

## 5. INFORMATION ON THE TCB GROUP (Cont'd)

### 5.6 Subsidiaries And Associated Company

As at 11 May 2006, the subsidiaries of TCB are as follows:

| Name       | Date And Place Of Incorporation | Authorised Share Capital RM | Issued And Paid-Up Share Capital RM | Effective Equity Interest % | Principal Activities   |
|------------|---------------------------------|-----------------------------|-------------------------------------|-----------------------------|--|
| TR         | 27 June 2005, Malaysia          | 100,000                     | 2                                   | 100.00                      | Investment holding   |
| Soon Hin   | 14 December 1973, Malaysia      | 5,000,000                   | 1,000,000                           | 100.00                      | Distribution of jewellery  |
| YXG        | 5 October 1987, Malaysia        | 5,000,000                   | 1,001,026                           | 100.00                      | Design and manufacturing of jewellery  |
| TGJM       | 17 July 1989, Malaysia          | 500,000                     | 500,000                             | 100.00                      | Design and manufacturing of jewellery  |
| GPMI       | 3 April 1997, Malaysia          | 5,000,000                   | 5,000,000                           | 61.00                       | Design and manufacturing of jewellery, including gold and silver chains, refining of gold and silver |
| TGJ (MJ)   | 10 February 1999, Malaysia      | 500,000                     | 300,000                             | 100.00                      | Retailing of jewellery   |
| SRT        | 28 November 1978, Malaysia      | 1,000,000                   | 345,000                             | 100.00                      | Retailing of jewellery   |
| TGJH       | 17 June 1977, Malaysia          | 500,000                     | 450,000                             | 100.00                      | Investment holding and retailing of jewellery  |
| TGJ (WM)   | 18 September 2000, Malaysia     | 500,000                     | 500,000                             | 100.00                      | Retailing of jewellery   |
| TGJ (KL)   | 16 July 1981, Malaysia          | 500,000                     | 300,000                             | 100.00                      | Retailing of jewellery   |
| My Diamond | 10 August 2001, Malaysia        | 500,000                     | 500,000                             | 100.00                      | Retailing of jewellery   |
| TGJ (SK)   | 21 May 2001, Malaysia           | 1,000,000                   | 610,340                             | 100.00                      | Retailing of jewellery   |
| TGJ (RW)   | 30 October 2002, Malaysia       | 500,000                     | 500,000                             | 100.00                      | Design and distribution of jewellery   |
| TGJ (PT)   | 11 December 2003, Malaysia      | 100,000                     | 2                                   | 100.00                      | Retailing of jewellery   |
| THJ        | 28 August 2002, Malaysia        | 500,000                     | 500,000                             | 100.00                      | Retailing of jewellery   |
| CP         | 19 July 2002, Malaysia          | 100,000                     | 100                                 | 100.00                      | Retailing of jewellery   |
| J&G        | 18 March 1996, Malaysia         | 500,000                     | 400,000                             | 100.00                      | Distribution of jewellery  |
| TGJ (JB)   | 13 April 2004, Malaysia         | 100,000                     | 2                                   | 100.00                      | Retailing of jewellery   |

**5. INFORMATION ON THE TCB GROUP (Cont'd)**

| Name         | Date And Place Of Incorporation    | Authorised Share Capital RM | Issued & Paid-Up Share Capital RM | Effective Equity Interest % | Principal Activities                       |
|--------------|------------------------------------|-----------------------------|-----------------------------------|-----------------------------|--|
| TGJ (B)      | 18 July 2005,<br>Brunei Darussalam | BND100,000                  | BND10,000                         | 99.99                       | Retailing of jewellery                     |
| TWF          | 15 April 2004,<br>Malaysia         | 100,000                     | 104                               | 100.00                      | Provision of franchise management services |
| TGJ (SA)     | 1 April 1989,<br>Malaysia          | 1,000,000                   | 500,000                           | 100.00                      | Retailing of jewellery                     |
| TGJ (Subang) | 15 May 2000,<br>Malaysia           | 500,000                     | 500,000                           | 100.00                      | Retailing of jewellery                     |
| TGJ (IOI)    | 3 May 2000,<br>Malaysia            | 500,000                     | 500,000                           | 100.00                      | Retailing of jewellery                     |
| TGJ (KLCC)   | 16 August 1978,<br>Malaysia        | 5,000,000                   | 1,800,000                         | 100.00                      | Retailing of jewellery                     |
| TGJ (MK)     | 21 September 2001,<br>Malaysia     | 500,000                     | 200,000                           | 100.00                      | Retailing of jewellery                     |
| TGJ (TS)     | 6 April 1981,<br>Malaysia          | 500,000                     | 290,000                           | 100.00                      | Retailing of jewellery                     |
| TGJ (KP)     | 21 September 2001,<br>Malaysia     | 500,000                     | 200,000                           | 100.00                      | Retailing of jewellery                     |
| TGJ (BU)     | 17 March 1999,<br>Malaysia         | 1,000,000                   | 1,000,000                         | 100.00                      | Retailing of jewellery                     |
| TGJ (MV)     | 10 April 1999,<br>Malaysia         | 1,000,000                   | 200,000                           | 100.00                      | Retailing of jewellery                     |
| TGJ (Sunway) | 9 September 1996,<br>Malaysia      | 1,000,000                   | 1,000,000                         | 100.00                      | Retailing of jewellery                     |
| TGJ (Klang)  | 8 December 1988,<br>Malaysia       | 500,000                     | 475,002                           | 100.00                      | Retailing of jewellery                     |

As at 11 May 2006, TCB does not have any associated company.

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## 5. INFORMATION ON THE TCB GROUP (Cont'd)

### 5.6.1 TR

#### (i) History And Business

TR was incorporated in Malaysia on 27 June 2005 under the Act as a private limited company. The principal activity of TR is investment holding. The company commenced its operation on 19 April 2006.

#### (ii) Share Capital

|                    | No. Of Ordinary<br>Shares | Par Value<br>RM | Amount<br>RM |
|--------------------|---------------------------|-----------------|--------------|
| Authorised         | 100,000                   | 1               | 100,000      |
| Issued and Paid-up | 2                         | 1               | 2            |

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

| Date Of Allotment | No. Of<br>Ordinary<br>Shares Allotted | Par Value<br>RM | Consideration<br>Subscribers'<br>shares | Cumulative<br>Issued And Paid-<br>Up Share Capital<br>RM |
|-------------------|---------------------------------------|-----------------|---|--|
| 27 June 2005      | 2                                     | 1               |   | 2  |

#### (iii) Subsidiaries And Associated Company

| Name       | Effective<br>Equity Interest<br>(%) | Principal Business                               | Par Value<br>(RM) | Issued And Fully<br>Paid-Up Share<br>Capital (RM) |
|------------|-------------------------------------|--|-------------------|---|
| TGJ (MJ)   | 100.00                              | Retailing of jewellery                           | 1                 | 300,000   |
| SRT        | 100.00                              | Retailing of jewellery                           | 1                 | 345,000   |
| TGJH       | 100.00                              | Investment holding and<br>retailing of jewellery | 1                 | 450,000   |
| TGJ (WM)   | 100.00                              | Retailing of jewellery                           | 1                 | 500,000   |
| TGJ (KL)   | 100.00                              | Retailing of jewellery                           | 1                 | 300,000   |
| My Diamond | 100.00                              | Retailing of jewellery                           | 1                 | 500,000   |
| TGJ (SK)   | 100.00                              | Retailing of jewellery                           | 1                 | 610,340   |
| TGJ (RW)   | 100.00                              | Design and distribution of<br>jewellery          | 1                 | 500,000   |
| TGJ (PT)   | 100.00                              | Retailing of jewellery                           | 1                 | 2   |
| THJ        | 100.00                              | Retailing of jewellery                           | 1                 | 500,000   |
| CP         | 100.00                              | Retailing of jewellery                           | 1                 | 100   |

**5. INFORMATION ON THE TCB GROUP (Cont'd)**

| Name                            | Effective<br>Equity Interest<br>(%) | Principal Business                            | Par Value<br>(RM) | Issued And Fully<br>Paid-Up Share<br>Capital (RM) |
|---------------------------------|-------------------------------------|---|-------------------|---|
| J&G                             | 100.00                              | Distribution of jewellery                     | 1                 | 400,000   |
| TWF                             | 100.00                              | Provision of franchise<br>management services | 1                 | 104   |
| TGJ (JB)                        | 100.00                              | Retailing of jewellery                        | 1                 | 2   |
| TGJ (B)                         | 99.99                               | Retailing of jewellery                        | BND1              | BND10,000   |
| <b>Subsidiaries of TGJH</b>     |                                     |   |                   |   |
| TGJ (KLCC)                      | 100.00                              | Retailing of jewellery                        | 1                 | 1,800,000   |
| TGJ (MK)                        | 100.00                              | Retailing of jewellery                        | 1                 | 200,000   |
| TGJ (TS)                        | 100.00                              | Retailing of jewellery                        | 1                 | 290,000   |
| TGJ (KP)                        | 100.00                              | Retailing of jewellery                        | 1                 | 200,000   |
| TGJ (BU)                        | 100.00                              | Retailing of jewellery                        | 1                 | 1,000,000   |
| TGJ (MV)                        | 100.00                              | Retailing of jewellery                        | 1                 | 200,000   |
| TGJ (Sunway)                    | 100.00                              | Retailing of jewellery                        | 1                 | 1,000,000   |
| TGJ (Klang)                     | 100.00                              | Retailing of jewellery                        | 1                 | 475,002   |
| <b>Subsidiaries of TGJ (MJ)</b> |                                     |   |                   |   |
| TGJ (SA)                        | 100.00                              | Retailing of jewellery                        | 1                 | 500,000   |
| TGJ (Subang)                    | 100.00                              | Retailing of jewellery                        | 1                 | 500,000   |
| TGJ (IOI)                       | 100.00                              | Retailing of jewellery                        | 1                 | 500,000   |

As at 11 May 2006, TR does not have any associated company.

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**5. INFORMATION ON THE TCB GROUP (Cont'd)****(iv) Substantial Shareholders**

TR is a wholly-owned subsidiary of TCB.

**5.6.2 Soon Hin****(i) History And Business**

Soon Hin was incorporated in Malaysia on 14 December 1973 under the Act as a private limited company and had commenced operation since then. The principal activity of Soon Hin is distribution of jewellery.

**(ii) Share Capital**

|                    | No. Of Ordinary<br>Shares | Par Value<br>RM | Amount<br>RM |
|--------------------|---------------------------|-----------------|--------------|
| Authorised         | 50,000                    | 100             | 5,000,000    |
| Issued and Paid-up | 10,000                    | 100             | 1,000,000    |

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

| Date Of Allotment | No. Of<br>Ordinary<br>Shares Allotted | Par Value<br>RM | Consideration<br>Subscribers' | Cumulative<br>Issued And Paid-<br>Up Share Capital<br>RM |
|-------------------|---------------------------------------|-----------------|-------------------------------|--|
| 14 December 1973  | 4                                     | 100             | shares                        | 400  |
| 1 April 1974      | 2,097                                 | 100             | Cash                          | 210,100  |
| 6 October 1975    | 95                                    | 100             | Cash                          | 219,600  |
| 29 October 1980   | 1,804                                 | 100             | Cash                          | 400,000  |
| 23 December 1991  | 6,000                                 | 100             | Other than cash               | 1,000,000  |

**(iii) Subsidiary And Associated Company**

As at 11 May 2006, Soon Hin does not have any subsidiary or associated company.

**(iv) Substantial Shareholders**

Soon Hin is a wholly-owned subsidiary of TCB.

**5.6.3 YXG****(i) History And Business**

YXG was incorporated in Malaysia on 5 October 1987 under the Act as a private limited company. The principal activities of YXG are design and manufacturing of jewellery. The company commenced its operation on 28 December 1989.

## 5. INFORMATION ON THE TCB GROUP (Cont'd)

### (ii) Share Capital

|                    | No. Of Ordinary Shares | Par Value RM | Amount RM |
|--------------------|------------------------|--------------|-----------|
| Authorised         | 5,000,000              | 1            | 5,000,000 |
| Issued and Paid-up | 1,001,026              | 1            | 1,001,026 |

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

| Date Of Allotment | No. Of Ordinary Shares Allotted | Par Value RM | Consideration       | Cumulative Issued And Paid-Up Share Capital RM |
|-------------------|---------------------------------|--------------|---------------------|--|
| 5 October 1987    | 2                               | 1            | Subscribers' shares | 2  |
| 8 March 1988      | 77,000                          | 1            | Cash                | 77,002   |
| 24 November 2000  | 924,024                         | 1            | Other than cash     | 1,001,026                                      |

### (iii) Subsidiary And Associated Company

As at 11 May 2006, YXG does not have any subsidiary or associated company.

### (iv) Substantial Shareholders

YXG is a wholly-owned subsidiary of TCB.

## 5.6.4 TGJM

### (i) History And Business

TGJM was incorporated in Malaysia on 17 July 1989 under the Act as a private limited company and had commenced operation since then. The principal activities of TGJM are design and manufacturing of jewellery.

### (ii) Share Capital

|                    | No. Of Ordinary Shares | Par Value RM | Amount RM |
|--------------------|------------------------|--------------|-----------|
| Authorised         | 500,000                | 1            | 500,000   |
| Issued and Paid-up | 500,000                | 1            | 500,000   |

**5. INFORMATION ON THE TCB GROUP (Cont'd)**

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

| Date Of Allotment | No. Of Ordinary Shares Allotted | Par Value RM | Consideration       | Cumulative Issued And Paid-Up Share Capital RM |
|-------------------|---------------------------------|--------------|---------------------|--|
| 17 July 1989      | 2                               | 1            | Subscribers' shares | 2  |
| 13 June 1990      | 50,000                          | 1            | Cash                | 50,002   |
| 18 November 1991  | 20,000                          | 1            | Cash                | 70,002   |
| 24 December 1991  | 150,000                         | 1            | Cash                | 220,002  |
| 11 March 1999     | 279,998                         | 1            | Other than cash     | 500,000  |

**(iii) Subsidiary And Associated Company**

As at 11 May 2006, TGJM does not have any subsidiary or associated company.

**(iv) Substantial Shareholders**

TGJM is a wholly-owned subsidiary of TCB.

**5.6.5 GPMI****(i) History And Business**

GPMI was incorporated in Malaysia on 3 April 1997 under the Act as a private limited company. The principal activities of GPMI are design and manufacturing of jewellery, including gold and silver chains; and refining of gold and silver. The company commenced its operation on 10 February 1999.

**(ii) Share Capital**

|                    | No. Of Ordinary Shares | Par Value RM | Amount RM |
|--------------------|------------------------|--------------|-----------|
| Authorised         | 5,000,000              | 1            | 5,000,000 |
| Issued and Paid-up | 5,000,000              | 1            | 5,000,000 |

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

| Date Of Allotment | No. Of Ordinary Shares Allotted | Par Value RM | Consideration       | Cumulative Issued And Paid-Up Share Capital RM |
|-------------------|---------------------------------|--------------|---------------------|--|
| 3 April 1997      | 2                               | 1            | Subscribers' shares | 2  |
| 4 February 1999   | 2,950,000                       | 1            | Cash                | 2,950,002                                      |
| 4 February 1999   | 2,049,998                       | 1            | Other than cash     | 5,000,000                                      |

## 5. INFORMATION ON THE TCB GROUP (Cont'd)

### (iii) Subsidiary And Associated Company

As at 11 May 2006, GPMI does not have any subsidiary or associated company.

### (iv) Substantial Shareholders

The substantial shareholders of GPMI and their shareholdings as at 11 May 2006 are set out below:

| Name                    | Direct        |       | Indirect               |       |
|-------------------------|---------------|-------|------------------------|-------|
|                         | No. Of Shares | %     | No. Of Shares          | %     |
| TCB                     | 3,050,000     | 61.00 | -                      | -     |
| Eugen Schofer Gmbh & Co | 1,950,000     | 39.00 | -                      | -     |
| TFC                     | -             | -     | 3,050,000 <sup>1</sup> | 61.00 |
| Datuk Ng Teck Fong      | -             | -     | 3,050,000 <sup>2</sup> | 61.00 |
| Ng Yih Pyng             | -             | -     | 3,050,000 <sup>2</sup> | 61.00 |
| Ng Yih Chen             | -             | -     | 3,050,000 <sup>2</sup> | 61.00 |
| Axel Kohlhammer         | -             | -     | 1,950,000 <sup>3</sup> | 39.00 |
| Monika Kohlhammer       | -             | -     | 1,950,000 <sup>3</sup> | 39.00 |
| Maja Börner             | -             | -     | 1,950,000 <sup>3</sup> | 39.00 |

*Notes:*

- 1 Deemed interested by virtue of its shareholding in TCB pursuant to Section 6A of the Act
- 2 Deemed interested by virtue of his shareholding in TFC pursuant to Section 6A of the Act
- 3 Deemed interested by virtue of his/her shareholding in Eugen Schofer Gmbh & Co pursuant to Section 6A of the Act

### 5.6.6 TGJ (MJ)

#### (i) History And Business

TGJ (MJ) was incorporated in Malaysia on 10 February 1999 under the Act as a private limited company. The principal activity of TGJ (MJ) is retailing of jewellery. The company commenced its operation on 10 February 1999.

#### (ii) Share Capital

|                    | No. Of Ordinary Shares | Par Value RM | Amount RM |
|--------------------|------------------------|--------------|-----------|
| Authorised         | 500,000                | 1            | 500,000   |
| Issued and Paid-up | 300,000                | 1            | 300,000   |



**5. INFORMATION ON THE TCB GROUP (Cont'd)**

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

| Date Of Allotment | No. Of Ordinary Shares Allotted | Par Value RM | Consideration       | Cumulative Issued And Paid-Up Share Capital RM |
|-------------------|---------------------------------|--------------|---------------------|--|
| 10 February 1999  | 2                               | 1            | Subscribers' shares | 2  |
| 14 April 1999     | 174,998                         | 1            | Cash                | 175,000  |
| 30 March 2001     | 125,000                         | 1            | Other than cash     | 300,000  |

**(iii) Subsidiaries And Associated Company**

| Name         | Effective Equity Interest (%) | Principal Business     | Par Value (RM) | Issued And Fully Paid-Up Share Capital (RM) |
|--------------|-------------------------------|------------------------|----------------|---|
| TGJ (SA)     | 100.00                        | Retailing of jewellery | 1              | 500,000                                     |
| TGJ (Subang) | 100.00                        | Retailing of jewellery | 1              | 500,000                                     |
| TGJ (IOI)    | 100.00                        | Retailing of jewellery | 1              | 500,000                                     |

As at 11 May 2006, TGJ (MJ) does not have any associated company.

**(iv) Substantial Shareholders**

TGJ (MJ) is a wholly-owned subsidiary of TR.

**5.6.7 SRT****(i) History And Business**

SRT was incorporated in Malaysia on 28 November 1978 under the Act as a private limited company and had commenced operation since then. The principal activity of SRT is retailing of jewellery.

**(ii) Share Capital**

|                    | No. Of Ordinary Shares | Par Value RM | Amount RM |
|--------------------|------------------------|--------------|-----------|
| Authorised         | 1,000,000              | 1            | 1,000,000 |
| Issued and Paid-up | 345,000                | 1            | 345,000   |

**5. INFORMATION ON THE TCB GROUP (Cont'd)**

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

| Date Of Allotment | No. Of Ordinary Shares Allotted | Par Value RM | Consideration       | Cumulative Issued And Paid-Up Share Capital RM |
|-------------------|---------------------------------|--------------|---------------------|--|
| 28 November 1978  | 2                               | 1            | Subscribers' shares | 2  |
| 21 June 1979      | 309,998                         | 1            | Cash                | 310,000  |
| 20 March 1980     | 30,000                          | 1            | Cash                | 340,000  |
| 1 September 1983  | 5,000                           | 1            | Cash                | 345,000  |

**(iii) Subsidiary And Associated Company**

As at 11 May 2006, SRT does not have any subsidiary or associated company.

**(iv) Substantial Shareholders**

SRT is a wholly-owned subsidiary of TR.

**5.6.8 TGJH****(i) History And Business**

TGJH was incorporated in Malaysia on 17 June 1977 under the Act as a private limited company and had commenced operation since then. The principal activities of TGJH are investment holding and retailing of jewellery.

**(ii) Share Capital**

|                    | No. Of Ordinary Shares | Par Value RM | Amount RM |
|--------------------|------------------------|--------------|-----------|
| Authorised         | 500,000                | 1            | 500,000   |
| Issued and Paid-up | 450,000                | 1            | 450,000   |

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

| Date Of Allotment | No. Of Ordinary Shares Allotted | Par Value RM | Consideration       | Cumulative Issued And Paid-Up Share Capital RM |
|-------------------|---------------------------------|--------------|---------------------|--|
| 17 June 1977      | 2                               | 1            | Subscribers' shares | 2  |
| 1 October 1977    | 99,998                          | 1            | Cash                | 100,000  |
| 1 October 1980    | 300,000                         | 1            | Cash                | 400,000  |
| 3 October 1981    | 50,000                          | 1            | Cash                | 450,000  |

**5. INFORMATION ON THE TCB GROUP (Cont'd)****(iii) Subsidiaries And Associated Company**

| Name         | Effective Equity Interest (%) | Principal Business     | Par Value (RM) | Issued And Fully Paid-Up Share Capital (RM) |
|--------------|-------------------------------|------------------------|----------------|---|
| TGJ (KLCC)   | 100.00                        | Retailing of jewellery | 1              | 1,800,000                                   |
| TGJ (MK)     | 100.00                        | Retailing of jewellery | 1              | 200,000                                     |
| TGJ (TS)     | 100.00                        | Retailing of jewellery | 1              | 290,000                                     |
| TGJ (KP)     | 100.00                        | Retailing of jewellery | 1              | 200,000                                     |
| TGJ (BU)     | 100.00                        | Retailing of jewellery | 1              | 1,000,000                                   |
| TGJ (MV)     | 100.00                        | Retailing of jewellery | 1              | 200,000                                     |
| TGJ (Sunway) | 100.00                        | Retailing of jewellery | 1              | 1,000,000                                   |
| TGJ (Klang)  | 100.00                        | Retailing of jewellery | 1              | 475,002                                     |

As at 11 May 2006, TGJH does not have any associated company.

**(iv) Substantial Shareholders**

TGJH is a wholly-owned subsidiary of TR.

**5.6.9 TGJ (WM)****(i) History And Business**

TGJ (WM) was incorporated in Malaysia on 18 September 2000 under the Act as a private limited company. The principal activity of TGJ (WM) is retailing of jewellery. The company commenced its operation on 16 November 2000.

**(ii) Share Capital**

|                    | No. Of Ordinary Shares | Par Value RM | Amount RM |
|--------------------|------------------------|--------------|-----------|
| Authorised         | 500,000                | 1            | 500,000   |
| Issued and Paid-up | 500,000                | 1            | 500,000   |

**5. INFORMATION ON THE TCB GROUP (Cont'd)**

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

| Date Of Allotment | No. Of Ordinary Shares Allotted | Par Value RM | Consideration       | Cumulative Issued And Paid-Up Share Capital RM |
|-------------------|---------------------------------|--------------|---------------------|--|
| 18 September 2000 | 2                               | 1            | Subscribers' shares | 2  |
| 16 May 2001       | 199,998                         | 1            | Cash                | 200,000  |
| 25 March 2005     | 300,000                         | 1            | Cash                | 500,000  |

**(iii) Subsidiary And Associated Company**

As at 11 May 2006, TGJ (WM) does not have any subsidiary or associated company.

**(iv) Substantial Shareholders**

TGJ (WM) is a wholly-owned subsidiary of TR.

**5.6.10 TGJ (KL)****(i) History And Business**

TGJ (KL) was incorporated in Malaysia on 16 July 1981 under the Act as a private limited company. The principal activity of TGJ (KL) is retailing of jewellery. The company commenced its operation on 16 July 1981.

**(ii) Share Capital**

|                    | No. Of Ordinary Shares | Par Value RM | Amount RM |
|--------------------|------------------------|--------------|-----------|
| Authorised         | 500,000                | 1            | 500,000   |
| Issued and Paid-up | 300,000                | 1            | 300,000   |

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

| Date Of Allotment | No. Of Ordinary Shares Allotted | Par Value RM | Consideration       | Cumulative Issued And Paid-Up Share Capital RM |
|-------------------|---------------------------------|--------------|---------------------|--|
| 16 July 1981      | 6                               | 1            | Subscribers' shares | 6  |
| 4 April 1984      | 99,994                          | 1            | Cash                | 100,000  |
| 30 December 1991  | 200,000                         | 1            | Cash                | 300,000  |

**(iii) Subsidiary And Associated Company**

As at 11 May 2006, TGJ (KL) does not have any subsidiary or associated company.

## 5. INFORMATION ON THE TCB GROUP (Cont'd)

### (iv) Substantial Shareholders

TGJ (KL) is a wholly-owned subsidiary of TR.

### 5.6.11 My Diamond

#### (i) History And Business

My Diamond was incorporated in Malaysia on 10 August 2001 under the Act as a private limited company. The principal activity of My Diamond is retailing of jewellery. The company commenced its operation on 1 September 2001.

#### (ii) Share Capital

|                    | No. Of<br>Ordinary<br>Shares | Par Value<br>RM | Amount<br>RM |
|--------------------|------------------------------|-----------------|--------------|
| Authorised         | 500,000                      | 1               | 500,000      |
| Issued and Paid-up | 500,000                      | 1               | 500,000      |

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

| Date Of Allotment | No. Of<br>Ordinary<br>Shares Allotted | Par Value<br>RM | Consideration          | Cumulative<br>Issued And Paid-<br>Up Share Capital<br>RM |
|-------------------|---------------------------------------|-----------------|------------------------|--|
| 10 August 2001    | 2                                     | 1               | Subscribers'<br>shares | 2  |
| 18 October 2001   | 269,998                               | 1               | Cash                   | 270,000  |
| 27 February 2004  | 230,000                               | 1               | Cash                   | 500,000  |

#### (iii) Subsidiary And Associated Company

As at 11 May 2006, My Diamond does not have any subsidiary or associated company.

#### (iv) Substantial Shareholders

My Diamond is a wholly-owned subsidiary of TR.

### 5.6.12 TGJ (SK)

#### (i) History And Business

TGJ (SK) was incorporated in Malaysia on 21 May 2001 under the Act as a private limited company. The principal activity of TGJ (SK) is retailing of jewellery. The company commenced its operation on 2 December 2002.

**5. INFORMATION ON THE TCB GROUP (Cont'd)****(ii) Share Capital**

|                    | <b>No. Of Ordinary<br/>Shares</b> | <b>Par Value<br/>RM</b> | <b>Amount<br/>RM</b> |
|--------------------|-----------------------------------|-------------------------|----------------------|
| Authorised         | 1,000,000                         | 1                       | 1,000,000            |
| Issued and Paid-up | 610,340                           | 1                       | 610,340              |

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

| <b>Date Of Allotment</b> | <b>No. Of<br/>Ordinary<br/>Shares Allotted</b> | <b>Par Value<br/>RM</b> | <b>Consideration</b> | <b>Cumulative<br/>Issued And Paid-<br/>Up Share Capital<br/>RM</b> |
|--------------------------|--|-------------------------|----------------------|--|
| 21 May 2001              | 2  | 1                       | Subscribers' shares  | 2  |
| 19 August 2002           | 1  | 1                       | Cash                 | 3  |
| 18 April 2003            | 499,997  | 1                       | Cash                 | 500,000  |
| 19 July 2004             | 85,340   | 1                       | Cash                 | 585,340  |
| 11 August 2004           | 25,000   | 1                       | Cash                 | 610,340  |

**(iii) Subsidiary And Associated Company**

As at 11 May 2006, TGJ (SK) does not have any subsidiary or associated company.

**(iv) Substantial Shareholders**

TGJ (SK) is a wholly-owned subsidiary of TR.

**5.6.13 TGJ (RW)****(i) History And Business**

TGJ (RW) was incorporated in Malaysia on 30 October 2002 under the Act as a private limited company. The principal activity of TGJ (RW) is design and distribution of jewellery. The company commenced its operation on 23 November 2002.

**(ii) Share Capital**

|                    | <b>No. Of Ordinary<br/>Shares</b> | <b>Par Value<br/>RM</b> | <b>Amount<br/>RM</b> |
|--------------------|-----------------------------------|-------------------------|----------------------|
| Authorised         | 500,000                           | 1                       | 500,000              |
| Issued and Paid-up | 500,000                           | 1                       | 500,000              |

**5. INFORMATION ON THE TCB GROUP (Cont'd)**

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

| Date Of Allotment | No. Of Ordinary Shares Allotted | Par Value RM | Consideration       | Cumulative Issued And Paid-Up Share Capital RM |
|-------------------|---------------------------------|--------------|---------------------|--|
| 30 October 2002   | 3                               | 1            | Subscribers' shares | 3  |
| 24 November 2003  | 499,997                         | 1            | Cash                | 500,000  |

**(iii) Subsidiary And Associated Company**

As at 11 May 2006, TGJ (RW) does not have any subsidiary or associated company.

**(iv) Substantial Shareholders**

TGJ (RW) is a wholly-owned subsidiary of TR.

**5.6.14 TGJ (PT)****(i) History And Business**

TGJ (PT) was incorporated in Malaysia on 11 December 2003 under the Act as a private limited company and had commenced operation since then. The principal activity of TGJ (PT) is retailing of jewellery.

**(ii) Share Capital**

|                    | No. Of Ordinary Shares | Par Value RM | Amount RM |
|--------------------|------------------------|--------------|-----------|
| Authorised         | 100,000                | 1            | 100,000   |
| Issued and Paid-up | 2                      | 1            | 2         |

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

| Date Of Allotment | No. Of Ordinary Shares Allotted | Par Value RM | Consideration       | Cumulative Issued And Paid-Up Share Capital RM |
|-------------------|---------------------------------|--------------|---------------------|--|
| 11 December 2003  | 2                               | 1            | Subscribers' shares | 2  |

**(iii) Subsidiary And Associated Company**

As at 11 May 2006, TGJ (PT) does not have any subsidiary or associated company.

## 5. INFORMATION ON THE TCB GROUP (Cont'd)

### (iv) Substantial Shareholders

TGJ (PT) is a wholly-owned subsidiary of TR.

### 5.6.15 THJ

#### (i) History And Business

THJ was incorporated in Malaysia on 28 August 2002 under the Act as a private limited company. The principal activity of THJ is retailing of jewellery. The company commenced its operation on 1 October 2003.

#### (ii) Share Capital

|                    | No. Of Ordinary<br>Shares | Par Value<br>RM | Amount<br>RM |
|--------------------|---------------------------|-----------------|--------------|
| Authorised         | 500,000                   | 1               | 500,000      |
| Issued and Paid-up | 500,000                   | 1               | 500,000      |

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

| Date Of Allotment | No. Of<br>Ordinary<br>Shares Allotted | Par Value<br>RM | Consideration          | Cumulative<br>Issued And Paid-<br>Up Share Capital<br>RM |
|-------------------|---------------------------------------|-----------------|------------------------|--|
| 28 August 2002    | 2                                     | 1               | Subscribers'<br>shares | 2  |
| 13 November 2003  | 499,998                               | 1               | Cash                   | 500,000  |

#### (iii) Subsidiary And Associated Company

As at 11 May 2006, THJ does not have any subsidiary or associated company.

#### (iv) Substantial Shareholders

THJ is a wholly-owned subsidiary of TR.

### 5.6.16 CP

#### (i) History And Business

CP was incorporated in Malaysia on 19 July 2002 under the Act as a private limited company. The principal activity of CP is retailing of jewellery. The company commenced its operation on 5 December 2002.

#### (ii) Share Capital

|                    | No. Of Ordinary<br>Shares | Par Value<br>RM | Amount<br>RM |
|--------------------|---------------------------|-----------------|--------------|
| Authorised         | 100,000                   | 1               | 100,000      |
| Issued and Paid-up | 100                       | 1               | 100          |



## 5. INFORMATION ON THE TCB GROUP (Cont'd)

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

| Date Of Allotment | No. Of Ordinary Shares Allotted | Par Value RM | Consideration       | Cumulative Issued And Paid-Up Share Capital RM |
|-------------------|---------------------------------|--------------|---------------------|--|
| 19 July 2002      | 2                               | 1            | Subscribers' shares | 2  |
| 9 September 2002  | 98                              | 1            | Cash                | 100  |

### (iii) Subsidiary And Associated Company

As at 11 May 2006, CP does not have any subsidiary or associated company.

### (iv) Substantial Shareholders

CP is a wholly-owned subsidiary of TR.

## 5.6.17 J&G

### (i) History And Business

J&G was incorporated in Malaysia on 18 March 1996 under the Act as a private limited company. The principal activity of J&G is distribution of jewellery. The company commenced its operation on 4 April 1997.

### (ii) Share Capital

|                    | No. Of Ordinary Shares | Par Value RM | Amount RM |
|--------------------|------------------------|--------------|-----------|
| Authorised         | 500,000                | 1            | 500,000   |
| Issued and Paid-up | 400,000                | 1            | 400,000   |

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

| Date Of Allotment | No. Of Ordinary Shares Allotted | Par Value RM | Consideration       | Cumulative Issued And Paid-Up Share Capital RM |
|-------------------|---------------------------------|--------------|---------------------|--|
| 18 March 1996     | 2                               | 1            | Subscribers' shares | 2  |
| 18 December 1997  | 399,998                         | 1            | Cash                | 400,000  |

### (iii) Subsidiary And Associated Company

As at 11 May 2006, J&G does not have any subsidiary or associated company.

**5. INFORMATION ON THE TCB GROUP (Cont'd)****(iv) Substantial Shareholders**

J&G is a wholly-owned subsidiary of TR.

**5.6.18 TGJ (JB)****(i) History And Business**

TGJ (JB) was incorporated in Malaysia on 13 April 2004 under the Act as a private limited company. The principal activity of TGJ (JB) is retailing of jewellery. The company commenced its operation on 1 September 2005.

**(ii) Share Capital**

|                    | No. Of Ordinary<br>Shares | Par Value<br>RM | Amount<br>RM |
|--------------------|---------------------------|-----------------|--------------|
| Authorised         | 100,000                   | 1               | 100,000      |
| Issued and Paid-up | 2                         | 1               | 2            |

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

| Date Of Allotment | No. Of<br>Ordinary<br>Shares Allotted | Par Value<br>RM | Consideration          | Cumulative<br>Issued And Paid-<br>Up Share Capital<br>RM |
|-------------------|---------------------------------------|-----------------|------------------------|--|
| 13 April 2004     | 2                                     | 1               | Subscribers'<br>shares | 2  |

**(iii) Subsidiary And Associated Company**

As at 11 May 2006, TGJ (JB) does not have any subsidiary or associated company.

**(iv) Substantial Shareholders**

TGJ (JB) is a wholly-owned subsidiary of TR.

**5.6.19 TGJ (B)****(i) History And Business**

TGJ (B) was incorporated in Brunei Darussalam on 18 July 2005 as a private limited company. The principal activity of TGJ (B) is retailing of jewellery. The company has not commenced operation.

**(ii) Share Capital**

|                    | No. Of Ordinary<br>Shares | Par Value<br>BND | Amount<br>BND |
|--------------------|---------------------------|------------------|---------------|
| Authorised         | 100,000                   | 1                | 100,000       |
| Issued and Paid-up | 10,000                    | 1                | 10,000        |

**5. INFORMATION ON THE TCB GROUP (Cont'd)**

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

| Date Of Allotment | No. Of Ordinary Shares Allotted | Par Value BND | Consideration       | Cumulative Issued And Paid-Up Share Capital BND |
|-------------------|---------------------------------|---------------|---------------------|---|
| 18 July 2005      | 10,000                          | 1             | Subscribers' shares | 10,000  |

**(iii) Subsidiary And Associated Company**

As at 11 May 2006, TGJ (B) does not have any subsidiary or associated company.

**(iv) Substantial Shareholders**

TGJ (B) is a 99.99% owned subsidiary of TR.

**5.6.20 TWF****(i) History And Business**

TWF was incorporated in Malaysia on 15 April 2004 under the Act as a private limited company. The principal activity of TWF is provision of franchise management services. The company has not commenced operation.

**(ii) Share Capital**

|                    | No. Of Ordinary Shares | Par Value RM | Amount RM |
|--------------------|------------------------|--------------|-----------|
| Authorised         | 100,000                | 1            | 100,000   |
| Issued and Paid-up | 104                    | 1            | 104       |

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

| Date Of Allotment | No. Of Ordinary Shares Allotted | Par Value RM | Consideration       | Cumulative Issued And Paid-Up Share Capital RM |
|-------------------|---------------------------------|--------------|---------------------|--|
| 15 April 2004     | 2                               | 1            | Subscribers' shares | 2  |
| 12 October 2005   | 102                             | 1            | Cash                | 104  |

**(iii) Subsidiary And Associated Company**

As at 11 May 2006, TWF does not have any subsidiary or associated company.

**(iv) Substantial Shareholders**

TWF is a wholly-owned subsidiary of TR.

## 5. INFORMATION ON THE TCB GROUP (Cont'd)

### 5.6.21 TGJ (SA)

#### (i) History And Business

TGJ (SA) was incorporated in Malaysia on 1 April 1989 under the Act as a private limited company. The principal activity of TGJ (SA) is retailing of jewellery. The company commenced its operation on 1 April 1989.

#### (ii) Share Capital

|                    | No. Of Ordinary Shares | Par Value RM | Amount RM |
|--------------------|------------------------|--------------|-----------|
| Authorised         | 1,000,000              | 1            | 1,000,000 |
| Issued and Paid-up | 500,000                | 1            | 500,000   |

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

| Date Of Allotment | No. Of Ordinary Shares Allotted | Par Value RM | Consideration       | Cumulative Issued And Paid-Up Share Capital RM |
|-------------------|---------------------------------|--------------|---------------------|--|
| 1 April 1989      | 2                               | 1            | Subscribers' shares | 2  |
| 4 November 1993   | 39,998                          | 1            | Cash                | 40,000   |
| 15 September 2000 | 460,000                         | 1            | Cash                | 500,000  |

#### (iii) Subsidiary And Associated Company

As at 11 May 2006, TGJ (SA) does not have any subsidiary or associated company.

#### (iv) Substantial Shareholders

TGJ (SA) is a wholly-owned subsidiary of TGJ (MJ).

### 5.6.22 TGJ (Subang)

#### (i) History And Business

TGJ (Subang) was incorporated in Malaysia on 15 May 2000 under the Act as a private limited company. The principal activity of TGJ (Subang) is retailing of jewellery. The company commenced its operation on 1 June 2000.

#### (ii) Share Capital

|                    | No. Of Ordinary Shares | Par Value RM | Amount RM |
|--------------------|------------------------|--------------|-----------|
| Authorised         | 500,000                | 1            | 500,000   |
| Issued and Paid-up | 500,000                | 1            | 500,000   |

**5. INFORMATION ON THE TCB GROUP (Cont'd)**

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

| Date Of Allotment | No. Of Ordinary Shares Allotted | Par Value RM | Consideration       | Cumulative Issued And Paid-Up Share Capital RM |
|-------------------|---------------------------------|--------------|---------------------|--|
| 15 May 2000       | 3                               | 1            | Subscribers' shares | 3  |
| 8 November 2000   | 499,997                         | 1            | Cash                | 500,000  |

**(iii) Subsidiary And Associated Company**

As at 11 May 2006, TGJ (Subang) does not have any subsidiary or associated company.

**(iv) Substantial Shareholders**

TGJ (Subang) is a wholly-owned subsidiary of TGJ (MJ).

**5.6.23 TGJ (IOI)****(i) History And Business**

TGJ (IOI) was incorporated in Malaysia on 3 May 2000 under the Act as a private limited company and had commenced operation since then. The principal activity of TGJ (IOI) is retailing of jewellery.

**(ii) Share Capital**

|                    | No. Of Ordinary Shares | Par Value RM | Amount RM |
|--------------------|------------------------|--------------|-----------|
| Authorised         | 500,000                | 1            | 500,000   |
| Issued and Paid-up | 500,000                | 1            | 500,000   |

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

| Date Of Allotment | No. Of Ordinary Shares Allotted | Par Value RM | Consideration       | Cumulative Issued And Paid-Up Share Capital RM |
|-------------------|---------------------------------|--------------|---------------------|--|
| 3 May 2000        | 3                               | 1            | Subscribers' shares | 3  |
| 9 November 2000   | 499,997                         | 1            | Cash                | 500,000  |

**(iii) Subsidiary And Associated Company**

As at 11 May 2006, TGJ (IOI) does not have any subsidiary or associated company.

**5. INFORMATION ON THE TCB GROUP (Cont'd)****(iv) Substantial Shareholders**

TGJ (IOI) is a wholly-owned subsidiary of TGJ (MJ).

**5.6.24 TGJ (KLCC)****(i) History And Business**

TGJ (KLCC) was incorporated in Malaysia on 16 August 1978 under the Act as a private limited company and had commenced operation since then. The principal activity of TGJ (KLCC) is retailing of jewellery.

**(ii) Share Capital**

|                    | No. Of Ordinary<br>Shares | Par Value<br>RM | Amount<br>RM |
|--------------------|---------------------------|-----------------|--------------|
| Authorised         | 5,000,000                 | 1               | 5,000,000    |
| Issued and Paid-up | 1,800,000                 | 1               | 1,800,000    |

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

| Date Of Allotment | No. Of<br>Ordinary<br>Shares Allotted | Par Value<br>RM | Consideration          | Cumulative<br>Issued And Paid-<br>Up Share Capital<br>RM |
|-------------------|---------------------------------------|-----------------|------------------------|--|
| 16 August 1978    | 2                                     | 1               | Subscribers'<br>shares | 2  |
| 2 October 1978    | 299,998                               | 1               | Cash                   | 300,000  |
| 9 May 1987        | 171,000                               | 1               | Other than cash        | 471,000  |
| 16 May 1987       | 3,000                                 | 1               | Other than cash        | 474,000  |
| 30 December 1998  | 1,326,000                             | 1               | Other than cash        | 1,800,000  |

**(iii) Subsidiary And Associated Company**

As at 11 May 2006, TGJ (KLCC) does not have any subsidiary or associated company.

**(iv) Substantial Shareholders**

TGJ (KLCC) is a wholly-owned subsidiary of TGJH.

**5.6.25 TGJ (MK)****(i) History And Business**

TGJ (MK) was incorporated in Malaysia on 21 September 2001 under the Act as a private limited company. The principal activity of TGJ (MK) is retailing of jewellery. The company commenced its operation on 16 September 2002.

**5. INFORMATION ON THE TCB GROUP (Cont'd)****(ii) Share Capital**

|                    | No. Of Ordinary<br>Shares | Par Value<br>RM | Amount<br>RM |
|--------------------|---------------------------|-----------------|--------------|
| Authorised         | 500,000                   | 1               | 500,000      |
| Issued and Paid-up | 200,000                   | 1               | 200,000      |

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

| Date Of Allotment | No. Of<br>Ordinary<br>Shares Allotted | Par Value<br>RM | Consideration          | Cumulative<br>Issued And Paid-<br>Up Share Capital<br>RM |
|-------------------|---------------------------------------|-----------------|------------------------|--|
| 21 September 2001 | 2                                     | 1               | Subscribers'<br>shares | 2  |
| 22 October 2002   | 199,998                               | 1               | Cash                   | 200,000  |

**(iii) Subsidiary And Associated Company**

As at 11 May 2006, TGJ (MK) does not have any subsidiary or associated company.

**(iv) Substantial Shareholders**

TGJ (MK) is a wholly-owned subsidiary of TGJH.

**5.6.26 TGJ (TS)****(i) History And Business**

TGJ (TS) was incorporated in Malaysia on 6 April 1981 under the Act as a private limited company. The principal activities of TGJ (TS) are retailing of jewellery. The company commenced its operation on 13 September 1984.

**(ii) Share Capital**

|                    | No. Of Ordinary<br>Shares | Par Value<br>RM | Amount<br>RM |
|--------------------|---------------------------|-----------------|--------------|
| Authorised         | 500,000                   | 1               | 500,000      |
| Issued and Paid-up | 290,000                   | 1               | 290,000      |

## 5. INFORMATION ON THE TCB GROUP (Cont'd)

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

| Date Of Allotment | No. Of Ordinary Shares Allotted | Par Value RM | Consideration       | Cumulative Issued And Paid-Up Share Capital RM |
|-------------------|---------------------------------|--------------|---------------------|--|
| 6 April 1981      | 2                               | 1            | Subscribers' shares | 2  |
| 9 April 1981      | 99,998                          | 1            | Cash                | 100,000  |
| 29 June 1981      | 100,000                         | 1            | Cash                | 200,000  |
| 27 January 1984   | 90,000                          | 1            | Cash                | 290,000  |

### (iii) Subsidiary And Associated Company

As at 11 May 2006, TGJ (TS) does not have any subsidiary or associated company.

### (iv) Substantial Shareholders

TGJ (TS) is a wholly-owned subsidiary of TGJH.

## 5.6.27 TGJ (KP)

### (i) History And Business

TGJ (KP) was incorporated in Malaysia on 21 September 2001 under the Act as a private limited company. The principal activity of TGJ (KP) is retailing of jewellery. The company commenced its operation on 30 November 2001.

### (ii) Share Capital

|                    | No. Of Ordinary Shares | Par Value RM | Amount RM |
|--------------------|------------------------|--------------|-----------|
| Authorised         | 500,000                | 1            | 500,000   |
| Issued and Paid-up | 200,000                | 1            | 200,000   |

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

| Date Of Allotment | No. Of Ordinary Shares Allotted | Par Value RM | Consideration       | Cumulative Issued And Paid-Up Share Capital RM |
|-------------------|---------------------------------|--------------|---------------------|--|
| 21 September 2001 | 2                               | 1            | Subscribers' shares | 2  |
| 22 October 2002   | 199,998                         | 1            | Cash                | 200,000  |

### (iii) Subsidiary And Associated Company

As at 11 May 2006, TGJ (KP) does not have any subsidiary or associated company.



## 5. INFORMATION ON THE TCB GROUP (Cont'd)

### (iv) Substantial Shareholders

TGJ (KP) is a wholly-owned subsidiary of TGJH.

### 5.6.28 TGJ (BU)

#### (i) History And Business

TGJ (BU) was incorporated in Malaysia on 17 March 1999 under the Act as a private limited company and had commenced operation since then. The principal activity of TGJ (BU) is retailing of jewellery.

#### (ii) Share Capital

|                    | No. Of Ordinary<br>Shares | Par Value<br>RM | Amount<br>RM |
|--------------------|---------------------------|-----------------|--------------|
| Authorised         | 1,000,000                 | 1               | 1,000,000    |
| Issued and Paid-up | 1,000,000                 | 1               | 1,000,000    |

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

| Date Of Allotment | No. Of<br>Ordinary<br>Shares Allotted | Par Value<br>RM | Consideration          | Cumulative<br>Issued And Paid-<br>Up Share Capital<br>RM |
|-------------------|---------------------------------------|-----------------|------------------------|--|
| 17 March 1999     | 2                                     | 1               | Subscribers'<br>shares | 2  |
| 15 September 1999 | 999,998                               | 1               | Other than cash        | 1,000,000  |

#### (iii) Subsidiary And Associated Company

As at 11 May 2006, TGJ (BU) does not have any subsidiary or associated company.

#### (iv) Substantial Shareholders

TGJ (BU) is a wholly-owned subsidiary of TGJH.

### 5.6.29 TGJ (MV)

#### (i) History And Business

TGJ (MV) was incorporated in Malaysia on 10 April 1999 under the Act as a private limited company. The principal activity of TGJ (MV) is retailing of jewellery. The company commenced its operation on 1 November 1999.

**5. INFORMATION ON THE TCB GROUP (Cont'd)****(ii) Share Capital**

|                    | No. Of Ordinary<br>Shares | Par Value<br>RM | Amount<br>RM |
|--------------------|---------------------------|-----------------|--------------|
| Authorised         | 1,000,000                 | 1               | 1,000,000    |
| Issued and Paid-up | 200,000                   | 1               | 200,000      |

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

| Date Of Allotment | No. Of<br>Ordinary<br>Shares Allotted | Par Value<br>RM | Consideration          | Cumulative<br>Issued And Paid-<br>Up Share Capital<br>RM |
|-------------------|---------------------------------------|-----------------|------------------------|--|
| 10 April 1999     | 2                                     | 1               | Subscribers'<br>shares | 2  |
| 11 December 1999  | 199,998                               | 1               | Other than cash        | 200,000  |

**(iii) Subsidiary And Associated Company**

As at 11 May 2006, TGJ (MV) does not have any subsidiary or associated company.

**(iv) Substantial Shareholders**

TGJ (MV) is a wholly-owned subsidiary of TGJH.

**5.6.30 TGJ (Sunway)****(i) History And Business**

TGJ (Sunway) was incorporated in Malaysia on 9 September 1996 under the Act as a private limited company and had commenced operation since then. The principal activity of TGJ (Sunway) is retailing of jewellery.

**(ii) Share Capital**

|                    | No. Of Ordinary<br>Shares | Par Value<br>RM | Amount<br>RM |
|--------------------|---------------------------|-----------------|--------------|
| Authorised         | 1,000,000                 | 1               | 1,000,000    |
| Issued and Paid-up | 1,000,000                 | 1               | 1,000,000    |

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

| Date Of Allotment | No. Of<br>Ordinary<br>Shares Allotted | Par Value<br>RM | Consideration          | Cumulative<br>Issued And Paid-<br>Up Share Capital<br>RM |
|-------------------|---------------------------------------|-----------------|------------------------|--|
| 10 September 1996 | 2                                     | 1               | Subscribers'<br>shares | 2  |
| 18 August 1997    | 999,998                               | 1               | Other than cash        | 1,000,000  |

**5. INFORMATION ON THE TCB GROUP (Cont'd)****(iii) Subsidiary And Associated Company**

As at 11 May 2006, TGJ (Sunway) does not have any subsidiary or associated company

**(iv) Substantial Shareholders**

TGJ (Sunway) is a wholly-owned subsidiary of TGJH.

**5.6.31 TGJ (Klang)****(i) History And Business**

TGJ (Klang) was incorporated in Malaysia on 8 December 1988 under the Act as a private limited company and had commenced operation since then. The principal activity of TGJ (Klang) is retailing of jewellery.

**(ii) Share Capital**

|                    | No. Of Ordinary Shares | Par Value RM | Amount RM |
|--------------------|------------------------|--------------|-----------|
| Authorised         | 500,000                | 1            | 500,000   |
| Issued and Paid-up | 475,002                | 1            | 475,002   |

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

| Date Of Allotment | No. Of Ordinary Shares Allotted | Par Value RM | Consideration       | Cumulative Issued And Paid-Up Share Capital RM |
|-------------------|---------------------------------|--------------|---------------------|--|
| 8 December 1988   | 2                               | 1            | Subscribers' shares | 2  |
| 5 May 1989        | 169,000                         | 1            | cash                | 169,002  |
| 28 June 1989      | 6,000                           | 1            | cash                | 175,002  |
| 10 April 2000     | 300,000                         | 1            | Other than cash     | 475,002  |

**(iii) Subsidiary And Associated Company**

As at 11 May 2006, TGJ (Klang) does not have any subsidiary or associated company.

**(iv) Substantial Shareholders**

TGJ (Klang) is a wholly-owned subsidiary of TGJH.

## 5. INFORMATION ON THE TCB GROUP *(Cont'd)*

### 5.7 Industry Overview

#### 5.7.1 Overview Of The Malaysian Economy

The Malaysian economy remains resilient despite moderation in the growth of global economy amidst high oil prices and less accommodative monetary policy, particularly in the United States. The nation continues to sustain its growth momentum, with strong domestic demand providing the impetus for the expansion in domestic economic activities.

Economic fundamentals have further strengthened while domestic demand continued to be resilient amidst firm consumer spending as well as continued uptrend in private investment activities. These factors, coupled with pro-active measures by the Government to promote economic activities provided the enabling environment for the Malaysian economy to expand favourably, albeit at a lower rate of 4.9% in the first half of 2005, compared with 8.1% during the same period of 2004. Despite sharp increases in oil prices, the Malaysian economy is expected to register 5.1% growth in the second half of the year, with growth for the year averaging 5%. This projection is premised on a growth of 4.8% in the Leading Index for January-June 2005 which indicates continued expansion in the second half of 2005. Growth is expected to be broad based with major sectors recording positive growth, backed by recovery in global electronics demand. The continuing build-up in international reserves arising from larger current account surplus and inflows of foreign capital has also strengthened domestic macroeconomic fundamentals.

The expansion in the economy is reflected by positive growth in all sectors, except construction. The main drivers of growth are the services, manufacturing and the primary commodity sectors. Strong domestic consumption is expected to drive the services sector, especially in wholesale and retail trade, hotels and restaurants; transport, storage, and communication; and financial services sub-sectors. The recovery of global electronics demand will accelerate manufacturing exports, resulting in a stronger momentum in manufacturing production in the second half of this year. Meanwhile, stable commodity prices will help sustain the growth momentum of the agriculture sector. Growth in private consumption remains firm, arising from higher household income. Private investment is expected to further strengthen, reinforced by continued accommodative and more flexible monetary policy as well as higher inflow of foreign investments.

In tandem with the expansion in economic activities, national income as measured by Gross National Product, is estimated to increase by 9.1% to RM463,546 million (2004: 14.1%; RM425,060 million), with per capita income rising by 6.8% to reach RM17,741 (2004: 11.7%; RM16,616). Based on purchasing power parity, per capita income is expected to increase by 7.2% to USD10,323 (2004:7.4%;USD9,630).

*(Source: Economic Report 2005/2006)*

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**5. INFORMATION ON THE TCB GROUP (Cont'd)**

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**5.7.2 Overview Of The General Jewellery Industry In Malaysia**

The jewellery industry plays an important role in the Malaysian economy. This industry is a major foreign exchange earner with exports valued at RM3.5 billion in 2005. Between 2001 and 2005, the export of jewellery increased at an average annual rate of 19.1%.

The jewellery industry also creates employment opportunities in Malaysia. In 2005, the industry employed approximately 16,000 people in the work force.

Jewellery production in Malaysia started as small-scale business, which were mostly family-owned. Production concentrated mainly on jewellery items of gold and silver for local market consumption. Today, the industry has grown into one of the major exporters of jewellery in the Asian region.

According to the MIDA, the jewellery industry comprises the following sub-sectors:

- (i) natural, or cultured pearls and precious or semi-precious stones;
- (ii) precious metals and metals clad with precious metal; and
- (iii) jewellery, goldsmiths' and silversmiths' wares and other articles.

The importance of the jewellery industry is also reflected by the fact that it is regarded as a promoted activity under miscellaneous products/activities.

This indicates the Malaysian Government's interest in nurturing the growth and development of this industry.

*(Source: Independent Assessment of the Jewellery Industry prepared by Vital Factor Consulting Sdn Bhd)*

**5.7.3 Future Growth**

The outlook of the jewellery industry is favourable. The jewellery industry is forecasted to grow at approximately 3% to 5% per annum for the next five years.

*(Source: Independent Assessment of the Jewellery Industry prepared by Vital Factor Consulting Sdn Bhd).*

**5.7.4 Industry's Reliance On Imports**

The jewellery industry is reliant on imports of raw materials namely precious metals (gold, silver and platinum), and gemstones including precious and semi-precious stones such as diamonds, sapphires, rubies and others. Generally the major base metal raw materials and gemstones are mainly derived from overseas sources. This is reflected in the following:

- (i) In 2005, the import value of gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form amounted to RM5.1 billion. The major sources of imports of gold include Switzerland, Japan, Singapore, Hong Kong, United Arab Emirates and others;
- (ii) In 2005, the import value of platinum, unwrought or in semi-manufactured forms, or in powder form amounted to RM23.2 million. The major sources of imports of platinum include United Kingdom, United States and others;

## 5. INFORMATION ON THE TCB GROUP *(Cont'd)*

- (iii) In 2005, the import value of diamonds (whether or not worked, but not mounted or set) amounted to approximately RM250.5 million. The major sources of imports of diamonds include India, Hong Kong, Belgium, Singapore, United States, Thailand, Russia, Indonesia and others; and
- (iv) In 2005, the import value of precious stones (other than diamonds) and semi-precious stones reached RM18.6 million. The major sources of imports of precious stones include Hong Kong, Indonesia, India, Thailand, United Arab Emirates, Germany and others.

*(Source: Independent Assessment of the Jewellery Industry prepared by Vital Factor Consulting Sdn Bhd)*

### 5.7.5 Competition And Market Players

Operators within the gold jewellery industry face normal competitive conditions.

#### Retailing Of Jewellery

Competition among the retailers in the jewellery industry within Malaysia is intense based on the following observations:

- (i) In 2005, it was estimated that there were 3,500 gold jewellery retail outlets within Malaysia, of which approximately 2,300 are members of the Federation of Goldsmiths and Jewellery Association of Malaysia;
- (ii) Competition is further fuelled by a number of other factors, including amongst others:
  - (a) product pricing;
  - (b) product design;
  - (c) product quality;
  - (d) retailer's reputation;
  - (e) corporate and product branding; and
  - (f) location of retail outlets.
- (iii) The industry also faces competition from imports. In 2005, the import value of jewellery reached RM109.3 million;
- (iv) Barriers to entry for pure retailing of jewellery is relatively low as capital set-up costs are low; and
- (v) There is also competition between types of jewellery for example, costume jewellery, the most common substitutes which are lower in price.

However operators with integrated operations incorporating in-house design, manufacturing and retailing would have some competitive advantages derived from exclusive product design, product quality, cost control and benefits from economies of scale.

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## 5. INFORMATION ON THE TCB GROUP *(Cont'd)*

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### **Manufacturing Of Jewellery**

Competition among manufacturers in the jewellery industry within Malaysia is moderate based on the following observations:

- (i) There are approximately 58 companies issued with manufacturing licences and currently, 24 companies have commenced operations with approved tax incentives in 2005;
- (ii) Capital requirements are also higher amounting to RM3 million to RM4 million for a simple set-up; and
- (iii) Skilled labour also acts as a barrier to entry.

Despite the relatively low number of manufacturers in Malaysia, imports contribute to the competitive pressure.

### **Market Players In The Industry**

Some of the major market players in the jewellery industry in Malaysia are as follows:

1. Poh Kong Holdings Berhad
2. TCB
3. M.S. Habib Holdings Sdn Bhd
4. DeGem Berhad
5. Wah Chan Gold & Jewellery Corporation Sdn Bhd
6. Selberan Jewellery Sdn Bhd
7. Yikon Corporation Berhad
8. The Carat Club Sdn Bhd
9. OE Fine Jewellery Sdn Bhd and OE Design Sdn Bhd
10. OTY Jewellery Sdn Bhd

### **Market Size**

In 2005, the market size for the jewellery industry in Malaysia was estimated at RM2.3 billion.

### **Market Share and Market Position**

Based on our Group's revenue of approximately RM161.7 million for the FYE 31 December 2005, the market share of our Group was estimated at 7%. This was based on the total market size of the jewellery industry in Malaysia in 2005.

As at May 2006, our Group ranked the second largest based on the number of retail outlets within the jewellery industry.

*(Source: Independent Assessment of the Jewellery Industry prepared by Vital Factor Consulting Sdn Bhd)*

## 5. INFORMATION ON THE TCB GROUP (Cont'd)

### 5.7.6 Government Legislation, Policies And Incentives

#### Government Laws and Regulations

Apart from the normal manufacturing licence, there are no material government laws, regulations and policies that may impede on the performance and growth of the manufacture and retail of gold jewellery industry.

According to the Industrial Coordination Act, 1975, application of a manufacturing licence is mandatory for all companies with shareholders' funds of RM2.5 million or above, or engaging 75 or more full-time employees.

Generally, there are no duties on the import of gold and precious gems as raw materials. With the implementation of AFTA, import tax has been reduced to 5% for ASEAN countries for imported jewellery.

#### Trade Marks Act and Regulations

Under the Trade Marks Act, 1976 and Trade Mark Regulations, 1997, all trademarks have to be registered before a trademark can be adopted in relation to any goods or services.

The Registrar of Trade Marks is the authority for the registration of trade marks in Malaysia. Registration of trade marks shall be valid for a period of ten (10) years and may be renewed from time to time.

#### Trade Descriptions Act, 1972

According to the Ministry of Domestic Trade and Consumer Affairs, under the Trade Descriptions Act, 1972, (Articles Made of Precious Metals) Regulations 1994 cites that a mark be made indicating or describing the standard of fineness of all jewellery made from precious metals.

According to the (Articles Made of Precious Metals) Regulations 1994, precious metals means gold, silver or platinum in its fine form or gold, silver or platinum alloy.

#### Franchising Regulations

The Franchise Act, 1998 (Act 590) and Regulations applies to the sale of any franchise in Malaysia.

The sales of franchise in Malaysia include the following scenarios:

- An offer to sell or buy franchise is made in Malaysia and accepted within or outside Malaysia;
- An offer to sell or buy franchise is made outside Malaysia and accepted within Malaysia; and
- The franchise business is operated or will be operating in Malaysia.

*(Source: Independent Assessment of the Jewellery Industry prepared by Vital Factor Consulting Sdn Bhd)*

Our Group obtained the approval as a registered franchisor of jewellery retail outlets and jewellery under the names of "Tomei", "My Diamond" and "TH Jewelry" from the Ministry of Entrepreneur and Co-Operative Development. The registration is effective since 22 February 2005.



## 5. INFORMATION ON THE TCB GROUP *(Cont'd)*

### Government Incentives

Generally, the Malaysian Government provides incentives for companies investing in the manufacturing sector including:

- Pioneer Status;
- Investment Tax Allowance;
- Reinvestment Allowance.

The manufacture of jewellery of precious metal is listed as a promoted activity/product eligible for consideration of pioneer status and investment tax allowance under the Promotion of Investments Act, 1986.

### Generalised System of Preferences (“GSP”)

GSP is a system whereby developed countries grant preferential treatment to eligible products that are imported from developing countries so that exports from developing countries would be competitive in developed countries. The preference-giving country is also known as the donor country and the preference-receiving country as the beneficiary country.

The preferential treatment is in the form of reduced import duty which is granted without reciprocal obligation on the part of the developing countries.

Under the GSP scheme, Malaysia as an exporting country can enjoy lower preferential import duties offered by the following importing countries including:

- (i) United States;
- (ii) European Union (“EU”);
- (iii) Australia;
- (iv) Canada;
- (v) Japan;
- (vi) New Zealand;
- (vii) Norway;
- (viii) Switzerland;
- (ix) Hungary;
- (x) Bulgaria;
- (xi) Belarus;
- (xii) Russian Federation; and
- (xiii) Republic of Czech and Slovak.

*(Source: Independent Assessment of the Jewellery Industry prepared by Vital Factor Consulting Sdn Bhd)*

GPPI, our 61%-owned subsidiary has obtained approval for GSP from the MITI for EU only. The eligible products are as follows:

- Semi-manufacturing silver chain;
- Semi-manufacturing gold chain; and
- Gold precious metal finished goods.

## 5. INFORMATION ON THE TCB GROUP (Cont'd)

### Environmental Regulations

The disposal of wastes and sludge resulting from manufacturing processes falls under the Environmental Quality (Scheduled Wastes) Regulations, 1989.

The manufacturing of gold jewellery does not generate any scheduled waste.

However, gold and silver refining generates scheduled waste in the form of sludge comprising various compositions such as metal sulphates, oxides and chlorides, and nitric acid.

*(Source: Independent Assessment of the Jewellery Industry prepared by Vital Factor Consulting Sdn Bhd)*

Our Group uses alkali to neutralise the acid content in the sludge prior to the disposal process. We comply with the standards of the department of environment in regards to the disposal of treated wastes.

### 5.7.7 Demand/ Supply Conditions

Essentially, demand for jewellery will come from the following:

- (i) exports; and
- (ii) local consumption.

#### (a) Exports

Malaysia has been relatively successful in exporting its jewellery products as indicated below:

Between 2001 and 2005, the export value of jewellery increased at an average annual rate of 19.1%. In 2005, the export value of jewellery grew by 23.9% to reach RM3.5 billion. The major export countries of jewellery include United Arab Emirates, United States, China, Switzerland, Kuwait, Hong Kong, Germany and others.

Exports contributed only 1.84% of our Group's revenue as at 31 December 2005. However, as an area for future expansion, exports can be a significant area for growth.

#### (b) Local Consumption

For retailers like TCB, there is a high dependency on local consumption for its business. As such, factors that impact on local consumption would have a direct impact on the business of TCB.

For the FYE 31 December 2005, 98.16% of our Group's revenue was derived from local consumption.

Demand for jewellery industry is ultimately dependent on the consumers. As such, some of the following factors that will impact on customer demand and expenditure on jewellery are:

- (i) increasing affluence of the population;
- (ii) the growing sophistication in lifestyles;
- (iii) growth in disposable income;
- (iv) general population growth; and
- (v) performance of the overall retail trade.

## 5. INFORMATION ON THE TCB GROUP *(Cont'd)*

### **Monthly Household Income**

The mean monthly household income grew at an average annual rate of 5.6% between 2000 and 2004. In 2004, the mean monthly household income reached RM3,249. The increase in affluence will mean greater affordability thus stimulating demand for products and services within the jewellery industry.

### **Population Growth**

In 2005, the population of Malaysia reached approximately 26.8 million. Between 2001 and 2005, the population in Malaysia grew at an average annual rate of 2.6%. The population is forecasted to grow at an average annual growth rate of 1.6% between 2005 and 2010.

### **Performance of Wholesale, Retail Trade and Hotels and Restaurants**

Between 2001 and 2005, the performance of the wholesale and retail trade, hotels and restaurants is forecasted to achieve an average annual growth rate of 4.0%. The wholesale and retail trade, hotels and restaurants sector was estimated to increase by 8.0% in 2005.

*(Source: Independent Assessment of the Jewellery Industry prepared by Vital Factor Consulting Sdn Bhd)*

#### **5.7.8 Threat Of Substitute Products**

For our Group, the threats of substitute are mainly from costume jewellery. Costume or imitation jewellery has improved significantly to the point that it is difficult to distinguish them from genuine jewellery based on casual observations. As such, costume jewellery would pose some threat to genuine jewellery especially for non-investment purposes.

There were 58 jewellery companies with manufacturing licences, of which an estimated four (4) of these were in the manufacturing of costume jewellery in 2004.

Between 2001 and 2005, the import value of imitation jewellery (including costume jewellery) increased at an average annual rate of 22.2% to reach approximately RM33.4 million in 2005.

*(Source: Independent Assessment of the Jewellery Industry prepared by Vital Factor Consulting Sdn Bhd)*

The above statistics indicates that, although costume jewellery may be a threat to genuine jewellery, the threat is relatively low.

It is also significant to note that many consumers purchase genuine jewellery for investment purposes. Consumers would either buy genuine or costume jewellery for their true worth, and not so much as to use costume jewellery to pass of as genuine jewellery. As such, costume jewellery has its own market niche.

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**5. INFORMATION ON THE TCB GROUP (Cont'd)**

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**5.7.9 Summary Of Outlook And Prospects Of The Industry**

The outlook of the jewellery industry is favourable. The jewellery industry is forecasted to grow at approximately 3% to 5% per annum for the next five years. Growth in the jewellery industry will be primarily driven by increases in household consumption and export performances of jewellery, supported by increases in imports of jewellery and generally favourable socio-economic factors.

**Growth in Consumption**

The jewellery industry is dependent on local consumption as the market size in Malaysia was estimated at RM2.3 billion in 2005. As such, increases in local consumption would be one of the main drivers of growth for the jewellery industry in Malaysia.

Retail sales on jewellery, watches, clocks, silverware and others in Malaysia grew at an average annual rate of 5.0% per annum between 2000 and 2004.

**Growth in Exports**

Increase in export is an indication of the success of the local jewellery industry in meeting the needs of overseas markets. This success would provide the basis for future growth, as the local industry is able to address a significantly larger global market.

In 2005, the export value of jewellery increased by 23.9% to reach approximately RM3.5 billion. Between 2001 and 2005, the export value of jewellery grew at an average annual rate of 19.1%.

**Growth in Imports**

Growth in imports provides an indication of an increase in demand for jewellery, either for local consumption or for export and re-export purposes. Increases in any of these three factors would help drive growth within the jewellery industry in Malaysia.

Increases in imports for local consumption would also indicate growth for retailers of jewellery, and import substitution opportunities for manufacturers. Increases in imports for export and re-export purposes will indicate growth for jewellery manufacturers and traders, as they add value to the imported jewellery before being exported or re-exported.

In 2005, import value of jewellery increased by 52.3% to RM109.3 million. Between 2001 and 2005, import value of jewellery increased at an average annual rate of 20.4%.

**Growth in Income and Population**

Jewellery is primarily a consumer-based item and as such, the socio-economics of the Malaysian population would have an impact on the growth of the jewellery industry.

As jewellery is a discretionary and sometimes viewed as an investment item, growth in disposable income and household expenditure could provide the platform for an increase in jewellery consumption, which will stimulate growth for the jewellery industry. Following are some of the growth patterns on income, expenditure and population:

**5. INFORMATION ON THE TCB GROUP (Cont'd)**

- (i) Between 2000 and 2004, the mean monthly gross household income in Malaysia grew at an average annual rate of 5.6%; and
- (ii) The population of Malaysia is forecasted to grow at an average rate of 1.6% per annum from 2005 to 2010. In 2005, the population reached 26.8 million.

**Growth in Local Manufacturing**

Between 2001 and 2005, sales value of the manufacture of jewellery and related articles increased at an average annual rate of 0.9%. In 2005, sales value of the manufacture of jewellery and related articles increased by 1.1% (based on 18 establishments with more than 20 employees).

*(Source: Independent Assessment of the Jewellery Industry prepared by Vital Factor Consulting Sdn Bhd)*

**5.8 Major Customers**

Our Group does not have any customer who individually accounted for 10% or more of our Group revenue for each of the last three (3) FYE 31 December 2003, 2004 and 2005.

**5.9 Major Suppliers**

Save as disclosed below, our Group does not have any supplier who individually accounted for 10% or more of our Group purchases for each of the last three (3) FYE 31 December 2003, 2004 and 2005.

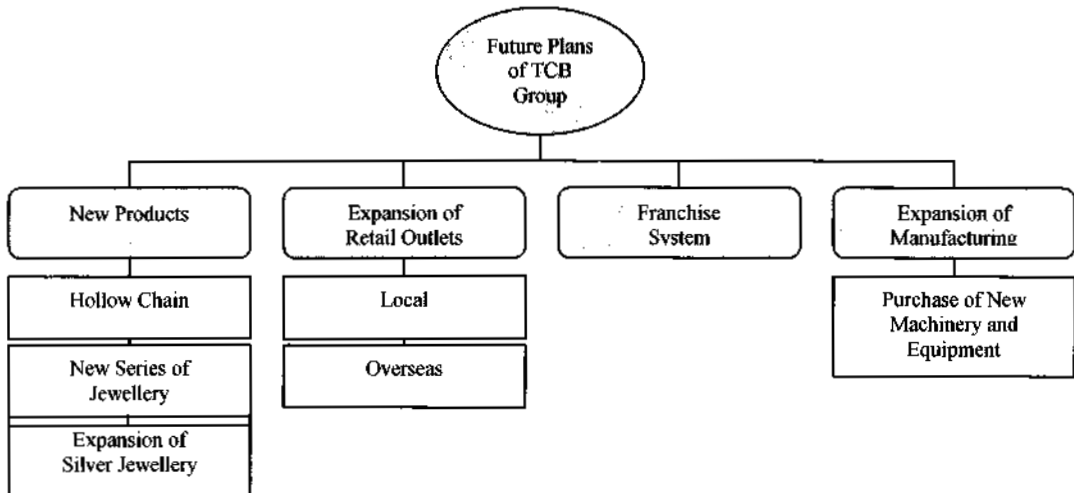
| Name of supplier         | Raw material | Percentage of total purchases (%) |          |          |
|--------------------------|--------------|-----------------------------------|----------|----------|
|                          |              | FYE 2003                          | FYE 2004 | FYE 2005 |
| Mok Emas Jaya Enterprise | Gold bar     | 9.5                               | 15.8     | 5.3      |

Our Group is not overly dependent on Mok Emas Jaya Enterprise as gold bars are regarded as a commodity and is easily available from other suppliers locally and globally.

To date, our management has not experienced any shortages of gold bars that have interrupted the operations.

**5.10 Prospects, Strategies And Future Plans**

The future plans of our Group are focused in four key areas as depicted in the figure below:



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**5. INFORMATION ON THE TCB GROUP (Cont'd)**

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**(a) New Products**

As part of our Group's objective of increasing its portfolio of jewellery products, our Group intends to further develop the following new products:

- (i) hollow chains;
- (ii) new series of "Baby Looney Tunes" character jewellery; and
- (iii) silver jewellery.

**(i) Hollow Chains**

Currently, our Group manufactures solid gold and silver chains including casting chains, meter chains and others such as value-added chains and basic chains.

Hollow chains is a more complex process requiring considerable deformation during manufacturing and it also needs a core support to form the basic structure of the chain. As such, there is a considerable amount of R&D activities that our Group intends to undertake prior to mass production. Some of these include:

- (i) selecting an appropriate core or base metal to be used;
- (ii) aligning the composite wire such that the folded edges of the strip are always on the inside of the chain links and is hidden from view;
- (iii) making good soldered joints in the links as the joints are ultimately between very thin sections of gold; and
- (iv) ensuring that the base metal core is fully dissolved after making the chain.

Our Group has already embarked on the production of hollow chains and we plan to commercialise it by second half of 2006.

**(ii) New Series Of Jewellery**

Our Group plans to develop the following new series of jewellery:

- (i) Baby Looney Tunes character jewellery; and
- (ii) Hollow jewellery (apart from Hollow Chains)

Our Group intends to develop a new series of jewellery to target the younger age groups. Currently our Group is a sub-licensee of the Baby Looney Tunes character jewellery.

Some of the targeted range of jewellery to be produced under the Baby Looney Tunes character includes:

- (i) gold jewellery;
- (ii) gemstone jewellery, including diamonds, and other precious, and semi-precious stones; and
- (iii) silver jewellery.

In addition, our Group also intends to produce hollow jewellery using electroforming technology. The process of electroforming is used to create a three dimensional shape by electroplating a thick gold deposit onto a shape, and ultimately produce lightweight and hollow jewellery.

## 5. INFORMATION ON THE TCB GROUP (Cont'd)

Our Group plans to commence the production of this new series of jewellery:

- (i) Baby Looney Tunes character jewellery by the last quarter of 2006; and
- (ii) Hollow jewellery utilising electroforming technology by 2007.

### (iii) Expansion Of Silver Jewellery

Currently, our Group manufactures a small proportion of silver based jewellery comprising primarily silver chains. Silver based jewellery only accounted for 0.3% of our revenue for the FYE 31 December 2005.

Part of our Group's plan is to produce a wider range of jewellery using silver. This is to cater to the younger age groups. Our Group is developing and promoting a new brand name called "Grazia" for the extended range of silver jewellery products.

### (b) Expansion Of Retail Outlets

Part of our Group's future plans is to expand on the coverage of the market locally and overseas by establishing new retail outlets.

#### (i) Local Market

Our Group plans to expand on our network of retail outlets by establishing wholly or partly owned outlets in various locations throughout Malaysia. This would provide opportunities for our Group to expand on the coverage of the local market and provide ease of accessibility and convenience to the customers.

As at 11 May 2006, our Group has 39 retail outlets and 1 kiosk throughout Peninsular Malaysia. Our Group aims to open nine (9) additional retail outlets in Malaysia in the following phases:

- (a) 4 additional retail outlets by 2006; and
- (b) 5 additional retail outlets by 2007.

#### (ii) Overseas Markets

For the FYE 31 December 2005, our export revenue only contributed 1.84% of the total Group revenue. This is primarily for the contract manufacturing of jewellery. It is the intention of our Group to increase our export revenue by establishing retail outlets in selected overseas countries to showcase and generate retail sales of our jewellery products.

Our Group intends to establish retail outlets in the following countries:

- (a) Brunei in 2007;
- (c) Vietnam in 2007;
- (b) Indonesia in 2007; and
- (c) China in 2008.

## 5. INFORMATION ON THE TCB GROUP (Cont'd)

### (c) Franchise System

One of our Group's strategies in expanding our presence in the jewellery retailing sector is to employ a franchising concept. This will help our Group to accelerate the speed of market penetration particularly in smaller towns and states not currently covered by our Group. In addition, it reduces our Group's capital outlay in opening new retail outlets.

The franchising concept also enables us to capitalise on our expertise in the operation and management of jewellery retail outlets and nurture growth of local entrepreneurs in the industry.

The new franchising system will be marketed under our own brand names of "Tomei", "My Diamond" and "TH Jewelry". This will enable franchisees to benefit from our Group's established brand names and track record in the industry.

Our Group plans to commence the franchise system by 2007.

### (d) Expansion Of Manufacturing Facilities

To cater to the new series of silver jewellery, hollow chains and Baby Looney Tunes character jewellery, our Group plans to expand on our manufacturing facilities through the purchase of new machinery and equipment.

Our Group's existing manufacturing capacity is dedicated to the manufacturing of gemstone jewellery, gold jewellery and solid chains. As such, the production of these new jewellery products requires different types of machinery and equipment.

Our Group proposes to invest in the following additional machinery and equipment for our production line in 2006:

- (i) 1 unit of rapid prototype model maker with software;
- (ii) 1 unit of water jet rein spare jetting head;
- (iii) 1 unit of laser machinery; and
- (iv) 1 unit of chain cutting machine.

### (e) Milestones And Resources

The following table indicates the timing for the implementation of the future plans of our Group:

| Business Activities                                  | 2006 | 2007 | 2008 |
|--|------|------|------|
| New products   |      |      |      |
| - Hollow chains                                      | √    |      |      |
| - Baby Looney Tunes jewellery                        | √    |      |      |
| - Hollow jewellery through electroforming technology |      | √    |      |
| - Silver jewellery                                   | √    |      |      |
| Expansion of retail outlets                          |      |      |      |
| - Local  | √    | √    | √    |
| - Overseas   |      | √    | √    |
| Franchise system                                     |      | √    | √    |
| Expansion of manufacturing facilities                | √    |      |      |