

#### 4. INFORMATION ON THE ITCB GROUP

##### 4.1 Incorporation

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. As at 31 December 2003, the ITCB Group has 356 employees.

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
ITLMS	11.06.1999 China	570,663 (equivalent to USD150,000)	100.00	Manufacturing and sales of electronic products

**4. INFORMATION ON THE ITCB GROUP (Cont'd)**

Company	Date and Place of Incorporation	Issued and Paid-up Share Capital (RM)	Effective Equity Interest (%)	Principal Activities
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
<b><u>Subsidiary of ITESB</u></b>				
LCC	01.03.2002 Malaysia	500,000	51.00	Sourcing, distributing and trading of raw materials, components and finished products.

**4.2 Share Capital and Changes in Share Capital**

The present authorised share capital is 50,000,000 comprising 50,000,000 Shares whilst its current issued and paid-up share capital is RM30,200,000 comprising 30,200,000 Shares.

The changes in the issued and paid up share capital of ITCB since its incorporation are as follows:-

Date of Allotment	No. of Shares	Par Value RM	Consideration	Total Issued and Paid-up Share Capital RM
04.04.2002	2	1.00	Subscribers' Shares	2
02.09.2003	19,452,825	1.00	Acquisitions	19,452,827
18.12.2003	10,747,173	1.00	Rights Issue	30,200,000

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#### 4. INFORMATION ON THE ITCB GROUP (Cont'd)

##### 4.3 Listing Scheme

In conjunction with, and as an integral part of the listing of and quotation for the entire issued and paid-up share capital of ITCB on the Second Board of the MSEB, the Company undertook listing scheme involving the following:-

##### (a) Acquisitions

##### (i) ITMSB

Acquisition of the entire issued and paid-up share capital of ITMSB comprising 2,266,200 Shares for a total consideration of RM15,381,634 which was satisfied by the issuance of 13,983,303 new Shares in ITCB at an issue price of RM1.10 per Share. The purchase consideration was arrived at based on the audited NTA as at 31 December 2001 of RM11,102,346 and adjusted for gain on disposals of Baguda, ITESB, ITPMX, ITLMS, ITHP, CTLSB and ITSZ totalling RM7,585,168, and adjustments for payment of a tax-exempt dividend amounting to RM5,438,880 and total dividends received of RM2,133,000 (two tax-exempt dividends totalling RM1,504,319 and two dividends less 28% tax totalling RM628,681) are as follows:-

	Audited NTA as at 31.12.2001	Adjustments for Gain on Disposal of Investment in Subsidiaries	Adjustments for Net Dividends Payable	Adjusted NTA/ Purchase Consideration
ITMSB	11,102,346	7,585,168	(3,305,880)	15,381,634

The particulars relating to vendors' existing shareholdings in ITMSB are as follows:-

Name of Vendors	No. of Shares Held in ITMSB	%	Purchase Consideration RM	No. of ITCB Shares Issued
ITP	755,400	33.33	5,127,211	4,661,101
KO	755,400	33.33	5,127,211	4,661,101
Dr Yap Tatt Keat	755,400	33.34	5,127,212	4,661,101
Total	2,266,200	100.00	15,381,634	13,983,303

##### (ii) Baguda

Acquisition of the entire issued and paid-up share capital of Baguda comprising 1,500,000 Shares for a total cash consideration of RM3,732,702. The consideration was arrived at based on the audited NTA as at 31 December 2001 of RM4,677,702 and adjusted for the payments of a tax-exempt dividend and a dividend less tax of 28% of RM716,301 and RM228,699 respectively.

Name of Vendor	No. of Shares Held in Baguda	%	Cash Consideration RM
ITMSB	1,500,000	100.00	3,732,702

**4. INFORMATION ON THE ITCB GROUP (Cont'd)****(iii) ITESB**

Acquisition of the entire issued and paid-up share capital of ITESB comprising 600,000 Shares for a total cash consideration of RM1,293,701. The consideration was arrived at based on the audited NTA as at 31 December 2001 of RM2,481,701 and adjusted for the payments of a tax-exempt dividend and a dividend less tax of 28% of RM788,018 and RM399,982 respectively.

Name of Vendor	No. of Shares Held in ITESB	%	Cash Consideration RM
ITMSB	600,000	100.00	1,293,701

**(iv) ITHP**

Acquisition of 350,000 Shares, which represents 70% of the issued and paid-up share capital in ITHP for a cash consideration of RM440,766. The consideration was arrived at based on the audited NTA as at 31 December 2001 of RM629,665.

Name of Vendor	No. of Shares Held in ITHP	%	Cash Consideration RM
ITMSB	350,000	70.00	440,766

**(v) CTLSB**

Acquisition of the entire issued and paid-up share capital of CTLSB comprising 2 Shares for a nominal cash consideration of RM1. The nominal consideration was because CTLSB had audited net liabilities as at 31 December 2001 of RM106,719.

Name of Vendor	No. of Shares Held in CTLSB	%	Cash Consideration RM
ITMSB	2	100.00	1

**(vi) ITPMX**

Acquisition of the entire paid-in capital of ITPMX of RM970,694 for a total cash consideration of RM7,089,212. The consideration was arrived at based on the audited NTA as at 31 December 2001 of RM7,089,212.

Name of Vendor	Value of Shares Held in ITPMX RM	%	Cash Consideration RM
ITMSB	970,694	100.00	7,089,212

**4. INFORMATION ON THE ITCB GROUP (Cont'd)****(vii) ITLMS**

Acquisition of the entire paid-in capital of ITLMS of RM570,663 for a total cash consideration of RM716,835. The consideration was arrived at based on the audited NTA as at 31 December 2001 of RM716,835.

Name of Vendor	Value of Shares Held in ITLMS		Cash Consideration RM
	RM	%	
ITMSB	570,663	100.00	716,835

**(viii) ITSZ**

Acquisition of the entire paid-in capital of ITSZ of RM190,000 for a nominal cash consideration of RM1. The nominal consideration was because ITSZ had audited net liabilities as at 31 December 2001 of RM349,587.

Name of Vendor	Value of Shares Held in ITSZ		Cash Consideration RM
	RM	%	
ITMSB	190,000	100.00	1

Subsequently, on 23 April 2002, the paid-in capital of ITSZ was additionally increased from RM190,000 to RM950,000. As at 31 December 2002, ITSZ had audited net liabilities of RM184,214. As such, ITCB has acquired the additional increased paid-in capital of ITSZ of RM760,000 for the same nominal cash consideration of RM1 as mentioned above for ITSZ to be a wholly owned subsidiary of ITCB.

**(ix) EPSB**

Acquisition of the entire issued and paid-up share capital of EPSB comprising 4,500,000 Shares for a total consideration of RM4,947,408 which was satisfied by the issuance of 4,497,642 new Shares in ITCB at an issue price of RM1.10 per Share. The consideration was arrived at based on the audited NTA as at 31 December 2001 of RM4,947,408.

**4. INFORMATION ON THE ITCB GROUP (Cont'd)**

Name of Vendors	No. of Shares Held in EPSB	%	Purchase Consideration RM	No. of ITCB Shares Issued
Dr Yap Tatt Keat	500,000	11.11	549,712	499,738
Yap Foon Soo @ Yeap Foon Soo	500,000	11.11	549,712	499,738
Yeap Ah Loot @ Yeap Hen Lyee	500,000	11.11	549,712	499,738
Lee Yew Lee	500,000	11.11	549,712	499,738
Dr Lee Yu Huat @ Lee Yew Huat	500,000	11.11	549,712	499,738
Ong Mooi Eng	500,000	11.11	549,712	499,738
Lee Chee Cheang	500,000	11.12	549,712	499,738
Lim Poay Guan	500,000	11.11	549,712	499,738
Lim Poay Kin	500,000	11.11	549,712	499,738
<b>Total</b>	<b>4,500,000</b>	<b>100.00</b>	<b>4,947,408</b>	<b>4,497,642</b>

**(x) GHPSB**

Acquisition of the entire issued and paid-up share capital of GHPSB comprising 700,000 Shares for a total consideration of RM1,069,068 which was satisfied by the issuance of 971,880 new Shares in ITCB at an issue price of RM1.10 per Share. The consideration was arrived at based on the audited NTA as at 31 December 2001 of RM1,069,068.

Name of Vendors	No. of Shares Held in GHPSB	%	Purchase Consideration RM	No. of ITCB Shares Issued
Lee Chee Cheang	455,000	65.00	694,894	631,722
Wong Ghee Heng	245,000	35.00	374,174	340,158
<b>Total</b>	<b>700,000</b>	<b>100.00</b>	<b>1,069,068</b>	<b>971,880</b>

The Acquisitions were completed on 21 November 2003. All the new Shares issued pursuant to the Acquisitions ranked pari passu in all respect with the existing Shares of ITCB including voting rights and rights to all dividends that may be declared, subsequent to the date of allotment of the Shares issued pursuant to the Acquisitions.

**4. INFORMATION ON THE ITCB GROUP (Cont'd)****Renunciation of ITCB Shares**

Pursuant to the Acquisitions, the following shareholders had renounced their Shares to ITHSB, a family owned investment holding company with the following same percentages as per their respective shareholdings in ITHSB:-

<b>Name of Shareholder</b>	<b>No. of Shares in ITCB Renounced to ITHSB</b>	<b>%</b>
Lee Chee Cheang	1,131,460	20.68
Dr Yap Tatt Keat	499,738	9.14
Yap Foon Soo @ Yeap Foon Soo	499,738	9.14
Yeap Ah Loot @ Yeap Hen Lyee	499,738	9.14
Lee Yew Lee	499,738	9.14
Dr Lee Yu Huat @ Lee Yew Huat	499,738	9.14
Ong Mooi Eng	499,738	9.14
Lim Poay Guan	499,738	9.14
Lim Poay Kin	499,738	9.14
Wong Ghee Heng	340,158	6.20
	<b>5,469,522</b>	<b>100.00</b>

Further details on ITHSB is disclosed in Section 5.1.2(c) of this Prospectus.

**(b) Rights Issue**

Subsequent to the Acquisitions, ITCB undertook a Rights Issue of 10,747,173 new Shares in ITCB at an issue price of RM1.00 per Share on the basis of approximately 552 new Shares for every 1,000 existing Shares held.

The Rights Issue which was completed on 18 December 2003 resulted in the issued and paid up share capital of ITCB being further increased from 19,452,827 Shares to 30,200,000 Shares.

All the new Shares issued pursuant to the Rights Issue ranked pari passu in all respect with the existing Shares of ITCB including voting rights and rights to all dividends that may be declared, subsequent to the date of allotment of the Shares issued pursuant to the Rights Issue.

**(c) Public Issue and Offer for Sale**

The final stage in the Listing scheme involves a Public Issue of 9,800,000 Shares and Offer for Sale of 8,000,000 Shares at an IPO price of RM1.40 per Share. The IPO Shares will be allocated in the following manner:-

**(i) Public Issue Shares**

The 9,800,000 Shares arising from the Public Issue will be allocated in the following manner:-

- (aa) 6,000,000 Shares representing 15.0% of the enlarged issued and paid-up share capital to be allocated to Bumiputera investors, companies, societies, co-operations and institutions approved by MITI;
- (bb) 1,800,000 Shares representing 4.5% of the enlarged issued and paid-up share capital have been reserved for Malaysian public, of which 30% is to be set aside for Bumiputera individuals; and

**4. INFORMATION ON THE ITCB GROUP (Cont'd)**

- (cc) 2,000,000 Shares representing 5.0% of the enlarged issued and paid-up share capital by way of private placement to potential investors (who are deemed public).

**(ii) Offer Shares**

The 8,000,000 Shares arising from the Offer for Sale will be allocated in the following manner:-

- (aa) 6,000,000 Shares representing 15.0% of the enlarged issued and paid-up share capital will be offered to Bumiputera investors, companies, societies, co-operations and institutions approved by MITI; and
- (bb) 2,000,000 Shares representing 5.0% of the enlarged issued and paid-up share capital will be reserved for eligible Directors, employees and business associates of the ITCB Group.

All the new Shares to be issued pursuant to the Public Issue will rank pari passu in all respect with the existing Shares of ITCB including voting rights and rights to all dividends that may be declared, subsequent to the date of allotment of the Shares to be issued pursuant to the Public Issue.

**(d) Listing**

The Company will make an application to the MSEC for the admission of ITCB to the Official List and for the listing of and quotation for the entire enlarged issued and fully paid-up share capital of 40,000,000 Shares in ITCB on the Second Board of the MSEC.

**(e) Summary**

In summary, the IPO Shares will be allocated and allotted in the following manner:-

	Public Issue Shares	Offer Shares	Total IPO Shares
Malaysian public	1,800,000	-	1,800,000
Eligible Directors, employees and business associates of the Group	-	2,000,000	2,000,000
Private Placement	2,000,000	-	2,000,000
Bumiputera investors	6,000,000	6,000,000	12,000,000
<b>Total</b>	<b>9,800,000</b>	<b>8,000,000</b>	<b>17,800,000</b>

All the IPO Shares available for application by the Malaysian public and the eligible Directors, employees and business associates of the Group have been fully underwritten. The IPO Shares available for application by identified placees and Bumiputera investors are not underwritten. The Placement Agent has received irrevocable undertakings from the identified placees to take up the IPO Shares available for application under the Private Placement.



#### 4. INFORMATION ON THE ITCB GROUP (Cont'd)

The MITI had vide its letter dated 26 December 2003 approved the allocation of 12,000,000 Shares to the following Bumiputera investors subject to the condition that the said Bumiputera investors are allowed to sell up to 30.0% of the total number of Shares allocated within 3 months after the listing of ITCB on the MSEB and thereafter they will only sell the remaining 70.0% of the Shares in stages after obtaining the prior approval from the MITI:-

Bumiuputera Investors	No. of Shares	%
Lembaga Tabung Angkatan Tentera	5,000,000	12.50
Permodalan Nasional Berhad	1,000,000	2.50
Lembaga Tabung Haji	2,000,000	5.00
Amanah Saham Mara	300,000	0.75
Amanah Saham Johor	200,000	0.50
YM Raja Said Abidin Bin Raja Shahrome	800,000	2.00
Abdul Samad Omar	118,300	0.30
DPC Management Sdn Bhd	118,400	0.30
Wan Husin & Associates Sdn Bhd	118,400	0.30
Fazrin Azwar Bin Dato' Md Nor	1,990,000	4.98
Megat Abdul Munir Megat Abdullah	118,300	0.29
Osman T.A. Maimuni	118,300	0.29
Muzafar Munzir	118,300	0.29
<b>Total</b>	<b>12,000,000</b>	<b>30.00</b>

The said Bumiputera investors have submitted their letters of acceptance to the MITI to take up the Shares allocated as at the date of this Prospectus.

In the event of an under-subscription of the IPO Shares by the Malaysian public, the unsubscribed IPO Shares will be made available to identified placees.

Any IPO Share which is not taken up by eligible Directors, employees and business associates of the Group will be made available for application by the Malaysian public and/or identified placees via Private Placement.

#### 4.4 ESOS

ITCB had on 4 August 2003 and 3 December 2003 obtained the approval of the SC and existing shareholders of the Company respectively, to establish an ESOS in order to retain and motivate eligible Executive Directors and employees who have contributed to the success of the Group. According to the SC Guidelines on employee share option schemes, the ESOS shall only be implemented by ITCB upon receipt of the relevant approvals from the SC, MSEB and existing shareholders of the Company, the fulfilment of any condition attached thereto and upon AmMerchant Bank, as the Adviser to the ESOS, submitting to the SC the following: -

- (a) Final copy of the Bye-Laws of the ESOS; and
- (b) Confirmation letter from AmMerchant Bank confirming that ITCB has: -
  - (i) fulfilled the SC's conditions on the approval for the ESOS and that the Bye-Laws do not contravene any of the provisions of the SC Guidelines on employee share option schemes; and
  - (ii) obtained all other relevant approvals for the ESOS and has fulfilled all conditions imposed therein.

**4. INFORMATION ON THE ITCB GROUP (Cont'd)**

An application will be made to the MSEB within three(3) Market Days from the date of this Prospectus for the listing of ITCB Shares that may be issued upon the exercise of the ESOS Options together with the application for admission of ITCB Shares to the Official List of the Second Board of the MSEB and for permission to deal in and for the listing of and quotation for the entire enlarged issued and paid-up share capital of ITCB as mentioned in Section 2.0 of this Prospectus. Therefore, the ESOS shall only be established after ITCB has obtained the MSEB's approval-in-principle for the listing of ITCB Shares that may be issued upon the exercise of the ESOS Options.

The ESOS will be for a duration of five(5) years and maximum number of Shares that may be issued to eligible Executive Directors and employees of the Group under the ESOS is limited to 10% of ITCB's issued and paid-up share capital at any point in time.

According to the SC Guidelines on employee share option schemes, where the ESOS Options are granted before the Company is listed on the MSEB, the exercise price of the ESOS Options shall not be less than the IPO price. Where the ESOS Options are granted on or after the Company is listed on the MSEB, the exercise price shall be the higher of: -

- (a) a price to be determined by the Board upon the recommendation of the ESOS Committee which is at a discount of not more than 10% or as allowed by relevant authorities from the weighted average market price of the Shares as shown in the daily official list issued by the MSEB for the five(5) Market Days immediately preceding the date of offer; or
- (b) the par value of the Shares.

Barring unforeseen circumstances, the Directors of ITCB intend to grant ESOS Options for up to a maximum of 4.0 million Shares prior to the Company being listed on the MSEB at an exercise price of RM1.40 per Share. However, such ESOS Options shall only be exercisable after ITCB has been listed on the Second Board of the MSEB.

The Directors of ITCB intend to utilise the proceeds from the exercise of the ESOS Options for working capital purposes.

The Shares to be issued and allotted upon any exercise of the Option will upon allotment and issuance rank *pari passu* in all respect with the then existing issued Shares except that the Shares so issued will not be entitled for any dividend, rights, allotment or other distribution declared, made or paid to shareholders unless the Shares so allotted have been credited into the relevant securities accounts of the shareholders maintained by MCD before the entitlement date and will be subject to all provisions of the Articles of Association of the Company relating to transfer, transmission and otherwise.

The Bye-Laws of the ESOS are set out in Section 11 of this Prospectus.

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#### 4. INFORMATION ON THE ITCB GROUP (Cont'd)

##### 4.5 Business Overview

##### 4.5.1 Principal Products and Market

The ITCB Group is principally engaged in the design and fabrication of protective and cushion packaging products from polymer-based foam materials. Other business activities of the Group include provision of contract manufacturing services, manufacture of polymer-based materials, conversion of corrugated paper boxes, provision of material testing and equipment calibration services, and procurement of raw materials, components and finished products.

The breakdown of the Group's turnover by business activities for the financial year ended 31 December 2002 and seven months period ended 31 July 2003 is as follows:-

Business Activities	Revenue Contribution to the Group for the Financial Year Ended 31 December 2002		Revenue Contribution to the Group for the Seven Months Period Ended 31 July 2003	
	RM'000	%	RM'000	%
Fabrication	38,532	64.9	22,601	64.4
Contract Manufacturing Services	12,742	21.5	1,381	3.9
Conversion	5,338	9.0	4,159	11.8
Manufacturing	2,193	3.7	1,760	5.0
Testing and Calibration Services	205	0.3	64	0.2
Procurement	390	0.7	5,137	14.6
<b>Total</b>	<b>59,400</b>	<b>100.0*</b>	<b>35,102</b>	<b>100.0^</b>

Notes:-

\* Total exceed 100% due to rounding

^ Total less than 100% due to rounding

For the financial year ended 31 December 2002, fabrication activities contributed 64.9% of the Group's total revenue whilst revenue from contract manufacturing services accounted for 21.5%. Meanwhile conversion of corrugated paper boxes accounted for 9.0% whilst manufacturing activities generated 3.7% of Group revenue. Contribution from testing and calibration services accounted for 0.3% and the remaining 0.7% is contributed by procurement.

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#### 4. INFORMATION ON THE ITCB GROUP (Cont'd)

The breakdown of revenue contribution from the Group's operations, located in Malaysia and China, by business activity, for the financial year ended 31 December 2002 and seven months period ended 31 July 2003 are as follows:-

Business Activities	Revenue Contribution to the Group for the Financial Year Ended 31 December 2002		Revenue Contribution to the Group for the Seven Months Period Ended 31 July 2003	
	RM'000	%	RM'000	%
<b>Malaysia Operations</b>	<b>34,239</b>	<b>57.6*</b>	<b>24,758</b>	<b>70.5*</b>
<i>Fabrication</i>	23,625	39.8	12,361	35.2
<i>Conversion</i>	5,338	9.0	4,159	11.8
<i>Manufacturing</i>	2,193	3.7	1,760	5.0
<i>Contract Manufacturing Services</i>	2,488	4.2	1,277	3.6
<i>Testing &amp; Calibration Services</i>	205	0.3	64	0.2
<i>Procurement</i>	390	0.7	5,137	14.6
<b>China Operations</b>	<b>25,161</b>	<b>42.4</b>	<b>10,344</b>	<b>29.5</b>
<i>Fabrication</i>	14,907	25.1	10,240	29.2
<i>Contract Manufacturing Services</i>	10,254	17.3	104	0.3
<b>Total</b>	<b>59,400</b>	<b>100.0</b>	<b>35,102</b>	<b>100.0</b>

Note:-

\* Does not add up due to rounding

For the year financial ended 31 December 2002, contribution from the Group's Malaysian operations accounted for approximately 57.6% of the Group's total revenue. For the seven months period ended 31 July 2003, contribution from the Group's Malaysian operations accounted for approximately 70.5%.

The Malaysian operations are involved in all the business activities of the Group. For the financial year ended 31 December 2002, fabrication and conversion activities contributed approximately 39.8% and 9.0% of the turnover of the Malaysian operations. Meanwhile, manufacturing activities generated around 3.7% whilst contract manufacturing services accounted for approximately 4.2%. The remaining of approximately 0.7% and 0.3% are contributed by procurement activities and testing and calibration services respectively.

The Malaysian operations serve the Group's local and export customers. For the financial year ended 31 December 2002, local sales accounted for approximately 50.9% of the Group's turnover whilst exports to customers in the US, Thailand, Indonesia, Taiwan, Singapore, Hong Kong, China and Japan accounted for approximately 6.7%. For the seven months period ended 31 July 2003, local sales accounted for approximately 44.7% whilst exports to overseas customers accounted for approximately 25.8%.

The Group's operations in China, serving its customers there, generated approximately 42.4% of Group turnover for the financial year ended 31 December 2002. The China operations are at present focused in the fabrication activities and the provision of contract manufacturing services. Fabrication activities accounted for nearly 59% of the turnover of the China operations whilst the remaining of approximately 41% was generated from contract manufacturing services.

#### 4. INFORMATION ON THE ITCB GROUP (Cont'd)

As part of the Group's emphasis on quality, the Group has obtained the following accreditations in Quality Management System by Det Norske Veritas, Netherlands:-

By Company	Accreditations	Date of Accreditation
ITMSB	ISO 9002:1994	25 November 1999
	ISO 9001:2000	14 October 2002
ITPMX	ISO 9002:1994	29 June 2000
	ISO 9001:2000	4 November 2002
EPSB	ISO 9002:1994	19 September 2000
	ISO 9001:2000	11 November 2002
ITESB	ISO 9002:1994	27 September 2000
	ISO 9001:2000	15 October 2002
ITSZ	ISO 9001:2000	31 October 2002

This provides customers with the assurance of quality of the Group's products.

In addition, GHPSB was awarded the ISO 9002: 1994 and ISO 9001:2000 Quality System Standard by SGS, for the conversion of corrugated fibre board into packaging products.

##### (a) Fabrication of Polymer Based Packaging Materials

The Group's protective packaging products are primarily fabricated from polymer-based materials such as polyethylene foams, polyurethane foams, polypropylene foams and polystyrene foams.

The Group's protective and cushion packaging products are used predominantly by manufacturers in the computer and computer peripherals industry for the shipment of sensitive and fragile end-products such as desktop computer systems, notebook computers, workstations, network servers and storage products. The Group also serves manufacturers in other sectors of the electronics industry including the semiconductor, hard disk drive, telecommunications and home appliances industries.

The protective and cushion packaging products of the ITCB Group can be broadly categorised as follows:-

- Fabricated or moulded cushion packaging products;
- ESD protective packaging products;
- Custom crates, pallets and wood products; and
- Plastic products.

#### 4. INFORMATION ON THE ITCB GROUP (Cont'd)

(i) **Fabricated or Moulded Cushion Packaging Products**

Fabricated or moulded cushion packaging products from polymer-based foams materials are used to protect equipment and other sensitive electronic products during shipment. The wide range of fabricated or moulded cushion packaging products of the ITCB Group include:-

Type of Foam	Properties of Foam	Products
<b>Polyethylene (EPE)</b>	<ul style="list-style-type: none"> <li>- Conductive</li> <li>- Anti static</li> <li>- Cross or non-cross linked</li> <li>- UV resistant</li> <li>- Can be routed, die cut, glued, heat moulded and compression moulded</li> <li>- Flame proof</li> <li>- Chemical proof</li> <li>- Has good recovery</li> <li>- Economical</li> </ul>	Fabricated products such as CPU endcaps, monitor cushions and corner blocks.
<b>Polyurethane (EPU)</b>	<ul style="list-style-type: none"> <li>- Conductive</li> <li>- Anti static</li> <li>- Cross or non-cross linked</li> <li>- Can be cold glued, cut to shape, laminated to board or plastic</li> <li>- Choice of colours</li> <li>- Multiple uses</li> <li>- Convoluted</li> <li>- Fire-retardant</li> </ul>	Convoluted foams, contour foams and fabricated products such as cushioned shippers, display packs and fabric-lined laminated products.
<b>Polypropylene (EPP)</b>	<ul style="list-style-type: none"> <li>- Open or closed cell</li> <li>- Anti static</li> <li>- Cross or non-cross linked</li> <li>- UV resistant</li> <li>- Flame proof</li> <li>- Can be heat or compression moulded</li> <li>- Chemical proof</li> <li>- Has good recovery</li> <li>- CFC free</li> <li>- Durable</li> <li>- High density</li> <li>- Low density</li> <li>- Non flaking</li> </ul>	Automotive side impact foam, sun vision protective foam, bumper core foam and fabricated products such as CPU top and bottom packs, corner packs, inner cushions, high sensitive device container and hard disk drive transport tray.
<b>Polystyrene (EPS)</b>	<ul style="list-style-type: none"> <li>- High tensile strength</li> <li>- Antistatic</li> <li>- Versatile</li> <li>- Low water absorption</li> <li>- Unlimited colourability</li> <li>- Good chemical resistance to many acids, bases, low alcohols, salt and salt solutions</li> <li>- Easy to recycle</li> <li>- Economical</li> </ul>	Corner protectors, heavy load pallet inner cushions and hot-wired shaped parts.

(Source: Vital Factor Consulting Report)

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**4. INFORMATION ON THE ITCB GROUP (Cont'd)**

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**(ii) ESD Protective Packaging Products**

The Group's ESD protective packaging products include conductive tote trays and boxes, and static shielding bags. They are used to provide extra protection during shipment to critical electronic components and sensitive products such as printed circuit boards, which could be damaged easily by static charges.

These products are made from specialist materials and barriers which have properties such as dielectric coating, polyester, aluminium metallised shielding, anti-static heat sealable polyethylene and static dissipative film.

**(iii) Custom Crates, Pallets and Wood Products**

Custom crates, pallets and wood products converted by the Group are used to ship larger and heavier products. The Group also designs and fabricates 'hybrid' products made from a combination of cushioning foam materials and wooden based materials to provide optimum protection for heavy yet fragile parts such as computer servers.

**(iv) Plastic Products**

The Group also produces polyethylene-based plastic protective packaging products such as ESD or non-ESD tote trays and pallets.

Tote trays, which are stackable and recyclable, may be used to ship products such as computer motherboards and batteries whilst the stackable plastic pallets are for the tote trays.

**(b) Contract Manufacturing Services**

The Group's contract manufacturing activities primarily involves the provision of testing and sub-assembly services. Computer power supply units are tested and subsequently assembled together with other components such as heat sinks, motor fans and plastic parts and onto computer metal chassis.

In Malaysia, the Group is a 'labour only' service provider where all the materials for assembly are obtained from customers on consignment basis. However, in China, the Group provides value-added services by sourcing all materials needed for its customers.

**(c) Manufacture of Polymer-Based Materials**

The Group is engaged in the manufacture and moulding of EPST, EPE and EPP through EPSB. Its factory is located in Nibong Tebal, Penang.

Moulded poly-based products are manufactured according to customer specifications. It involves the expansion of polymer resins to required density under pressure and shaping the various polymers into foam products of different sizes and shapes in prefabricated moulds.

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**4. INFORMATION ON THE ITCB GROUP (Cont'd)**

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**(d) Conversion of Corrugated Paper Boxes**

GHPSB in Kulim, Kedah, undertakes the conversion activities of the Group, catering to the Group as well as serving the paper packaging needs of various industries in Malaysia. Corrugated paper boxes of different sizes and configurations are designed and converted mainly for manufacturers located in the northern region of Peninsular Malaysia

The conversion of corrugated paper boxes involves the slitting, slotting, printing, die cutting, stitching or gluing of sheet form corrugated paperboard to produce corrugated paper boxes according to customer specifications.

**(e) Testing and Calibration Services**

The Group established its well-equipped laboratory in Perai, Penang, under its subsidiary, CTLSB, to support the increasing needs of its customers. Its services include packaging design, prototype development and testing services, mechanical and electrical equipment calibration services, equipment repair services and training services.

The testing procedures employed by the Group are based on ISTA. The laboratory was awarded the ISTA certification for package testing in August 2001. It is one of over 240 laboratories worldwide certified by ISTA. The ISTA pre-shipment test procedure provides a means for manufacturers to significantly improve the assurance and safe arrival of their packaged products.

The Group is currently working towards obtaining ISO 9001 and ISO 17025 certification for the laboratory by mid-2004.

**(f) Procurement**

The Group also provides procurement services. This is part of the Group's intention to provide value-added services to its customers. In March 2002, the Group was granted its IPC status. With the IPC, the Group is able to globally source and procure quality materials at more competitive prices to meet the specifications and requirements of its customers.

By integrating its production activities with its IPC, the Group can help customers reduce their procurement costs and manufacturing lead time. The out-sourcing of such non-core production activities to the Group would allow its customers to have more time to focus on their own core competencies where they can add the greatest value, for example, in R&D, product design, product technologies and marketing and sales.



#### 4. INFORMATION ON THE ITCB GROUP (Cont'd)

##### 4.5.2 Production Facilities, Capacity and Utilisation

The production facilities of the ITCB Group and their respective production capacities and utilisation are as follows:-

Production Facility	Land Area/ Built-up Area	Current Average Production Capacity Per Year <sup>(1)</sup>	Current Capacity Utilisation
<b>Fabrication</b>			
ITMSB Bukit Tengah, Bukit Mertajam Perai	304,920 sq ft/ 56,000 sq ft <sup>(2)</sup>	- EPE – 350 tons - EPU – 150 tons - EPS – 10 tons - Cartons – 3,000 tons - Wood – 100 tons - Shielding Material – 40 tons	60%
ITHP Senai, Johor	25,000 sq ft 10,000 sq ft	1 million sets	60%
ITPMX Xiamen, China	92,000 sq ft/ 80,000 sq ft <sup>(3)</sup>	- EPE – 600 tons - EPU – 60 tons - Cartons – 2,300 tons	90%
ITSZ Suzhou, China <sup>(4)</sup>	43,000 sq ft/ 32,000 sq ft	1 million sets	30%
<b>Contract Manufacturing</b>			
ITESB Bukit Tengah, Bukit Mertajam Perai	304,920 sq ft/ 14,000 sq ft <sup>(2)</sup>	- Server: 40,000 units - Computer chassis: 250,000 units - Server rack server: 1,000 units	50% - 70%
ITLMS Xiamen, China	92,000 sq ft/ 12,000 sq ft <sup>(3)</sup>	- Computer chassis: 50,000 units	50%
<b>Manufacture of Polymer-Based Materials</b>			
EPSB Nibong Tebal Penang	130,680 sq ft/ 24,000 sq ft	- EPS – 250 tons - EPP – 70 tons - EPE – 40 tons	70% 20% 30%
<b>Conversion of Corrugated Paper Boxes</b>			
GHP SB Kulim, Kedah	78,400 sq ft/ 53,000 sq ft	3,000 metric tons	45%

Notes:-

- (1) Production is based on raw material consumption except for contract manufacturing activities.
- (2) ITMSB and ITESB share the same facility which has a total built-up area of 70,000 sq. ft.
- (3) ITPMX and ITLMS share the same facility.

All the facilities operate an 8-hour shift daily.

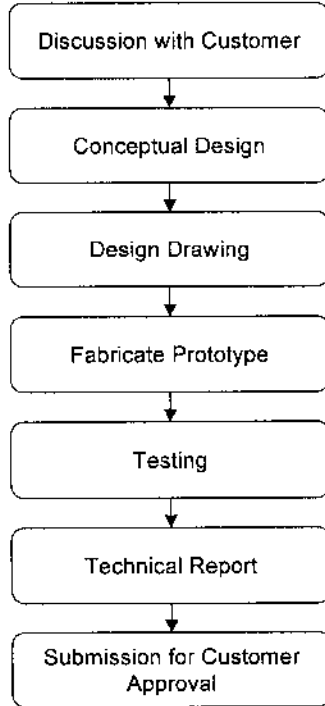
#### 4. INFORMATION ON THE ITCB GROUP (Cont'd)

##### 4.5.3 Production Flows

The design and fabrication activities of the ITCB Group can be illustrated as follows:-

- (a) Product Design; and
- (b) Fabrication.

##### (a) Process Flow of Product Design

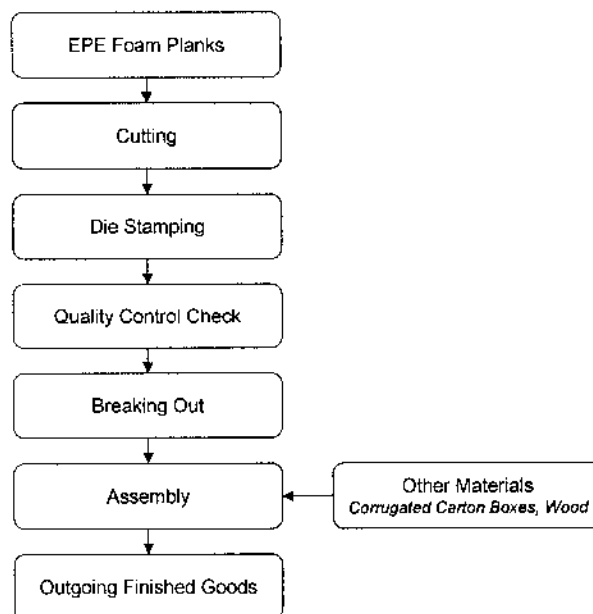


- (i) The ITCB Group has a packaging design team comprising eight engineers who are experienced and trained in the development of protective packaging products.
- (ii) New or modified designs are developed after discussions with customers to understand their needs and preferences.
- (iii) To develop the most efficient and cost effective packaging solution which would address the customer's needs and preferences, the team will need to take into consideration design inputs from its customer such as product fragility value, shipping requirements in terms of size of packaging, artwork and product weight, sensitivity of product and special features of product.
- (iv) The team will then work on the conceptual design of the packaging, taking into account materials to be used, size of the packaging, design structure and customer specifications.
- (v) The design is then created and drawn with the aid of computer aided design software, "Impact", which ensures that all dimensions and specifications are appropriately met.

#### 4. INFORMATION ON THE ITCB GROUP (Cont'd)

- (vi) Once the drawing is completed, a full scale prototype is fabricated by using a sample plotter and then cut into shape. If required, die stamping is carried out.
- (vii) The prototype is then subjected to extensive testing with actual products in the Group's Certified Testing Laboratory. Tests carried out would include:
  - Drop Test to determine the fragility of an item which is established by measuring the maximum deceleration it can withstand without damage;
  - Vibration Test to determine the vibration performance of the packaging;
  - Edge Crush Test to test the ring crush strength (vertical, horizontal), adhesion strength of paper boards;
  - Burst Strength Test to determine the bursting strength of paper corrugated board and combined board.
- (viii) The tests ensure that the packaging is capable of successfully protecting the product it is designed for. Once the team is satisfied that they have successfully designed and fabricated an optimised package system, the team will prepare reports, outlining their test results, evaluation, recommendation and product costing.
- (ix) The reports are subsequently submitted to the customer for approval.

#### (b) Process Flow of Fabrication of Expanded Polyethylene Products



- (i) EPE foams in plank form received from suppliers are checked by incoming warehouse personnel to ensure that they match the dimensions and quantities ordered.

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**4. INFORMATION ON THE ITCB GROUP (Cont'd)**

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- (ii) The production department will fabricate the products based on customers' orders. The EPE foams are cut into shape according to customer specifications using vertical cutting machines.
- (iii) For intricate packaging designs, the foam planks are subsequently die cut according to specifications with a die cutting machine. The die cut moulds used are designed to maximize usage of the planks, thus ensuring cost-effectiveness and reducing material wastage.
- (iv) Next, quality control checks are carried out to ensure that the cutting and die stamping processes have been undertaken according to specifications in approved drawings.
- (v) Subsequently, the cut parts are manually broken apart from the foam planks and sorted out.
- (vi) Parts which do not require further fabrication are sent to the warehouse for customer despatch. Parts for hybrid products are assembled and glued together to other materials such as corrugated paper boxes or custom crates by using hot melt glue.
- (vii) The Group also offers complete packaging solutions where all the necessary protective and cushion packaging materials are assembled for its customer and ready for use.
- (viii) Other foam products such as EPU are purchased in sets, pre-cut according to specifications. In such cases the production of EPU products mainly involve the assembly process.
- (ix) Upon completion of assembly, the finished products are wrapped and transferred to the warehouse for distribution to customers.

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**4. INFORMATION ON THE ITCB GROUP (Cont'd)**

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**4.5.4 Sources and Availability of Raw Materials**

The major raw materials for the Group's principal business activity, design and fabrication of protective packaging products, are the following three types of polymer based foam materials:-

- EPE foam (plank form);
- EPU foam (pre-cut sets); and
- EPP

All the raw materials used by the ITCB Group are sourced directly either from manufacturers or suppliers. Around 80% of the Group's EPE foam requirements for its Malaysian operations are imported from Germany whilst the remaining 20% are sourced locally. For its China operations, around 20% of its EPE foam requirements are sourced from Germany whilst the remaining 80% are sourced locally in China.

Meanwhile, the Group's EPU supplies are sourced from a local manufacturer whilst its polypropylene resins are fully imported from suppliers in Singapore.

Other major raw material purchases include:-

- Corrugated paperboard for conversion into paper boxes;
- Computer parts and components such as computer chassis and power supply units for its testing and sub-assembly services; and
- Moisture bags, ESD boards and wood for other protective packaging products.

For both its Malaysian and China operations, the Group sources all its corrugated paperboard requirements from respective local suppliers.

As a contract manufacturer, the ITCB Group purchases computer parts and components for its testing and sub-assembly services from the approved vendors of its MNC customers. This is normal industry practice to ensure consistency in the quality of raw material supplies. At present, parts like computer chassis and power supply units are fully imported from manufacturers in Thailand and China respectively.

The Group fully imports ESD materials from the US whilst wood for its crates, which includes Meranti plywood and mixed hardwood, are sourced locally.

For the financial year ended 31 December 2002, the Group's purchases of materials amounted to nearly RM21.0 million for the Malaysia operations. Imported raw materials amounted to RM2.1million, representing approximately 10% of the Group's total material purchases for the financial year ended 31 December 2002 in the Malaysia operations. Local materials accounted for RM18.9 million, representing the balance 90% of Group material purchases in the Malaysia operations.

For the seven months period ended 31 July 2003, local purchases represented approximately 68% of the Group's materials purchases for the Malaysia operations whilst the remaining 32% are mainly imported.

#### 4. INFORMATION ON THE ITCB GROUP (Cont'd)

For the Group's China operations, purchases of materials amounted to RM15.0 million for the financial year ended 31 December 2002. The local purchases of materials from China itself represented approximately 92%, which amounted to RM13.7 million. The remaining 8% are imported materials, which amounted to RM1.2 million of the Group's material purchases in the China operations.

For the seven months period ended 31 July 2003, local purchases represented approximately 74% of the Group's material purchases in the China operations whilst the remaining 26% mainly sourced from imports.

To-date, the Group has not encountered any major problems in sourcing its raw material requirements as there are abundant supplies readily available.

##### 4.5.5 Principal Markets and Distribution Channels

The principal markets of the ITCB Group are both local and global in nature. The Group sells its products and services directly to foreign MNC residents in Malaysia and China, local manufacturers and foreign MNCs overseas.

As at 31 December 2003, the Group's principal markets were as follows:-

Country	No. of Customers
Malaysia	118
USA	9
Singapore	6
China	8
Thailand	2
Hong Kong	1
Indonesia	1
Japan	1
Taiwan	1
<b>Total</b>	<b>147</b>

For its principal business activities, fabrication and contract manufacturing services, the end products of its customers, who are predominantly in the electronics industry, are ultimately distributed to the global market.

##### 4.5.6 Trademarks, Patents, Licences and Approvals

The ITCB Group's plant have three manufacturing licences issued by MITI, which are disclosed in Section 4.12 of this Prospectus. It also has two warehouse licences and manufacturing warehouse licences issued by the Royal Malaysian Customs. Approval was given to LCC by the MITI on 27 March 2002 for the status of IPC.

For its operations in China, Xiamen Industrial & Commercial Administration Bureau has issued two business licences to ITPMX and ITLMS on 4 June 1998 and 11 June 1999 respectively. Suzhou Industrial & Commercial Administration Bureau has issued a business licences to ITSZ on 17 April 2001.

ITCB does not have any registered trademarks and patents on its products.

#### 4. INFORMATION ON THE ITCB GROUP (Cont'd)

##### 4.5.7 R&D

The ability to control the physical characteristics of foam materials provide a range of possible performance capabilities for packaging. Foam packaging materials are classified for packaging by determining their ability to absorb shock. This can be determined through testing called dynamic cushioning testing or more commonly called cushion drop testing.

The ability of various materials to mitigate shock and vibration is very important as the purpose of the materials in packaging is to act as shock absorbers, protecting a moving package object from damage as it meets resistance, slows and comes to a rest. Firmness (foam surface flexibility), density (weight of a cubic foot of foam) and air flow (foam porosity) are independent of one another and all can affect a foam's ability to dissipate the energy of impact. Foams with relatively low static stress loading capability yield reasonable impact absorption values. Higher load bearing foams extend the limit.

New technologies are continuously being developed to improve static stress loading levels. This can be illustrated in the development of a new technology to help combine the desirable properties of flexible polyurethane with the static loading capability of thermoplastic foams based upon a viscoelastic model. The technology can more than double the static load limit for flexible polyurethane and can broaden possible applications. It is most applicable for protection of heavy, delicate objects.

The Group recognises the essential need to undertake continuing R&D to maintain the quality and reliability of its packaging products. This provides it with competitive advantages, thus ensuring its business sustainability and success in the long term. In year 2000, CTLSB was set up to provide R&D support to the Group. The R&D team of the Group currently consist of 8 engineers and is headed by QA & Engineering Director, Encik Saharun Nizam Bin Saharan. To-date, ITCB Group has spent approximately RM800,000 on R&D. The Group has incurred the following R&D expenses for the last three financial years ended 31 December 2002:-

Financial Year Ended	The Amount Spent in (RM)	As a Percentage of Turnover
2000	215,000	Approximately 0.36%
2001	150,000	Approximately 0.25%
2002	186,000	Approximately 0.31%

Some of the areas in which R&D is undertaken are design and development of protective packaging solutions, maintaining product quality and improvement of existing processes. The Group's R&D capabilities are based on in-house facilities and expertise, and joint-collaboration and development with other organizations. Its in-house facilities include a well-equipped ISTA certified testing laboratory and a team of experienced technical personnel with expertise in product design, development and prototyping.

AFP and IGL, being the business partners of the Group, have continuously shared their expertise and experience in protective packaging and logistics solutions.

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**4. INFORMATION ON THE ITCB GROUP (Cont'd)**

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**(a) Design and Development of Protective Packaging Solutions**

To cater to the diverse needs and requirements of its customers, the ITCB Group continuously undertakes R&D to modify existing designs or to create new packaging solutions. The Group's laboratory has the capability to review and analyse proposed designs, develop new solutions, test existing ones and recommend the best way for customers to optimise the performance of their packaging.

In designing and development of a modified or new packaging solution, the Group's design team undertakes in-depth evaluation of the product to be packaged, the choice of packaging materials and the likely hazards in the product's distribution cycle. The design team undertakes a series of tests to determine separate elements such as the fragility of the product to be protected and its maximum drop height and dynamic cushioning curves to create the packaging material specifications.

The team then uses the Group's computer aided design software capabilities to draw the packaging design. Subsequently, a full-scale prototype is fabricated and tested with actual products. Once the optimum solution is reached, the packaging is recommended to the customer for approval and production. The Group keeps abreast with new developments in protective packaging processes and technologies through its collaboration with its business partner, AFP in the US. This significantly helps support the Group's R&D activities in the development of new packaging solutions.

**(b) Maintaining Product Quality**

The ITCB Group is constantly seeking to produce quality products to ensure the satisfaction of its customers. The Group cultivates a close collaborative relationships with its customers to provide regular feedback relating its protective packaging to ensure their effectiveness.

Its protective packaging products undergo pre-shipment testing based on ISTA procedures to provide its customers the assurance of the performance of the protective packaging and the safe arrival of their products.

The products are subjected to simulated shocks and stress normally encountered during handling and transportation. The Group's R&D team is continuously improving their testing skills through close collaboration and training with AFP.

**(c) Improving Existing Production Processes**

The ITCB Group is continuously focused on process improvement, particularly in enhancing its production processes. This is critical as it has a direct impact on its production efficiency, productivity and finished product quality.

As such, the Group undertakes R&D through selection of process flow best practices locally and abroad, research in new technologies and machineries in improving the effectiveness, efficiencies, productivity and quality in its production processes, continuous evaluation and improvement of existing processes and procedures to optimise work flow.



#### 4. INFORMATION ON THE ITCB GROUP (Cont'd)

The Group's Quality Assurance team continuously identifies areas for improvement and ensures that quality standards are complied with throughout its production processes. This is critical to ensure quality products and services at all times.

##### 4.5.8 Interruptions in Business for the Past Twelve (12) Months

There has never been any interruption in the form of trade disputes or major operational breakdown occurring within and outside the Group that may significantly impair the Group's business performance during the past twelve (12) months.

##### 4.5.9 Employees

As at 31 December 2003, ITCB Group has a total of 356 employees comprising 229 Malaysian and 127 foreigners. All foreign workers are all on contractual basis.

None of the employee is a member of any union. As of 31 December 2003, ITCB Group has not experienced any interruption in its operation due to labour disputes. The management of ITCB Group enjoys a cordial relationship with its employees.

The Group's employees can be segregated into five(5) categories as follows:-

Category	No of Employees Local		No of Employees Foreign		No of Employees Total
	> 4 yrs	< 4yrs	> 4 yrs	< 4yrs	
	Group Managing Director	1	-	-	
Executive Director	1	-	-	-	1
Senior General Manager	2	-	1	-	3
General Manager	6	1	-	-	7
Manager	2	4	2	-	8
Assistant Manager	10	7	2	2	21
Executive	19	17	10	8	54
Administration/ Operation staff	65	94	9	93	261
<b>Total</b>	<b>106</b>	<b>123</b>	<b>24</b>	<b>103</b>	<b>356</b>

The Group recognises that its employees play a major role in contributing to the success of the Group's business. The Group is committed to equip its employees with continuous on-the-job training program and development to ensure that all employees gain and develop the necessary knowledge and experience related to their respective area of responsibilities. The list of training and development programmes undertaken by the ITCB Group for its employees for the financial year ended 31 December 2002 and for the seven months period ended 31 July 2003 were as follows:-

- Technical packaging training conducted by external packaging specialist and vendors of packaging materials;
- Product packaging design, testing and calibration training conducted by external packaging specialist;

#### 4. INFORMATION ON THE ITCB GROUP (Cont'd)

- Information technology related training and seminars conducted by external training providers;
- Total quality management and quality improvement training and seminars conducted by external consultants;
- In-house continuous improvement training and outdoor team building training;
- Human recourse management and benchmarking programme; and
- In-house problems solving skills programme.

##### 4.5.10 Achievements/Awards of ITCB

ITCB 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 protective packaging materials 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
1999	ITMSB	ISO 9002: 1994
2000	ITPMX, ITESB, EPSB, GHPSB	ISO 9002: 1994
2001	CTLSB	ISTA Certified Testing Laboratories
2001	ITMSB	15 <sup>th</sup> Golden Europe Award for Quality
2001	ITMSB	Malaysiastar Award
2002	ITMSB, ITPMX, EPSB, ITESB, ITSZ, GHPSB	ISO 9001:2000
2003	ITMSB	Global Top Enterprise Golden Rim Award (Taiwan)
2003	ITMSB	Global Man of The Year Golden Rim Award
2003	ITMSB	Golden Bull Award 2003, Malaysia 100 Outstanding SMEs

#### 4.6 Subsidiaries

The ITCB Group has eight subsidiaries in Malaysia and three in China.

##### Subsidiaries in Malaysia:-

##### 4.6.1 ITMSB

###### (a) History and Business Overview

ITMSB was incorporated on 15 July 1995 as Terbang Bintang Sdn Bhd in Malaysia as a private limited company under the Companies Act, 1965. It changed to its current name on 5 October 1995.

ITMSB's principal activities are manufacturing of packaging materials for the computer and electronics products.

As at 31 December 2003, ITMSB has 121 employees.

#### 4. INFORMATION ON THE ITCB GROUP (Cont'd)

##### (b) Share Capital

The present authorised share capital of ITMSB is RM5,000,000 comprising 5,000,000 Shares of which RM2,266,200 comprising 2,266,200 Shares have been issued and fully paid-up.

The changes in the issued and paid-up share capital of ITMSB since its incorporation are as follows:-

Date of Allotment	No. of Shares Allotted	Par Value (RM)	Consideration	Total Issued and Paid-up Share Capital (RM)
15.07.1995	2	1.00	Subscribers' Shares	2
06.10.1995	5,398	1.00	Cash	5,400
19.10.1995	4,200	1.00	Cash	9,600
20.10.1995	745,800	1.00	Bonus issue on the basis of 77,6875 new Shares for every 1 existing Share held	755,400
25.02.1999	1,510,800	1.00	Bonus issue on the basis of 2 new Shares for every 1 existing Share held	2,266,200

##### (c) Substantial Shareholders

ITMSB is a wholly owned subsidiary of ITCB.

The substantial shareholders of ITMSB are as follows:-

Substantial Shareholders	No. of Shares			
	Direct	%	Indirect	%
ITCB	2,266,200	100.00	-	-
ITHSB	-	-	2,266,200	100.00
Dr Yap Tatt Keat	-	-	2,266,200	100.00
ITP	-	-	2,266,200	100.00
KO	-	-	2,266,200	100.00
Lee Chee Cheang	-	-	2,266,200 <sup>(1)</sup>	100.00
IGL	-	-	2,266,200 <sup>(2)</sup>	100.00
Paul Charles Burke	-	-	2,266,200 <sup>(3)</sup>	100.00
Timothy Ian O' Hearn	-	-	2,266,200 <sup>(4)</sup>	100.00
Kenneth Eugene Kurtz II	-	-	2,266,200 <sup>(4)</sup>	100.00

Notes:-

- (1) Deemed interested by virtue of his shareholding of more than 15.0% in the Shares of ITHSB.
- (2) Deemed interested by virtue of its shareholding of more than 15.0% in the shares of ITP.
- (3) Deemed interested by virtue of his indirect shareholding of more than 15.0% in the shares of IGL via Nobleford Investment Inc.
- (4) Deemed interested by virtue of his shareholding of more than 15.0% in the shares of KO.

##### (d) Subsidiary and Associated Company

ITMSB does not have any subsidiary and associated company.

#### 4. INFORMATION ON THE ITCB GROUP (Cont'd)

##### 4.6.2 ITESB

###### (a) History and Business Overview

ITESB was incorporated under its present name on 19 September 1998 in Malaysia as a private limited company under the Companies Act, 1965.

ITESB's principal activities are preparation and sub-assembly of computer chassis

As at 31 December 2003, ITESB has 8 employees.

###### (b) Share Capital

The present authorised share capital of ITESB is RM1,000,000 comprising 1,000,000 Shares of which RM600,000 comprising 600,000 Shares have been issued and fully paid-up.

The changes in the issued and paid-up share capital of ITESB since its incorporation are as follows:-

Date of Allotment	No. of Shares Allotted	Par Value (RM)	Consideration	Total Issued and Paid-up Share Capital (RM)
19.09.1998	2	1.00	Subscribers' Shares	2
29.09.1998	99,998	1.00	Cash	100,000
02.07.2001	500,000	1.00	Bonus issue on the basis of 5 new Shares for every 1 Share held	600,000

###### (c) Substantial Shareholders

ITESB is a wholly owned subsidiary of ITCB.

The substantial shareholders of ITESB are as follows:-

Substantial Shareholders	----- No. of Shares ----->			
	Direct	%	Indirect	%
ITCB	600,000	100.00	-	-
ITHSB	-	-	600,000	100.00
Dr Yap Tatt Keat	-	-	600,000	100.00
ITP	-	-	600,000	100.00
KO	-	-	600,000	100.00
Lee Chee Cheang	-	-	600,000 <sup>(1)</sup>	100.00
IGL	-	-	600,000 <sup>(2)</sup>	100.00
Paul Charles Burke	-	-	600,000 <sup>(3)</sup>	100.00
Timothy Ian O' Hearn	-	-	600,000 <sup>(4)</sup>	100.00
Kenneth Eugene Kurtz II	-	-	600,000 <sup>(4)</sup>	100.00

#### 4. INFORMATION ON THE ITCB GROUP (Cont'd)

Notes:-

- (1) Deemed interested by virtue of his shareholding of more than 15.0% in the Shares of ITHSB.
- (2) Deemed interested by virtue of its shareholding of more than 15.0% in the shares of ITP.
- (3) Deemed interested by virtue of his indirect shareholding of more than 15.0% in the shares of IGL via Nobleford Investment Inc.
- (4) Deemed interested by virtue of his shareholding of more than 15.0% in the shares of KO.

#### (d) **Subsidiary and Associated Company**

ITESB has a wholly owned subsidiary, LCC. Details of LCC is as disclosed in Section 4.6.3 of this Prospectus.

ITESB has no associated company.

#### 4.6.3 **LCC**

##### (a) **History and Business Overview**

LCC was incorporated on 1 March 2002 in Malaysia as Ire-Tex Logistics Sdn Bhd. On 21 November 2002, LCC assumed its present name.

LCC is principally engaged in sourcing, distributing and trading of raw materials, components and finished products.

As at 31 December 2003, LCC has 8 employees.

##### (b) **Share Capital**

The present authorised share capital of LCC is RM1,000,000 comprising 1,000,000 Shares of which RM500,000 comprising 500,000 Shares have been issued and fully paid-up.

The changes in the issued and paid-up share capital of LCC since its incorporation are as follows:-

Date of Allotment	No. of Shares Allotted	Par Value (RM)	Consideration	Total Issued and Paid-up share Capital (RM)
01.03.2002	2	1.00	Subscribers' Shares	2
06.02.2003	499,998	1.00	Cash	500,000

##### (c) **Substantial Shareholders**

LCC is 51% owned by ITESB while the remaining 49% is owned by Robert Everett Woods, Jr.

**4. INFORMATION ON THE ITCB GROUP (Cont'd)**

The substantial shareholders of LCC are as follows:-

Substantial Shareholders	No. of Shares			
	Direct	%	Indirect	%
ITESB	255,000	51.00	-	-
Robert Everett Woods, Jr	245,000	49.00	-	-
ITHSB	-	-	255,000	51.00
Dr Yap Tatt Keat	-	-	255,000	51.00
ITP	-	-	255,000	51.00
KO	-	-	255,000	51.00
Lee Chee Cheang	-	-	255,000 <sup>(1)</sup>	51.00
IGL	-	-	255,000 <sup>(2)</sup>	51.00
Paul Charles Burke	-	-	255,000 <sup>(3)</sup>	51.00
Timothy Ian O' Hearn	-	-	255,000 <sup>(4)</sup>	51.00
Kenneth Eugene Kurtz II	-	-	255,000 <sup>(4)</sup>	51.00

Notes:-

- (1) Deemed interested by virtue of his shareholding of more than 15.0% in the Shares of ITHSB.
- (2) Deemed interested by virtue of its shareholding of more than 15.0% in the shares of ITP.
- (3) Deemed interested by virtue of his indirect shareholding of more than 15.0% in the shares of IGL via Nobleford Investment Inc.
- (4) Deemed interested by virtue of his shareholding of more than 15.0% in the shares of KO.

**(d) Subsidiary and Associated Company**

LCC does not have any subsidiary and associated company.

**4.6.4 ITHP****(a) History and Business Overview**

ITHP was incorporated under its present name on 25 October 1999 in Malaysia as a private limited company under the Companies Act, 1965.

ITHP's principal activity is manufacturing and sales of protective packaging materials for the computer and electronics products.

As at 31 December 2003, ITHP has 8 employees.

**(b) Share Capital**

The present authorised share capital of ITHP is RM500,000 comprising 500,000 Shares of which RM500,000 comprising 500,000 Shares have been issued and fully paid-up.

#### 4. INFORMATION ON THE ITCB GROUP (Cont'd)

The changes in the issued and paid-up share capital of ITHP since its incorporation are as follows:-

Date of Allotment	No. of Shares Allotted	Par Value Consideration (RM)		Total Issued and Paid-up Share Capital (RM)
25.10.1999	2	1.00	Subscribers' Shares	2
17.01.2000	199,998	1.00	Cash	200,000
02.01.2001	300,000	1.00	Cash	500,000

#### (c) Substantial Shareholders

ITHP is 70% owned by ITCB while the remaining 30% is owned by HPI Resource Berhad, a company listed on Second Board of MSEL.

The substantial shareholders of ITHP are as follows:-

Substantial Shareholders	No. of Shares			
	Direct	%	Indirect	%
ITCB	350,000	70.00	-	-
HPI Resource Berhad	150,000	30.00	-	-
ITHSB	-	-	350,000	70.00
Dr Yap Tatt Keat	-	-	350,000	70.00
ITP	-	-	350,000	70.00
KO	-	-	350,000	70.00
Lee Chee Cheang	-	-	350,000 <sup>(1)</sup>	70.00
IGL	-	-	350,000 <sup>(2)</sup>	70.00
Paul Charles Burke	-	-	350,000 <sup>(3)</sup>	70.00
Timothy Ian O' Hearn	-	-	350,000 <sup>(4)</sup>	70.00
Kenneth Eugene Kurtz II	-	-	350,000 <sup>(4)</sup>	70.00

Notes:-

- (1) Deemed interested by virtue of his shareholding of more than 15.0% in the Shares of ITHSB.
- (2) Deemed interested by virtue of its shareholding of more than 15.0% in the shares of ITP.
- (3) Deemed interested by virtue of his indirect shareholding of more than 15.0% in the shares of IGL via Nobleford Investment Inc.
- (4) Deemed interested by virtue of his shareholding of more than 15.0% in the shares of KO.

#### (d) Subsidiary and Associated Company

ITHP does not have any subsidiary and associated company.

#### 4.6.5 Baguda

##### (a) History and Business Overview

Baguda was incorporated under its present name on 25 September 1991 in Malaysia as a private limited company under the Companies Act, 1965.

Baguda is an investment holding company.