

CHAPTER 2.

BACKGROUND OF COMPANY

ET Shoppe Sdn. Bhd. was incorporated as a RM2 company on the 18th October 1994 with two shareholders only, both from Ibex Group of companies i.e.:

1. Dato' Yahya bin Abdul Jalil
2. Encik Othman bin Jaafar

Subsequently, after about a year, the share holders were changed and the paid up capital increased to RM250,000. The shareholders appointed are as follows:

- | | |
|-----------------------------------|-----------------|
| 1. Dato' Yahya bin Abdul Jalil | Ibex Marketing |
| (or alternate Edwin Ewe Yew Teik) | |
| 2. Dr. Mohd Zamzam Jaafar | TNRD |
| 3. Dr. Salim Sairan | TNRD |
| 4. Hajjah Ir. Maimunah Suleiman | TNRD : Chairman |

The equity structure is as follows:

Paid-up capital ; RM250,000.00

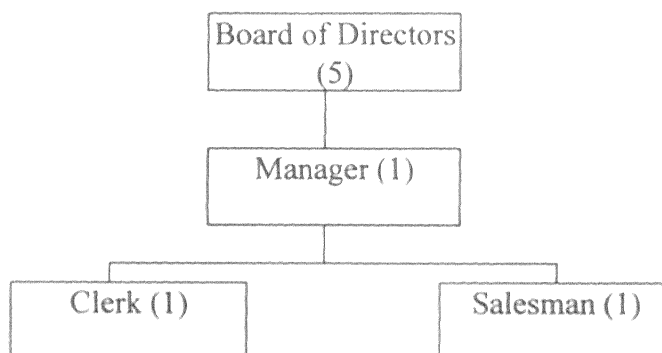
60% TNRD : RM150,000.00

40% Ibex Marketing : RM100,000.00

Due to the small size of the company, ET Shoppe has adopted a simple function organization as in Figure 1.

FIGURE 1

ORGANIZATION STRUCTURE OF ET SHOPPE SDN. BHD.



The manager, clerk and salesman are not under TNB or Ibex employment but instead are employed directly by ET Shoppe.

The manager, Mr.Surendran have vast experience in working with major organizations in electrical appliance department namely Makro, Shah Alam for a year and Sasaki for five years. The manager earns a monthly pay of RM1500.00. The clerk has technical expertise and earn RM800.00 per month whereas the sales staff earns RM450.00 per month.

The role of TNRD on behalf of TNB was to identify and certify products that is energy efficient and environment friendly for ET Shoppe. This certification include ratings of appliances efficiency i.e. its electrical consumption safety standard and environment friendly features. Among the first energy efficient product that TNRD promoted was the Philips SR energy saver bulb.

The role of Ibex is to procure the products recommended and to manage the day to day operations of ET Shoppe.

However, TNRD had problems to choose the product range that is meant for their market efficient technology since the products was not easily available in Malaysia then. At that time (in 1994), TNRD identified GE, USA to be a leader in energy efficient products. Since these products are expensive, ET Shoppe management feels that:

- customers are not willing to pay such a high premium for energy efficient products
- ET Shoppe is still at an infancy stage and should not take too much risk, since large orders must be placed with the manufacturer in order to get a reasonable profit margin.

Due to these reasons, the choice of products carried by ET Shoppe was left to Ibex Marketing Sdn. Bhd.

ET Shoppe Sdn. Bhd. which is a shoplot is located at the following address:

No. 82, Jalan Burhanuddin Helmi,

Taman Tun Dr. Ismail,

60000 Kuala Lumpur.

ET Shoppe was officially launched by the then Chief Executive Officer of Tenaga Nasional Berhad, Tan Sri Ani bin Arope on 18th January 1995. The event received wide publicity in various media including newspaper and television.