22)
CAPITAL RESERVE	-	9,981	9,981	9,981	9,981
SHARE PREMIUM	-	1,945	1,945	5,865	4,065
	(22)	31,357	42,104	55,824	54,024
MINORITY INTEREST	-	598	598	598	598
DEFERRED AND LONG TERM LIABILITIES					
Term loan	-	702	702	702	-
Deferred taxation	-	495	495	495	495
Hire purchase payables	-	580	580	580	-
	-	1,777	1,777	1,777	495
	(22)	33,732	44,479	58,199	55,117

Note:-

* Being 2 fully paid-up Shares.

The Reporting Accountants' Letter together with Proforma Consolidated Balance Sheets as at 31 July 2003 thereon are set out in Section 6.11 and Section 6.12 of the Prospectus.

1. INFORMATION SUMMARY (Cont'd)

1.6 Risk Factors

The following are a list of some of the main risk factors (which may not be exhaustive) as extracted from Section 3 of this Prospectus which applicants for the IPO should carefully consider in addition to other information contained elsewhere in this Prospectus before applying for the IPO:-

- (a) No Prior Market for ITCB Shares;
- (b) Business Risks;
- (c) Political, Economic and Regulatory Considerations;
- (d) Dependency on Key Management;
- (e) Competitive Risk;
- (f) Profit Estimate and Forecast;
- (g) Dependency of Packaging Industry on Manufacturing Sector;
- (h) Dependency on Major Customers;
- (i) Dependency on Raw Material;
- (j) Foreign Operations/Currency Risk;
- (k) Product Substitutes;
- (l) Capital Market Risks;
- (m) Environmental Issues;
- (n) Failure/Delay in Listing Exercise;
- (o) Adequacy of Insurance Coverage on the Group's Assets;
- (p) Control of Substantial Shareholders;
- (q) Business Operations on Rented Premises;
- (r) Substantial Shareholders' Interest in Similar Business;
- (s) Borrowings;
- (t) Risk of Business Disruptions;
- (u) AFTA; and
- (v) Disclosure Regarding Forward Looking Statements.

Details of the risk factors are contained in Section 3 of this Prospectus.

1.7 Principal Statistics Relating to the IPO

The following statistics relating to the IPO are derived from the full text of this Prospectus and should be read in conjunction with the text.

	RM
AUTHORISED SHARE CAPITAL	
• 50,000,000 Shares	<u>50,000,000</u>
ISSUED AND FULLY PAID-UP SHARE CAPITAL	
• 30,200,000 Shares	30,200,000
To be issued pursuant to the Public Issue	
• 9,800,000 new Shares	9,800,000
Enlarged Share Capital	<u>40,000,000</u>
TO BE OFFERED FOR SALE PURSUANT TO THE OFFER FOR SALE	
• 8,000,000 Shares	8,000,000
IPO PRICE PER SHARE	RM1.40

1. INFORMATION SUMMARY (Cont'd)**PROFORMA CONSOLIDATED NTA**

Proforma consolidated NTA as at 31 July 2003 (after taking into account the Acquisitions, Rights Issue, Public Issue and estimated listing expenses of RM1,800,000) RM54,024,827

Proforma consolidated NTA per Share RM1.35

There is only one class of shares in the Company, namely ordinary shares of RM1.00. The IPO Shares will rank pari passu in all respect with the existing Shares of the Company including voting rights and rights to all dividends the entitlement of which is subsequent to the allotment of the IPO Shares.

PROFORMA CONSOLIDATED PROFIT ESTIMATE AND FORECAST

Financial Year Ending 31 December	Estimate	Forecast
	2003	2004
	RM'000	RM'000
Revenue	61,017	65,235
Consolidated PBT	8,084	9,652
Less : Taxation	(1,392)	(2,132)
Less : MI	(346)	(303)
Consolidated PAT after MI	6,346	7,217
Less: Pre-acquisition profit	(4,231)	-
Profit attributable to shareholders	2,115	7,217
Enlarged no. of Shares ('000)	40,000	40,000
Gross EPS (sen)	20.21	24.13
Net EPS (sen)#	15.87	18.04
Gross PE Multiple based on the IPO price of RM1.40 per Share (times)	6.93	5.80
Net PE Multiple based on the IPO price of RM1.40 per Share (times)#	8.82	7.76

Note:-

This has been calculated based on PAT after MI before pre-acquisition profit.

The consolidated profit estimate and forecast of ITCB Group together with the Reporting Accountants' Letter thereon are set out in Section 6.8 and Section 6.11 of the Prospectus.

DIVIDEND

Financial Year Ending 31 December	Estimate	Forecast
	2003	2004
Gross dividend per Share (sen)	*	5.00
Dividend yield based on the IPO price of RM1.40 per Share	-	3.57
Net dividend cover (times)	-	5.01

Note:-

* No dividend will be proposed for financial year ending 31 December 2003 as the Listing is expected to be completed in the financial year ending 31 December 2004.

Further information on the future financial information of the ITCB Group is set out in Sections 6 of this Prospectus.

1. INFORMATION SUMMARY (Cont'd)

1.8 Utilisation Of Proceeds

ITCB will receive the proceeds from its listing exercise from the issuance of Shares pursuant to the Rights Issue and Public Issue. ITCB intends to use the proceeds in the following manner:-

	RM'000
<u>Proceeds</u>	
Rights Issue	10,747
Public Issue	13,720
	<u>24,467</u>
<u>Utilisation</u>	
Purchase of land and building	10,900
Future overseas business expansion	2,000
Purchase of plant and machinery	2,000
Repayment of term loans and hire purchase facilities	3,481
Working capital	4,286
Estimate listing expenses	1,800
	<u>24,467</u>

ITCB will bear all other expenses incidental to the listing of and quotation for ITCB's Shares on the Second Board of the MSEB which include underwriting commission, brokerage, registration fee, professional fees, SC fees, advertising, listing expenses and other fees, the aggregate of which is estimated to be approximately RM1.80 million.

The Offer for Sale will raise gross proceeds of RM11.20 million. This amount shall accrue to the Offerors and no part of the proceeds is receivable by ITCB. The Offerors shall bear all expenses, such as underwriting commission, brokerage and other related expenses relating to the Offer Shares.

For a detailed commentary of the above mentioned proceeds, please refer to Section 2.6 of this Prospectus.

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1. INFORMATION SUMMARY (Cont'd)**1.9 Borrowings, Contingent Liabilities, Material Commitment and Material Litigation****(i) Borrowings**

As disclosed in Section 6.6.2 of this Prospectus, as at 31 December 2003, the total bank borrowings of the ITCB Group in the form of term loans, trust receipts, banker's acceptance and hire purchase financing amounted to approximately RM5.57 million. The borrowings can be analysed further as follows:-

Borrowings	Amount (RM '000)
Group	
Long term borrowings	
• Interest bearing	2,461
• Non-interest bearing	-
	2,461
Short term borrowings	
• Interest bearing	3,112
• Non-interest bearing	-
	3,112
Total Borrowings	5,573

The Group has no foreign currency borrowings.

(ii) Contingent Liabilities

The Directors of ITCB declare that, as at 31 December 2003, the Group has no contingent liabilities.

(iii) Material Commitments

Save as disclosed in Section 12.4(xx), the Directors of ITCB declare that, as at 31 December 2003, the Group has no material capital commitments.

(iv) Material Litigation

As at 31 December 2003, neither the Company nor its subsidiaries are engaged in any material litigation and arbitration, either as plaintiff or defendant, which has a material effect on the financial position of ITCB or its subsidiaries and the Directors do not know of any proceeding pending or threatened or of any facts likely to give rise to any proceeding which might materially and adversely affect the position or business of ITCB or its subsidiaries.

Further information on all borrowings, contingent liabilities, material commitments and material litigation is set out in Section 6.6 of this Prospectus.