

4. INFORMATION ON THE GROUP

4.1 BACKGROUND

4.1.1 Incorporation and Commencement of Business

TSHB was incorporated in Malaysia under the Companies Act, 1965 as a private limited company on 10 May 2002 under the name of Tek Seng Holdings Sdn Bhd. The Company was converted into a public limited company on 16 May 2003 and assumed its present name. The principal activity of TSHB is investment holding whilst its subsidiaries are principally involved in the manufacturing of PVC related products, trading of plastic related products and letting of properties. The history of the TSHB Group can be traced to the establishment of TSSB whose principal activity is trading of PVC based materials.

The Group has a track record of more than 30 years in the Plastics Industry with the late Loh Phah Seng @ Loh Boon Teik as the original founder until 1989 when Loh Kok Beng, his eldest son took over the management of the business. Loh Kok Beng is currently the Executive Chairman of TSHB. With approximately 18 years of experience in the Plastics Industry, he has been instrumental in the success, growth and development of the TSHB Group. Loh Kok Cheng, who is the other sibling, is the Managing Director of TSHB. He brings with him approximately 14 years of experience in the Plastics Industry.

To further expand on the Group's trading business, PSSB and DGSB were incorporated on 10 May 1991 and 29 January 1992 respectively. In line with the intention to move into manufacturing of PVC products, WISB was incorporated on 21 June 1995 as Tek Seng Enterprise Sdn Bhd and commenced its business activities in the same year. It later changed to its present name on 26 August 1998. WISB's principal activity is in the manufacture of PVC based products.

The main technology utilised by TSHB Group is Calendering which is a manufacturing process where molten plastic is poured between four (4) cylindrical rollers and pressed to form a continuous plastic sheet, which then goes through a series of hot roller pairs that progressively make the plastic sheet thinner. When it reaches the required thickness, it goes through a pair of cold rollers to solidify the plastic film or sheet.

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4. INFORMATION ON THE GROUP (Cont'd)**4.1.2 Share Capital and Changes in Share Capital**

The present authorised share capital of TSHB is RM100,000,000 comprising 400,000,000 Shares. The issued and paid-up share capital of TSHB is RM37,469,000 comprising 149,876,000 Shares.

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

Date of Allotment/ Subdivision	No. Of Shares Allotted/ Subdivided	Par Value RM	Consideration	Cumulative Issued And Paid-up Share Capital RM
10.05.2002	2	1.00	Subscribers' shares	2
10.05.2004	4	0.50	Subdivision of each ordinary share of RM1.00 into two (2) ordinary shares of RM0.50 each	2
13.08.2004	27,601,414	0.50	Acquisition of WISB	13,800,709
13.08.2004	37,034,262	0.50	Acquisition of TSSB	32,317,840
13.08.2004	4,721,536	0.50	Acquisition of PSSB	34,678,608
13.08.2004	5,580,784	0.50	Acquisition of DGSB	37,469,000
14.08.2004	149,876,000	0.25	Subdivision of each ordinary share of RM0.50 into two (2) Shares	37,469,000
-	42,124,000	0.25	Public Issue	48,000,000

4.1.3 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 TSHB on the Second Board of the Bursa Securities, the Company undertook a listing scheme which involved the following:-

(i) Acquisitions**(a) Acquisition of WISB**

TSHB had on 17 December 2003 entered into a conditional share sale agreement to acquire the entire issued and paid-up share capital of WISB comprising 10,000,000 ordinary shares of RM1.00 each for a purchase consideration of RM14,300,802. The purchase consideration was satisfied by the issuance of 27,601,414 new ordinary shares of RM0.50 each in TSHB at an issue price of RM0.50 per share and cash consideration of RM500,095.

The purchase consideration of WISB was based on the adjusted audited NTA of WISB as at 31 December 2002 after taking into account the increase in the issued and paid-up share capital of WISB on 16 October 2003 as disclosed below:-

	RM
Audited NTA as at 31 December 2002	13,800,802
Add : Increase in the issued and paid-up share capital	500,000
Adjusted audited NTA as at 31 December 2002	<u>14,300,802</u>

4. INFORMATION ON THE GROUP (Cont'd)

The shareholdings of WISB's vendors in TSHB after the acquisition of WISB are as follows:-

Shareholders	No. of Ordinary Shares of RM1.00 Each Held in WISB	Interest %	Purchase Consideration RM	No. of TSHB Ordinary Shares of RM0.50 Each Issued	Cash Consideration
Loh Kok Beng	4,000,000	40.00	5,720,321	11,040,566	200,038
Loh Kok Cheng	4,000,000	40.00	5,720,321	11,040,566	200,038
Hsu Chou, Yu-Ling	1,000,000	10.00	1,430,080	2,760,141	50,009
Chang, Jung-Chen	1,000,000	10.00	1,430,080	2,760,141	50,010
Total	10,000,000	100.00	14,300,802	27,601,414	500,095

The Acquisition of WISB was completed on 13 August 2004.

(b) Acquisition of TSSB

TSHB had on 17 December 2003 entered into a conditional share sale agreement to acquire the entire issued and paid-up share capital of TSSB comprising 450,005 ordinary shares of RM1.00 each for a purchase consideration of RM18,517,131 based on the audited NTA as at 31 December 2002. The purchase consideration was satisfied by the issuance of 37,034,262 new ordinary shares of RM0.50 each in TSHB at an issue price of RM0.50 per share.

The shareholdings of TSSB's vendors in TSHB after the acquisition of TSSB are as follows:-

Shareholders	No. of Ordinary Shares of RM1.00 Each Held in TSSB	Interest %	Purchase Consideration RM	No. of TSHB Ordinary Shares of RM0.50 Each Issued
Loh Kok Beng	180,001	40.00	7,406,812	14,813,623
Loh Kok Cheng	180,001	40.00	7,406,812	14,813,623
Soon Seek Choo	90,003	20.00	3,703,507	7,407,016
Total	450,005	100.00	18,517,131	37,034,262

The Acquisition of TSSB was completed on 13 August 2004.

4. INFORMATION ON THE GROUP (Cont'd)**(c) Acquisition of PSSB**

TSHB had on 17 December 2003 entered into a conditional share sale agreement to acquire the entire issued and paid-up share capital of PSSB comprising 150,000 ordinary shares of RM1.00 each for a purchase consideration of RM2,360,768 based on the audited NTA as at 31 December 2002. The purchase consideration was satisfied by the issuance of 4,721,536 new ordinary shares of RM0.50 each in TSHB at an issue price of RM0.50 per share.

The shareholdings of PSSB's vendors in TSHB after the acquisition of PSSB are as follows:-

Shareholders	No. of Ordinary Shares of RM1.00 Each Held in PSSB	Interest %	Purchase Consideration RM	No. of TSHB Ordinary Shares of RM0.50 Each Issued
Loh Kok Beng	75,000	50.00	1,180,384	2,360,768
Loh Kok Cheng	75,000	50.00	1,180,384	2,360,768
Total	150,000	100.00	2,360,768	4,721,536

The Acquisition of PSSB was completed on 13 August 2004.

(d) Acquisition of DGSB

TSHB had on 17 December 2003 entered into a conditional share sale agreement to acquire the entire issued and paid-up share capital of DGSB comprising 100,000 ordinary shares of RM1.00 each for a purchase consideration of RM2,790,392 based on the audited NTA as at 31 December 2002. The purchase consideration was satisfied by the issuance of 5,580,784 new ordinary shares of RM0.50 each in TSHB at an issue price of RM0.50 per share.

The shareholdings of DGSB's vendors in TSHB after the acquisition of DGSB are as follows:-

Shareholders	No. of Ordinary Shares of RM1.00 Each Held in DGSB	Interest %	Purchase Consideration RM	No. of TSHB Ordinary Shares of RM0.50 Each Issued
Loh Kok Beng	50,000	50.00	1,395,196	2,790,392
Loh Kok Cheng	50,000	50.00	1,395,196	2,790,392
Total	100,000	100.00	2,790,392	5,580,784

The Acquisition of DGSB was completed on 13 August 2004.

4. INFORMATION ON THE GROUP (Cont'd)

The Acquisitions resulted in the issued and paid-up share capital of TSHB being increased from 4 ordinary shares of RM0.50 each to 74,938,000 ordinary shares of RM0.50 each.

All the new ordinary shares of RM0.50 each issued pursuant to the Acquisitions ranked pari passu in all respect with the existing ordinary shares of RM0.50 each of TSHB including voting rights and rights to all dividends that may be declared, subsequent to the date of allotment of the ordinary shares of RM0.50 each issued pursuant to the Acquisitions.

(ii) Share Split

On 14 August 2004, TSHB effected a change in the par value of its ordinary shares from RM0.50 each to RM0.25 each by way of sub-division of its ordinary shares. The change in par value of its ordinary shares in TSHB resulted in the issued and paid-up share capital of TSHB being revised from 74,938,000 ordinary shares of RM0.50 each to 149,876,000 Shares.

(iii) Public Issue

The Public Issue of 42,124,000 new Shares will be allocated and allotted in the following manner subject to the re-allocation provisions:-

(a) Malaysian Public

12,000,000 Public Issue Shares representing 6.25% of the enlarged issued and paid-up share capital will be made available for application by Malaysian citizens, companies, societies, co-operatives and institutions, of which at least 30% is to be set aside strictly for Bumiputera individuals, companies, societies, co-operatives and institutions.

(b) Eligible Directors, Employees and Business Associates of the Group

9,600,000 Public Issue Shares representing 5.0% of the enlarged issued and paid-up share capital will be reserved for the eligible Directors, employees and business associates (which include the suppliers, sales agents, customers and others) of the Group.

Further details on Pink Form Shares allocation are set out in Section 2.5.3 of this Prospectus.

(c) Bumiputera Investors

20,524,000 Public Issue Shares representing approximately 10.69% of the enlarged issued and paid-up share capital will be reserved for Bumiputera investors approved by MITI.

All the new Shares to be issued pursuant to the Public Issue will rank pari passu in all respect with the existing Shares of TSHB 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 Public Issue.

4. INFORMATION ON THE GROUP (Cont'd)**(iv) Offer For Sale**

The Offer For Sale of 46,076,000 Shares will be allocated and allotted in the following manner subject to the re-allocation provisions:-

(a) Private Placement

9,000,000 Offer Shares representing approximately 4.69% of the enlarged issued and paid-up share capital are reserved by way of Private Placement to selected investors (who are deemed public).

(b) Bumiputera Investors

37,076,000 Offer Shares representing approximately 19.31% of the enlarged issued and paid-up share capital will be reserved for Bumiputera investors approved by MITI.

(v) Listing

Upon completion of the above mentioned Acquisitions, Share Split and IPO, TSHB will seek a listing of and quotation for its entire enlarged issued and paid-up share capital comprising 192,000,000 Shares on the Second Board of the Bursa Securities.

(vi) 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	12,000,000	-	12,000,000
Eligible Directors, employees and business associates of the Group	9,600,000	-	9,600,000
Private Placement	-	9,000,000	9,000,000
Bumiputera investors	20,524,000	37,076,000	57,600,000
Total	42,124,000	46,076,000	88,200,000

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.

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. INFORMATION ON THE GROUP (Cont'd)

4.1.4 ESOS

TSHB had on 2 September 2004 obtained the approval of the existing shareholders of the Company to establish an ESOS in order to retain and motivate eligible Directors (including the Non-Executive Directors) and employees who have contributed to the success of the Group. The ESOS scheme shall come into force upon compliance with the relevant requirements and obtaining the following approvals:-

- (a) the approval in-principle for the listing of and quotation for the new Shares to be issued under the ESOS scheme by the Bursa Securities;
- (b) the approval by the shareholders of the Company in general meeting;
- (c) the fulfilment of all conditions attached to the aforesaid approvals, if any;
- (d) the submission of final copy of the Bye-Laws pursuant to paragraph 6.30F of the Listing Requirements together with a letter of compliance pursuant to paragraph 2.11 of the Listing Requirements and a checklist showing the compliance with Appendix 6F of the Listing Requirements; and
- (e) the approvals of any other relevant authorities, where applicable;

and shall take effect from the date of full compliance of item (a) to (e) above and a letter of confirmation required to be issued by the adviser of the Company to the Bursa Securities confirming the compliance of the above requirements, stating the effective date of implementation together with a certified true copy of the relevant resolution passed by the shareholders in general meeting no later than five (5) Market Days after the effective date of the implementation.

An application has been made to the Bursa Securities for the listing of TSHB Shares that may be issued upon the exercise of the ESOS Options together with the application for admission of TSHB Shares to the Official List of the Second Board of the Bursa Securities and for permission to deal in and for the listing of and quotation for the entire enlarged issued and paid-up share capital of TSHB as mentioned in Section 2.0 of this Prospectus.

The ESOS will be for a duration of five (5) years and maximum number of Shares that may be issued to eligible Directors and employees of the Group under the ESOS shall not exceed fifteen percent (15%) of TSHB's issued and paid-up share capital at any point in time or such additional number of Shares that may be permitted by the relevant authorities during the duration of the ESOS.

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4. INFORMATION ON THE GROUP (Cont'd)

The subscription price shall be calculated as follows:-

- (i) Where the Option is granted before the Company is listed on the Bursa Securities then the price at which the grantee is entitled to subscribe for the Shares shall not be less than the IPO Price; or
- (ii) Where the Option is granted after the Company has been listed on the Bursa Securities, the price at which the grantee is entitled to subscribe for the Shares shall be a price to be determined by the Board upon the recommendation of the ESOS Committee which is at a discount of not more than ten percent (10%) from the weighted average market price of the Shares as shown in the daily official list issued by the Bursa Securities for the five (5) Market Days immediately preceding the Date of Offer, if deemed appropriate, or such lower or higher limit as approved by the relevant authorities;

The Directors of TSHB intend to/may grant Options of up to a maximum of 28.80 million Shares prior to the Company being listed on the Bursa Securities.

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

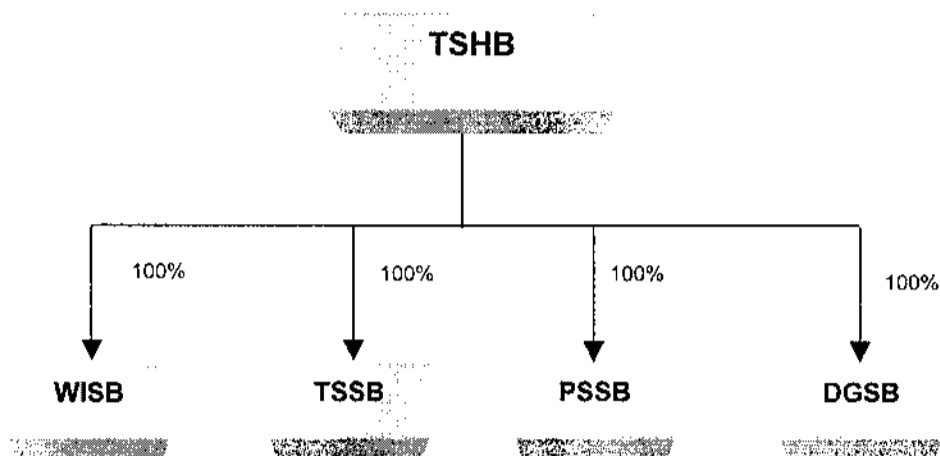
The new Shares to be allotted upon any exercise of the Option will upon allotment and issue rank pari passu in all respect with the then existing issued Shares of the Company except that the new Shares so issued shall **NOT** be entitled for any dividend, rights, allotment and/or other distribution declared, made or paid to shareholders unless the new Shares so allotted have been credited into the relevant securities accounts of the shareholders maintained by Bursa Depository 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 GROUP (Cont'd)**4.2 BUSINESS****4.2.1 Group Structure**

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



Details of the subsidiaries of TSHB are summarised below:-

Company	Date/Place of Incorporation	Issued and Paid-up Share Capital (RM)	Effective Equity Interest (%)	Principal Activities
WISB	21 June 1995/ Malaysia	10,000,000	100.00	Manufacture of PVC related products
TSSB	31 October 1978/ Malaysia	450,005	100.00	Trading in plastic related products
PSSB	10 May 1991/ Malaysia	150,000	100.00	Trading in plastic related products
DGSB	29 January 1992/ Malaysia	100,000	100.00	Trading in plastic related products and letting of properties

TSHB does not have any associated company.

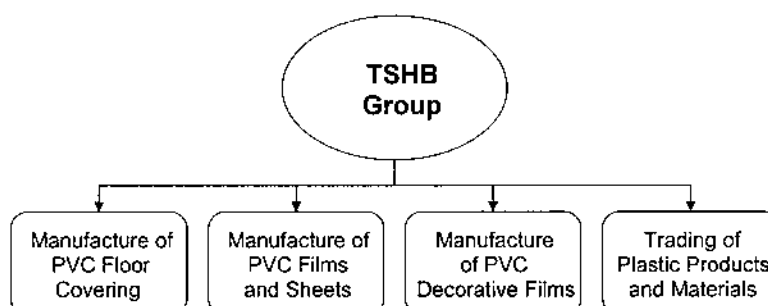
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4. INFORMATION ON THE GROUP (Cont'd)

4.2.2 Types of Products and/or Services

TSHB Group is principally involved in the manufacture of PVC products and trading of plastic based products and materials.

The products and services of TSHB Group are depicted in the figure below:-



TSHB Group's main business activities are in the following four areas:-

- (i) Manufacture of PVC Floor Covering;
- (ii) Manufacture of PVC Films and Sheets;
- (iii) Manufacture of PVC Decorative Films; and
- (iv) Trading of plastic products and materials.

The Group's head office, manufacturing plant and trading subsidiaries are based in Bukit Minyak Industrial Park, Bukit Mertajam, Penang.

For the financial year ended 31 December 2003 and the five (5) months period ended 31 May 2004, the revenue of TSHB Group reached RM52.2 million and RM27.0 million respectively.

The Group's PVC Films and Sheets are used in a diverse range of applications including:-

- (i) Stationery products;
- (ii) Furniture;
- (iii) Consumer products including disposable diapers, raincoat and tablecloths;
- (iv) Packaging material; and
- (v) Flooring materials.

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4. INFORMATION ON THE GROUP (Cont'd)

The breakdown of TSHB Group's turnover by products and services for the financial year ended 31 December 2003 and the five (5) months period ended 31 May 2004 are as follows:-

	Revenue Contribution for Financial Year Ended 31 December 2003		Revenue Contribution for the five (5) Months Period Ended 31 May 2004	
	RM'000	%	RM'000	%
Manufacture and sales of in-house manufactured PVC products[^]				
Manufacture of PVC Floor Covering	28,704	55.0	15,473	57.4
Manufacture of PVC Films and Sheets	13,187	25.3	6,796	25.2
Manufacture of PVC Decorative Films	2,034	3.9	499	1.8
Trading of external sourced plastic products and materials[*]				
Trading of other plastic products and materials	8,236	15.8	4,201	15.6
- PVC sponge leather	3,484	6.7	2,812	10.4
- PP non-woven	1,131	2.2	404	1.5
- Table Cloths	697	1.3	263	1.0
- Raincoat	640	1.2	212	0.8
- Others [#]	2,284	4.4	510	1.9
Total	52,161	100.0	26,969	100.0

The Group revenue contribution above excludes inter-company transactions.

Notes :-

[^] Revenue for the manufacture of PVC Floor Covering, PVC Films and Sheets, PVC Decorative Sheets are sales of in-house manufactured products.

^{*} Revenue is mainly for trading of plastic products and materials that are not manufactured in-house.

[#] Others include PVC Films and Sheets for plastic bags, baby mattresses, accessories for raincoats and shower curtains.

For the financial year ended 31 December 2003 and the five (5) months period ended 31 May 2004, the manufacture of PVC products and materials accounted for approximately 84.2% and 84.4% (including trading of in-house manufactured products) of total Group revenue respectively. The remaining 15.8% and 15.6% respectively were from trading of externally sourced plastic products and materials.

The manufacture of PVC Floor Covering is the highest revenue contributor at approximately 55.0% of total Group revenue for the financial year ended 31 December 2003 and approximately 57.4% of total Group revenue for the five (5) months period ended 31 May 2004. This is followed by PVC Films and Sheets and PVC Decorative Films accounting for approximately 25.3% and 3.9% for the financial year ended 31 December 2003 and approximately 25.2% and 1.8% for the five (5) months period ended 31 May 2004 respectively.

Trading of externally sourced plastic products and materials accounted for approximately 15.8% and 15.6% of total Group revenue for the financial year ended 31 December 2003 and the five (5) months period ended 31 May 2004 respectively.

4. INFORMATION ON THE GROUP (Cont'd)

The breakdown of revenue contribution by local and export markets for the financial year ended 31 December 2003 and the five (5) months period ended 31 May 2004 were as follows:-

Markets	Revenue Contribution to the Group for the Financial Year Ended 31 December 2003		Revenue Contribution to the Group for the 5 Months Period Ended 31 May 2004	
	RM'000	%	RM'000	%
Local	40,091	76.9	17,700	65.6
Export	12,070	23.1	9,269	34.4
Total	52,161	100.0	26,969	100.0

For the financial year ended 31 December 2003 and the five (5) months period ended 31 May 2004, revenue of TSHB Group was approximately RM52.2 million and RM27.0 million respectively, excluding inter-company transactions. For the financial year ended 31 December 2003 and the five (5) months period ended 31 May 2004, the local market contributed approximately 76.9% and 65.6% of TSHB Group's total revenue respectively. The remaining 23.1% and 34.4% respectively were contributed by direct exports to overseas customers.

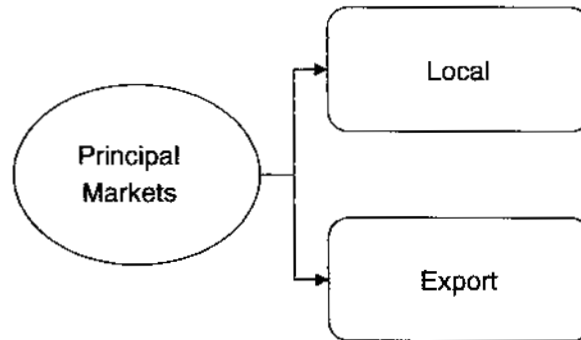
As at 31 August 2004 (being the latest practicable date prior to the printing of this Prospectus), the Group's major countries of export for PVC Floor Covering and PVC Films and Sheets include:-

- | | |
|------------------------|----------------------|
| - Singapore | - Brunei |
| - Indonesia | - United Kingdom |
| - South Africa | - Philippines |
| - Egypt | - Nepal |
| - Pakistan | - Sri Lanka |
| - Tanzania | - Uganda |
| - Yemen | - Ethiopia |
| - United Arab Emirates | - Maldives |
| - Senegal | - Jordan |
| - Cote D'Ivoire | - Djibouti (Red Sea) |
| - Bangladesh | - India |
| - Cairo | |

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4. INFORMATION ON THE GROUP (Cont'd)**4.2.3 Principal Markets for Products**

The principal markets of TSHB Group comprised both local and export markets:-



For the financial year ended 31 December 2003 and the five (5) months period ended 31 May 2004, the local market contributed approximately 76.9% and 65.6% of the Group's total revenue respectively and the remaining 23.1% and 34.4% for the abovementioned financial year and period are direct exports.

Local sales amounted to approximately RM40.0 million and RM17.7 million for the financial year ended 31 December 2003 and the five (5) months period ended 31 May 2004 respectively. However, approximately RM12.0 million and RM9.3 million are direct exports for the financial year ended 31 December 2003 and the five (5) months period ended 31 May 2004 respectively.

From 1 January 2002 until 31 August 2004 (being the latest practicable date prior to the printing of this Prospectus), the Group has sold its products to thirty (30) different export markets.

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4. INFORMATION ON THE GROUP (Cont'd)

The Group's revenue contribution by principal markets segmented by local and export markets are as follows:-

	Proportion of Group Revenue(%)	
	Financial Year Ended 31 December 2003	5 Months Period Ended 31 May 2004
By Countries		
Malaysia	76.9	65.6
Indonesia	8.2	9.7
Singapore	1.3	0.6
Philippines	1.7	7.8
South Africa	0.5	0.2
Nepal	0.8	1.2
Bangladesh	0.6	-
Pakistan	1.2	2.2
Kenya	0.5	-
Jordan	0.5	-
United Kingdom	1.3	3.2
Brunei	0.2	0.2
Vietnam	0.1	-
Taiwan	0.1	-
Tanzania	0.1	0.3
Egypt	0.6	0.6
Cote D'Ivoire	0.4	-
United Arab Emirates	1.0	0.2
Ethiopia	0.1	0.2
Guyana	0.1	-
Madagascar	0.1	-
Nigeria	0.1	-
Senegal	0.2	0.7
Sri Lanka	1.9	1.1
Uganda	0.6	1.4
Yemen	1.3	4.6
Maldives	-	0.2
TOTAL	*100.0	100.0

* Total does not add up due to rounding

Within TSHB Group's export sales, Indonesia is the highest contributor accounting for approximately 8.2% and 9.7% of total Group revenue for the financial year ended 31 December 2003 and the five (5) months period ended 31 May 2004 respectively.

The remainder 14.9% and 24.7% respectively are distributed among twenty five (25) and sixteen (16) other export countries.

4.2.4 Types, Sources and Availability of Raw Materials/Inputs

PVC scrap and PVC resin are the main raw materials used by TSHB Group for the manufacturing of calendered PVC Floor Covering and PVC Films and Sheets.

For the financial year ended 31 December 2003, PVC scrap and PVC resin accounted for approximately 29.4% and 34.3% of total raw materials used in the Group's manufacturing operations respectively whereas for the five (5) months period ended 31 May 2004, PVC scrap and PVC resin accounted for approximately 12.9% and 48.5% of total raw materials used in the Group's manufacturing operations respectively.

4. INFORMATION ON THE GROUP (Cont'd)

For the financial year ended 31 December 2003, approximately 70.9% of PVC resin purchased by the Group is sourced through local manufacturers and the remainder 29.1% is imported from other countries whereas for the five (5) months periods ended 31 May 2004, the Group sources approximately 84.1% locally and the remaining 15.9% from overseas. In Malaysia, there are approximately three (3) companies manufacturing PVC resin and these include:-

- (i) Malayan Electro-Chemical Industry Co Sdn Bhd;
- (ii) Industrial Resin Malaysia Berhad; and
- (iii) Vinyl Chloride Malaysia Sdn Bhd.

(Source : *Prospects and Future Plans of TSHB dated 21 September 2004, Vital Factor Consulting Sdn Bhd. This report is prepared for the inclusion in the Prospectus.*)

In 2003, there was abundant supply of locally produced resin with annual production approximately 1.9 million tonnes. In addition, PVC resin are commodities and readily available from many Oil and Gas producing countries.

As for PVC scrap, the Group sources approximately 95.0% from overseas and the remaining 5.0% sourced locally. Some of the countries of import included Korea, United Kingdom, Belgium, Estonia, Germany, Taiwan, Holland and Japan. However, there are ample sources of PVC scrap from overseas.

In Malaysia, the import of plastic waste, parings and scrap amounting to RM37.9 million in 2003.

The major source countries of imports into Malaysia are as follows:-

- (i) Korea;
- (ii) Japan;
- (iii) Singapore;
- (iv) Thailand;
- (v) Indonesia; and
- (vi) China.

(Source : *Prospects and Future Plans of TSHB dated 21 September 2004, Vital Factor Consulting Sdn Bhd. This report is prepared for the inclusion in the Prospectus.*)

As there are ample sources of supply of PVC resin locally as well as overseas, the threat in supply is minimised. To date, TSHB Group has not encountered any major problems in sourcing PVC resin or PVC scrap as a raw material from suppliers.

Generally, the Group's purchases (excluding consumables) are divided into the following:-

- (i) raw materials for the manufacturing of PVC products; and
- (ii) other plastic products and materials for the Group's trading operations.

For the financial year ended 31 December 2003 and the five (5) months period ended 31 May 2004, purchases of raw materials for the Group's manufacturing operations represented approximately 78.3% and 75.0% of total Group purchases respectively. The remaining 21.7% and 25.0% respectively were purchases of other plastic products and materials for the Group's trading operations.

4. INFORMATION ON THE GROUP (Cont'd)

(i) Supply of Raw Materials

The following are the major types of raw materials and sources of supply for the manufacturing operations of TSHB Group:-

Raw Materials by Type	For the Financial Year Ended 31 December 2003				For the Five (5) Months Period Ended 31 May 2004			
	Value of Purchases (RM'000)	Percentage of Total Group Purchases (%)	Sources of Supply		Value of Purchases (RM'000)	Percentage of Total Group Purchases (%)	Sources of Supply	
			Local	Import			Local	Import
Raw materials for manufacturing operations								
PVC scrap	7,530	29.4	5.0%	95.0%	1,586	12.9	3.9%	96.1%
PVC resin	8,778	34.3	70.9%	29.1%	5,944	48.5	84.1%	15.9%
Plasticisers	3,253	12.7	100.0%	-	1,436	11.7	100.0%	-
- DINP	2,547	9.9	100.0%	-	774	6.3	100.0%	-
- DOP	706	2.8	100.0%	-	662	5.4	100.0%	-
Pigments	1,028	4.0	11.0%	89.0%	624	5.1	2.0%	98.0%
Stabiliser	477	1.9	-	100.0%	309	2.5	-	100.0%
Stone powder (Calcium carbonate)	359	1.4	100.0%	-	105	0.9	100.0%	-
Titanium dioxide	606	2.4	-	100.0%	393	3.2	-	100.0%
Solvent (MEK/Toulene)	506	2.0	100.0%	-	337	2.8	100.0%	-
Epoxy	358	1.4	100.0%	-	135	1.1	100.0%	-
Others [#]	2,735	10.7	85.3%	14.7%	1,384	11.3	86.1%	13.9%
Total	25,630	100.0*			12,253	100.0		

Notes:-

Others include machine oils, diesel and packaging materials.

* Total more than 100% due to rounding.

Purchases through local stockists are considered imported. The total purchases of the Group for the financial year ended 31 December 2003 and the five (5) months period ended 31 May 2004 amounted to RM32.7 million and RM16.4 million respectively. Of these, purchases of raw materials amounted to RM25.6 million and RM12.3 million for the financial year ended 31 December 2003 and the five (5) months period ended 31 May 2004 respectively.

As TSHB Group is mainly in the manufacturing of PVC Floor Covering and PVC Films and Sheets, the usage of PVC scrap and resin constitutes the two largest forms of raw materials used in its manufacturing operations.

TSHB Group uses mainly PVC scrap and PVC resin. Scraps are recycled, whereby the quality is not as pure as PVC resin.

For the financial year ended 31 December 2003 and the five (5) months period ended 31 May 2004, PVC scrap and PVC resin combined accounted for approximately 63.7% and 61.4% of total raw material purchases of TSHB Group respectively.

4. INFORMATION ON THE GROUP (Cont'd)

For the financial year ended 31 December 2003, imports of raw materials accounted for approximately 47.3% of the total purchases of TSHB Group. The remaining 52.7% are mainly sourced locally. However, for the five (5) months period ended 31 May 2004, imports of raw materials accounted for approximately 32.4% of the total purchases of TSHB Group. The remaining 67.6% are mainly sourced locally.

Other raw materials used by TSHB Group include:-

- (a) Platicisers such as DINP and DOP;
- (b) Stabilisers;
- (c) Stone powder (calcium carbonate);
- (d) Titanium dioxide;
- (e) Solvents such as MEK/Toulene;
- (f) Pigments; and
- (g) Epoxy.

Apart from PVC scrap and plastic resin, the next largest raw materials purchased are plasticisers such as DINP and DOP, which constituted approximately 12.7% and 11.7% of total raw materials purchased for the financial year ended 31 December 2003 and the five (5) months period ended 31 May 2004 respectively.

(a) PVC Scrap and PVC Resin

TSHB uses PVC scrap for its manufacturing operations and this is mainly for the production of PVC Floor Covering. PVC scrap is mainly a recycled material. TSHB Group mainly use PVC scrap to manufacture the bottom backing sheet of PVC Floor Covering which does not require the quality provided by pure resin.

The Group purchased approximately 95.0% of PVC scrap from overseas suppliers whilst the remaining 5.0% was locally sourced for the financial year ended 31 December 2003. For the five (5) months period ended 31 May 2004, PVC scrap purchased from overseas suppliers amounted to approximately 96.1% whilst the remaining 3.9% was locally sourced.

The main reason TSHB Group buys imported PVC scrap is because there is insufficient PVC scrap available through local sources. Imports of PVC scrap are mainly from Korea, United Kingdom, Belgium, Estonia, Germany, Taiwan and Japan. In Malaysia, the import of plastic waste, parings and scrap amounted to RM37.9 million in 2003.

The next largest material is PVC which is the resin used to manufacture PVC Floor Covering and PVC Films and Sheets. Generally, TSHB Group purchases all its PVC resin from local sources.

4. INFORMATION ON THE GROUP (Cont'd)

In Malaysia, there are approximately three (3) companies manufacturing PVC resin and these include:-

- Malayan Electro-Chemical Industry Co Sdn Bhd;
- Industrial Resin Malaysia Berhad; and
- Vinyl Chloride Malaysia Sdn Bhd.

(Source : *Business Overview of TSHB dated 21 September 2004, Vital Factor Consulting Sdn Bhd. This report is prepared for the inclusion in the Prospectus.*)

In 2003, there was an abundant supply of locally produced resin with an annual production approximately 1.9 million tonnes. The production capacity for PVC resins was 160,000 tonnes in 2003.

Thus far, the management has not experienced any shortage in the supply of PVC resin, as this type of material is abundantly available from local producers. Similarly PVC scrap is also easily available.

(b) Plasticisers

TSHB Group also uses plasticisers such as DINP and DOP during the processing of PVC resins. These plasticisers act as softening agents and are added into the PVC resins to manufacture flexible vinyl products.

For the financial year ended 31 December 2003, DINP and DOP accounted for approximately 9.9% and 2.8% of the Group's total purchases of raw materials respectively whilst for the five (5) months period ended 31 May 2004, DINP and DOP accounted for approximately 6.3% and 5.4% of the Group's total purchases of raw materials respectively.

The Group sources all of DINP and DOP directly from local producers. As DINP and DOP are by-products of petrochemicals, there are numerous manufacturers of these materials including among others, BASF Petronas Chemicals Sdn Bhd and Revertex Malaysia Sdn Bhd.

Thus far, the management has not experienced any shortage in supply of plasticisers such as DINP and DOP.

(c) Pigments

Other raw materials used by TSHB Group include pigments and these are mainly for the six-colour printing process. These pigments accounted for a small proportion of the Group's raw materials.

For the financial year ended 31 December 2003 and the five (5) months period ended 31 May 2004, pigments accounted for approximately 4.0% and 5.1% of TSHB Group's purchases of raw materials respectively.

4. INFORMATION ON THE GROUP (Cont'd)

The Group sources pigments from local producers. There are approximately 38 local formulators of paints and related products in Malaysia. Generally local formulators are able to meet local demand with the exception of a small proportion of special grade paint products.

Thus far, the management has not experienced any shortage in supply of pigments.

(d) Stabilisers

TSHB Group also uses stabilisers by adding into the formulation to cure PVC resin. Stabilisers are used to protect the resin from degrading against sunlight. For the financial year ended 31 December 2003 and the five (5) months period ended 31 May 2004, stabilisers accounted for approximately 1.9% and 2.5% of the Group's total purchases of raw materials respectively.

TSHB Group sources stabilisers mainly from overseas suppliers and manufacturers.

Thus far, the management has not experienced any shortage in supply of stabilisers.

(e) Stone Powder

The Group uses stone powder, also known as calcium carbonate as a filler. These fillers reduce the use of resin, which results in cost savings for the manufacturing operations.

For the financial year ended 31 December 2003 and the five (5) months period ended 31 May 2004, stone powder accounted for approximately 1.4% and 0.9% of TSHB Group's purchases of raw materials respectively. TSHB Group sources stone powder through local producers.

Thus far, the management has not experienced any shortage in the supply of stone powder.

(f) Titanium Dioxides

Titanium dioxides accounted for approximately 2.4% and 3.2% of TSHB Group's purchases of raw materials for the financial year ended 31 December 2003 and the five (5) months period ended 31 May 2004 respectively. TSHB Group mainly sources this chemical from overseas suppliers.

Thus far, the management has not experienced any shortage in the supply of titanium dioxide.

(g) Solvents

Solvents such as MEK and Toulene constituted a small proportion of TSHB Group's total raw material purchases. MEK and Toluene are solvents mainly used for printing.

4. INFORMATION ON THE GROUP (Cont'd)

For the financial year ended 31 December 2003 and the five (5) months period ended 31 May 2004, solvents accounted for approximately 2.0% and 2.8% of TSHB Group's purchases of raw materials respectively.

TSHB Group sources these solvents through local stockists. These are imported from Singapore and Indonesia.

Thus far, the management has not experienced any shortage in supply of MEK or toluene.

(h) Epoxy

Epoxy adhesives accounted for approximately 1.4% and 1.1% of the raw materials used by the Group for the financial year ended 31 December 2003 and the five (5) months period ended 31 May 2004 respectively. Epoxy adhesives are mainly used as softening agents and to increase heat resistance for Calendering.

TSHB Group sources all the epoxy from overseas' suppliers and manufacturers.

Thus far, the management has not experienced any shortage in the supply of epoxy.

(ii) Supply of Other Plastic Products and Materials for Trading Operations

The following are the other types of plastic products and materials, and sources of supply for the trading operations of TSHB Group:-

Raw Materials by Type	For the Financial Year Ended 31 December 2003				For the Five (5) Months Period Ended 31 May 2004			
	Value of Purchases (RM'000)	Percentage of Total Group Purchases (%)	Sources of Supply		Value of Purchases (RM'000)	Percentage of Total Group Purchases (%)	Sources of Supply	
			Local	Import			Local	Import
Other Plastic Products and Materials for Trading								
PVC Sponge Leather	2,186	30.8	-	100.0%	2,934	70.4	-	100.0%
PVC Sheeting	1,533	21.6	100.0%	-	493	11.8	100.0%	-
PP Non-woven	733	10.3	-	100.0%	331	8.0	-	100.0%
Table Cloths	406	5.7	-	100.0%	-	-	-	100.0%
Rain Coats	444	6.2	100.0%	-	209	5.0	100.0%	-
Rigid Film	82	1.2	-	100.0%	-	-	-	100.0%
Others #	1,715	24.2	100.0%	-	201	4.8	100.0%	-
Total	7,099	100.0			4,168	100.0		

Note :-

Others include shower curtains, PVC Films and Sheets for plastic bags, baby mattresses and accessories.

4. INFORMATION ON THE GROUP (Cont'd)

Purchases through local stockists are considered imported. The total purchases of the Group for the financial year ended 31 December 2003 and the five (5) months period ended 31 May 2004 amounted to RM32.7 million and RM16.4 million respectively. Of these, purchases of other types of plastic products and materials for the Group's trading operations amounted to approximately RM7.1 million and RM4.2 million for the financial year ended 31 December 2003 and the five (5) months period ended 31 May 2004 respectively.

TSHB Group also purchases other plastic products and materials for its trading operations.

PVC sponge leather is one of main materials purchased by TSHB Group for its trading operations whereby purchases of this type of material amounted to approximately RM2.2 million and RM2.9 million for the financial year ended 31 December 2003 and the five (5) months period ended 31 May 2004 respectively. This accounted for approximately 30.8% and 70.4% of the Group's purchases of plastic products and materials for the financial year ended 31 December 2003 and the five (5) months period ended 31 May 2004 respectively.

This is followed by PVC sheeting which accounted for approximately 21.6% and 11.8% of the Group's purchases of plastic products and materials for its trading operations for the financial year ended 31 December 2003 and the five (5) months period ended 31 May 2004 respectively.

Some of other products and materials purchased include:-

- (a) PP non-woven;
- (b) Rain coats;
- (c) Table cloths;
- (d) PVC leather; and
- (e) Rigid films.

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4. INFORMATION ON THE GROUP (Cont'd)

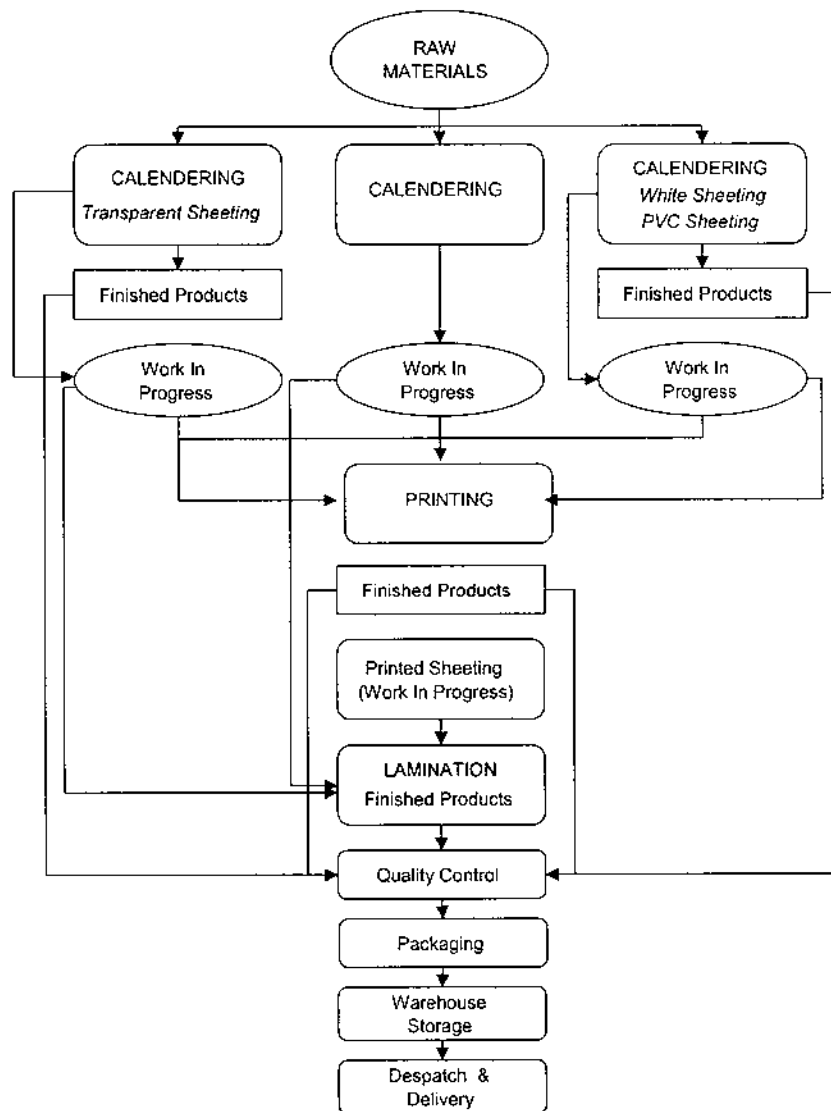
4.2.5 Operating or Trading Mechanism

Calendering is a finishing process by which hot molten resin are pressed into sheets and smoothed, glazed, polished, or given an embossed surface.

The raw material is passed through a series of rollers from which the resulting surface depends on the pressure exerted by the rollers, the temperature, composition of raw material, surface designs and on the type of coating or glaze previously applied to the material to be calendered.

In addition, the Calendering machine is also used for imparting high gloss to solvent-based or water-based varnished surface whereby it is used to iron the varnish to a coating of high gloss.

The process flow of Calendering utilised by TSHB Group is depicted in the following diagram:-



4. INFORMATION ON THE GROUP (Cont'd)

The initial stages begin with the formulation of raw materials, which are a combination of PVC resins, plasticisers, fillers, pigmentation and other additives to create the product in assorted colours, patterns with the desired characteristics and properties.

Plasticisers are oily liquids that are used to soften the plastic and provide flexibility to the formula. Stabilizers are used to minimise degradation and discolouration from heat and light.

Once the additives have been combined with the resin, the resulting material, called vinyl compound is normally produced. The nature of the vinyl compound allows versatility in the production process, enabling manufacturers to meet many of the performance requirements of various flooring applications.

In the next stage of manufacturing, the resin compound is fed into the different Calendering machines depending on the type of finished products required.

This process requires melt-compounding the ingredients at high temperatures, then moulding the hot material into the desired shape by using the Calendering technique, in which the components are mixed together then fed through a series of rollers that gradually squeeze the material to the desired gauge (width).

The PVC sheets are processed on large drums or made by coating a thin layer of liquid (comprised vinyl resin, plasticiser, filler and other additives) onto a backing material.

This method produces a multi-layered construction, which typically comprises a backing vinyl foam core, decorative layer and clear vinyl layer. The entire products are then passed through a high temperature heating roll.

Patterns are applied or printed to the PVC sheet whereby colours and patterns are imprinted onto the surface of the base layer. The process utilises rotating cylinders to print coloured inks on top of the core layer.

The next stage involved the lamination process whereby the printed pattern is then covered with a clear vinyl wear layer and the product is laminated by a high temperature heating roller. The other method of lamination process involves the inlaid process whereby solid-coloured vinyl chips are laid on top of a carrier sheet and then bonded together, under heat and pressure, creating the resulting pattern.

The finished product is then packed and stored in the warehouse awaiting despatch to customer.

4.2.6 Technology Used

As a manufacturer of PVC Floor Covering and PVC Sheets and Films, the main technology utilised by TSHB Group is Calendering.

Calendering is the process whereby hot molten mixture of resin is fed into a series of hot cylindrical calender rollers, which is designed to spread and thinned out the PVC resin material across the width of the rollers.

4. INFORMATION ON THE GROUP (Cont'd)

As the PVC resin proceeds to pass through different sets of rollers, the gap between the rollers decreases in thickness in addition to rotating in opposite directions to further thin out the PVC resin. Finally the PVC resin moves through another series of cold rollers where it is stretched and gradually cooled.

Processes can also include rollers with texture, embossed or lamination with other types of materials.

As the Calendering process involves high capital set-up cost, it is not as widely used compared to other plastic forming technologies for example extrusion. However, it has its advantages over the extrusion process particularly in producing PVC Sheets and Films.

Some of these advantages include:-

- Higher output controlled by mixing capacity, thus contributing to higher productivity;
- Precision of product dimension as in good control of thickness;
- Uniform quality;
- Less residual distortion rate and less defects in appearance; and
- Easy to manipulate and control quality.

One of the limitations of the Calendering process is the fact that it is not able to produce very thin films compared to extrusion.

4.2.7 Quality of Products

(a) PVC Floor Covering

PVC Floor Covering is not regarded as a necessity product for the following reasons:-

- there are many other substitutes for PVC Floor Covering including carpets, tiles, wooden flooring and other types of materials; and
- there is also an option to leave the flooring uncovered as in a cemented floor.

Although PVC Floor Covering is not a necessity, it is traditionally a popular flooring material for the following reasons:-

- on wooden flooring or uncovered flooring, it is the most cost effective option compared to other types of flooring; and
- it is easy to install and remove as it is non-permanent.

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4. INFORMATION ON THE GROUP (Cont'd)

(b) PVC Films and Sheets

As for PVC Films and Sheets, it is regarded as a necessity product as there are no feasible substitutes that provide the same flexibility and properties similar to plastics.

The key factors that have made it a necessity product are as follows:-

- highly flexible;
- strong material;
- water resistant;
- low cost of production; and
- very diverse applications.

The manufacture of infant disposable diapers is an example where without plastic films, it will not function properly.

4.2.8 Competitive Advantage

TSHB Group has distinct advantages over its competitors in terms of the following:-

- Large and diverse customer base;
- Market reputation and established track record;
- Product quality; and
- In-roads into export markets.

(i) Large and Diverse Customer Base

As at 31 August 2004 (being the latest practicable date prior to the printing of this Prospectus), TSHB Group has a large and diverse customer base comprising approximately 1,100 customers. This is reflected by the fact that its top 20 customers only represent approximately 35.6% and 48.1% of the total Group revenue for the financial year ended 31 December 2003 and the five (5) months period ended 31 May 2004 respectively.

This customer base is diverse from the perspective that it covers a range of local and overseas companies including:-

- wholesalers and importers;
- manufacturers; and
- retailers.

This extensive database of customers provides the Group with the ability to on-sell its other products. More importantly, this diverse customer base helps the Group to minimise over-dependency on any one customer or small group of customers.

(ii) Market Reputation and Established Track Record

The TSHB Group started in 1969 and over the years, the Group has developed a reputation as an established supplier of PVC based products and materials. This reputation is further reinforced when the Group moved into the manufacturing of in-house PVC based products including PVC Floor Covering and PVC Films and Sheets.

4. INFORMATION ON THE GROUP (Cont'd)

The Group's established market reputation is reflected by the fact that approximately 60% of its top 10 customers have been with the Group for three or more years. Of these, approximately 40% are customers that have ten or more years of business dealings with TSHB Group.

(iii) Product Quality

The Group can attest to its quality in the following manner:-

- (a) The standard of quality of its finished product including PVC Floor Covering and PVC Films and Sheets can meet the requirements of export markets.
- (b) The internal quality checks on raw materials through every stage of its manufacturing process reaffirms the Group's internal quality assurances.
- (c) The low percentage of reject rates from its manufacturing operations is a further demonstration of its quality standards. Currently the Group's reject rates are as follows:-
 - 2 - 3% reject rate for its PVC Floor Covering; and
 - 2 - 3% reject rate for its PVC Films and Sheets.

The rejects are then recycled, thus there is little wastage in materials.

(iv) In-roads into Export Markets

TSHB Group has successfully gained in-roads into export markets. This is reflected by the fact that since 1 January 2002 until 31 August 2004 (being the latest practicable date prior to the printing of this Prospectus), the Group has sold its products to thirty (30) different export markets. Exports contributed to approximately 23.1% and 34.4% of the Group's total revenue for the financial year ended 31 December 2003 and the five (5) months period ended 31 May 2004 respectively. This established base of export customers would provide the platform for the Group to expand on its export revenue.

4.2.9 Estimated Market Coverage, Position and Share

There are approximately 10 operators within the Plastic Calendaring Industry in Malaysia.

Some of these operators include:-

- (i) Nylex (Malaysia) Berhad;
- (ii) Scientex Incorporated Berhad;
- (iii) TSHB;
- (iv) PP Products Sdn Bhd;
- (v) Perlis Consolidated Sdn Bhd;
- (vi) Macro Plastic Sdn Bhd;
- (vii) LGP Industries Sdn Bhd; and
- (viii) Arita Plastics Industries (M) Sdn Bhd.

Based on turnover, TSHB Group ranked third among operators within the Plastic Calendaring Industry in Malaysia.

(Source : *Assessment of The Plastic Calendaring Industry Focusing on PVC Floor Covering, and PVC Films and Sheets dated 21 September 2004, Vital Factor Consulting Sdn Bhd. This report is prepared for the inclusion in the Prospectus.*)

4. INFORMATION ON THE GROUP (Cont'd)

4.2.10 Approvals, Major Licences and Permits Obtained

(i) WISB

No	Type of Licence	Authorities	Effective Date/ Date of Expiry	Major Conditions
1(i)	Manufacturing Licence (Licence No: A 012473 (Serial No. A 019323)) (Products: PVC Floor Covering, PVC Sheets and Films)	MITI	18.10.2000/ Not applicable	<p>(a) Site: Plot 159, Mukim 13, Jalan Perindustrian Bukit Minyak 7, Bukit Minyak Industrial Park, 14000 Bukit Mertajam, Penang, subject to approvals from the relevant state authorities and Department of Environment.</p> <p>(b) The shares of WISB held by non-Malaysians cannot be sold without the prior written consent of MITI.</p> <p>(c) The composition of the Board of Directors of WISB shall, in general, reflect the equity structure of the WISB. MITI shall be informed in respect of any appointment of Director or any change in the Board of Directors.</p> <p>(d) WISB shall appoint and train Malaysian citizens in order to reflect the composition of the different races in every level of employee structure.</p> <p>(e) In the event WISB proposes to use second-hand machines, a written letter of approval shall be obtained from MITI and an independent report from a valuer shall be given to MITI. An approval from MITI would also be required before any proposed changes, additions or reduction with regard to the machineries that will have a substantial effect on employment or production.</p> <p>(f) WISB shall obtain approval in writing from MITI before signing any technology transfer agreements with any foreigner such as:-</p> <ul style="list-style-type: none"> - Joint Venture Agreement; - Technical Assistance and Know-How Agreement; - Licence Agreement; - Trade Mark and Patent Agreement; - Turnkey Contract; and - Management Agreement. <p>The abovementioned conditions are not applicable to the purchase of machines which requires the services of the technical personnel from the manufacturer of the machines to supervise the setting up or the operational start in respect of the machines.</p>

4. INFORMATION ON THE GROUP (Cont'd)

No	Type of Licence	Authorities	Effective Date/ Date of Expiry	Major Conditions
(ii)	<u>Manufacturer's Licence</u> Products: PVC laminated sheets (sales tax 10%) PVC Floor Covering (sales tax 10%) Sales Tax Act 1972	Royal Customs and Excise, Malaysia	30.01.1997/ Not applicable	Not applicable

(ii) TSSB

Type of Licence	Authority	Effective Date/Date of Expiry	Conditions
Office and Warehouse Licence	Majlis Perbandaran Kajang	31.12.2003/ Not applicable	Not applicable

4.2.11 Brand Names, Patents, Trade marks, Licences, Technical Assistance Agreements, Franchises and Other Intellectual Property Rights

The trade marks under the possession of the Group are as follows:-

Application No./Filing Date	Description of Marks	Class	Status
97-00192/ 07.01.1997	"TS" device "WANGSAGA"	Carpets, rugs, door mats, floor covering materials, all included in Class 27	Registered on 07.01.1997 and renewed until 07.01.2014

The following registered trade mark which has been registered in the names of the Directors, Loh Kok Beng and Loh Kok Cheng has been assigned to TSSB by virtue of a Deed of Assignment dated 4 December 2003.

Registration no.	Description of Marks	Class	Status
94003939	"FORTUNE" and device	Articles of clothing, jeans, shirts, skirts, trousers, pull-overs, jumpers, cardigans, jackets, sportswear, socks, stockings, belts, caps and ties, raincoat, footwear, shoes, boots and slippers, all included in Class 25	Registered on 17.05.1994 and renewed until 17.05.2011

4. INFORMATION ON THE GROUP (Cont'd)**4.2.12 Diversity**

The business of TSHB Group is diverse from the following perspectives:-

(i) Diversity in Products

TSHB Group provides a range of products to its customers. Its own in-house manufactured products and materials are as follows:-

Type of Products	Specifications in Thickness
PVC Floor Covering	0.35mm – 0.80mm
Coloured PVC Sheet	0.05mm – 0.50mm
PVC Transparent Film	0.04mm – 0.50mm
PVC Printed Sheet	0.07mm – 0.35mm
PVC Printed Film	0.07mm – 0.35mm
PVC Decorative Film	0.08mm – 0.20mm

Note:- The level of thickness is dependent on customer specifications

Apart from the final end-products such as PVC Floor Covering and plastic packaging, each of the PVC Films and Sheets are customised to specifications and applications. This is common as PVC Films and Sheets have a diverse range of applications. For example, higher tensile strengths may be required for industrial applications in contrast to consumer applications.

In addition, TSHB's trading activities also include marketing external plastic products and materials. Some of these products and materials include:-

- Polypropylene non-woven;
- PVC leather;
- rigid film;
- table cloths;
- raincoats; and
- shower curtains.

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