Company No. 481559-M

This Prospectus has been seen and approved by the directors and promoters of the Company and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein false or misleading.

The Adviser and Managing Underwriter acknowledge that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the Issue.

The Securities Commission has approved the issue or invitation in respect of the public offering and that the approval shall not be taken to indicate that the Commission recommends the public offering.

The Securities Commission shall not be liable for any non-disclosure on the part of TARB and assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Prospectus. INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT.

The Kuala Lumpur Stock Exchange assumes no responsibility for the correctness of any of the statements made or opinions expressed in this Prospectus. Admission to the Official List is not to be taken as an indication of the merits of TARB or of its securities.

A copy of this Prospectus has been registered by the SC and lodged with the Companies Commission, Malaysia who takes no responsibility for its contents.

This Prospectus can also be viewed or downloaded from the KLSE's website at www.klse.com.my.

Company No. 481559-M

Indicative Timetable

Opening date of public offering	29 June 2002
Closing date of public offering	15 July 2002
Tentative Balloting date	17 July 2002
Tentative date for the Despatch of Notice of Allotment	31 July 2002
Tentative Listing date	8 August 2002

The application list will open at 10.00 a.m. on 15 July 2002 and will remain open until 8.00 pm on the same day or for such further period or periods as the Directors of TARB in their absolute discretion may decide subject to such consents as may be required from the Managing Underwriters and Underwriters.

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DEFINITIONS

Unless otherwise indicated, the following definitions apply throughout this Prospectus:-

ADA	:	Authorised Depository Agent
ADA Code	:	ADA (Broker) Code
AmMerchant Bank	:	AmMerchant Bank Berhad (formerly known as Arab-Malaysian Merchant Bank Berhad) (23742-V)
Caramel or Caramel Colour	:	A colouring agent for various food products which can be found in liquid and powdered form
CDS	:	Central Depository System
CCM	:	Companies Commission, Malaysia
EPS	:	Earnings per share
FIC	:	Foreign Investment Committee
HVP	:	Hydrolised Vegetable Protein/Soya Protein Sauce
Issue or **Public Issue**	:	Issue of 39,500,000 Shares in the capital of the Company at the Issue Price by way of public issue and private placement, subject to the terms and conditions of this Prospectus.
Issue Price	:	RM0.25 for each Issue Share
Issue Shares	:	The 39,500,000 Shares in TARB to be issued pursuant to the Public Issue
KLSE or **Exchange**	:	Kuala Lumpur Stock Exchange (30632-P)
Listing	:	Listing of and quotation for the entire enlarged issued and paid-up share capital of TARB comprising 140,000,010 Shares on MESDAQ Market
Listing Proposals/Restructuring Scheme	:	Acquisition of SSSFI, share split and Public Issue collectively, as detailed in Section 8.4
MCD	:	Malaysian Central Depository Sdn Bhd (165570-W)
MESDAQ Market	:	MESDAQ Market of the KLSE
MI	:	Minority Interest
MITI	:	Ministry of International Trade and Industry
MMLR	:	KLSE Listing Requirements for the MESDAQ Market
NFV	:	Natural Fermented Vinegar
NTA	:	Net tangible assets
PAT	:	Profit after taxation

DEFINITIONS

PE Multiple	:	Price earnings multiple
PNS	:	Perbadanan Nasional Berhad
Promoters	:	Mr Fang Chew Ham, Mr Foong Chiew Fatt, Mr Fong Chiew Hean, Mr Fong Chu King, Dato' Mohd Nor Abdul Wahid and PNS
Acquisition of SSSFI	:	Acquisition by TARB of the entire issued and paid up share capital of SSSFI at a consideration of RM20.1 million satisfied by the issuance of 20,100,000 RM1.00 Shares in TARB at par
PUNB	:	Perbadanan Usahawan Nasional Berhad (221057-V)
R & D	:	Research and Development
RM and Sen	:	Ringgit Malaysia and Sen respectively
RM1.00 Share(s)	:	Ordinary share(s) of RM1.00 each
SC	:	Securities Commission
Share(s)	:	Ordinary share(s) of RM0.20 each
SSSFI	:	San Soon Seng Food Industries Sdn Bhd (179092-H)
TARB	:	Three-A Resources Berhad (481559-M)
TARB Group or Group	:	TARB together with its subsidiary company
USA	:	United States of America

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GLOSSARY OF TECHNICAL TERMS

Acetation	:	A process of vinegar fermentation by circulating of mash solution onto the mother vinegar for a period of time
Caramelisation	:	A careful heat treatment process to convert sugar to become a dark brown viscous liquid
Centrifugal separation	:	A process to separate solid and liquid by using centrifugal force principle
Decolourisation	:	A process to remove colour from the compound
Demineralisation	:	A process to remove unwanted ions from the solution
Hydrolysis – Soya bean meal	:	A process to breakdown a protein molecule (polymer) from a soya bean meal to obtain an amino acid in an acidic condition at a desired temperature
Hydrolysis – Starch	:	A process of converting starch into soluble dextrin and glucose by using enzyme with heat treatment
Liquefaction	:	A process to gelatinise starch polymer into soluble dextrins and low viscosity hydrolysate for further processing
Membrane filtration	:	Filtration of impurities in a liquid by passing through thin pliable skin-like membrane (membrane filter machine)
MT	:	Metric tonne
Saccharification	:	A process to further hydrolyse the soluble dextrins to obtain desired glucose content
Soda ash neutralisaiton	:	A process to neutralise an acidic solution by using soda ash as an alkaline material
Vacuum evaporation	:	A process to evaporate water from the hydrolysate in a tank under vacuum condition

In the event of any conflict or inconsistency in meaning between the English and Bahasa Malaysia version of this Prospectus, the English version shall prevail.

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1. CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name	Address	Occupation	Nationality
Dato' Mohd Nor Abdul Wahid	86 Jalan G3 Taman Melawati Hulu Klang 53100 Kuala Lumpur	Executive Chairman and Director	Malaysian
Fang Chew Ham	1 Jalan Lang Tompok Taman Sri Bintang Kepong 52100 Kuala Lumpur	Managing Director and Deputy Executive Chairman	Malaysian
Fong Chu King @ Tong Chu King	52 Jalan SS2/75 47300 Petaling Jaya Selangor	Executive Director	Malaysian
Foong Chiew Fatt	Lot 2949 Taman Kien Kee Off Seremban Garden 70450 Seremban Negri Sembilan	Director	Malaysian
Fong Chiew Hean	Lot 2944 Taman Kien Kee Off Seremban Garden 70450 Seremban Negri Sembilan	Director	Malaysian
Mazlan bin Ibrahim	Kampung Hj Wahab Batu 2 Jalan Kuala Ketil 08000 Sungai Petani Kedah	Non-Executive Director	Malaysian
Chew Eng Chai	85 Jalan 15/6A 47500 Subang Jaya	Independent Non - Executive Director	Malaysian
Tan Chon Sing @ Tan Kim Tieng	2348 Taman Labu Utama Jalan Labu 70200 Seremban Negeri Sembilan	Independent Non - Executive Director	Malaysian

AUDIT COMMITTEE

Name	Designation	Directorship
Chew Eng Chai	Chairman	Independent Non-Executive Director
Tan Chon Sing @ Tan Kim Tieng	Member	Independent Non-Executive Director
Dato' Mohd Nor Abdul Wahid	Member	Executive Chairman and Director

COMPANY SECRETARY	:	Prabir Kumar Mittra (MIA 8705) 4 Jalan 20/6 Paramount Gardens 46300 Petaling Jaya Selangor Darul Ehsan
REGISTERED OFFICE/HEAD OFFICE/MANAGEMENT OFFICE	:	AL308 Lot 590 & Lot 4196 Jalan Industri U19 Kampung Baru Seri Sungai Buloh 47000 Selangor Darul Ehsan Tel : 03 – 6156 2655 Fax : 03 – 6156 2657 E-mail : sssfi@po.jaring.my
REGISTRARS AND TRANSFER OFFICE	:	Signet Share Registration Services Sdn Bhd 11th Floor, Tower Block Kompleks Antarabangsa Jalan Sultan Ismail 50250 Kuala Lumpur
PRINCIPAL BANKERS	:	OCBC Bank (Malaysia) Berhad 19 Jalan Stesen 41000 Klang Selangor Bumiputra Commerce Bank Berhad Ground & First Floor Lot 395 Jalan 1A/1 47000 Bandar Baru Sungai Buloh Selangor Darul Ehsan
AUDITORS AND REPORTING ACCOUNTANTS	:	Ernst & Young 4th Floor Kompleks Antarabangsa Jalan Sultan Ismail 50250 Kuala Lumpur
SOLICITORS FOR THE LISTING	:	Jeff Leong, Poon & Wong Advocate & Solicitors A-11-3A, Level 11 Megan Phileo Avenue Jalan Yap Kwan Seng 50450 Kuala Lumpur
ADVISER, MANAGING UNDERWRITER, PLACEMENT AGENT AND SPONSOR	:	AmMerchant Bank Berhad (23742-V) (formerly known as Arab-Malaysian Merchant Bank Berhad) 22nd Floor, Bangunan AmBank Group 55 Jalan Raja Chulan 50200 Kuala Lumpur

UNDERWRITERS	:	AmMerchant Bank Berhad (23742-V) (formerly known as Arab-Malaysian Merchant Bank Berhad) 22nd Floor, Bangunan AmBank Group 55 Jalan Raja Chulan 50200 Kuala Lumpur AmSecurities Sdn Bhd (92977-U) 15th Floor, Bangunan AmBank Group 55 Jalan Raja Chulan 50200 Kuala Lumpur
ISSUING HOUSE	:	Malaysian Issuing House Sdn. Bhd. 27th Floor, Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur P. O. Box 13269 50804 Kuala Lumpur
LISTING SOUGHT	:	MESDAQ Market

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2. PROSPECTUS SUMMARY

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

The following summary is qualified in its entirety by the more detailed information, including the Accountants' Report and Notes thereto, included elsewhere in this Prospectus. This Prospectus contains certain statements of a forward looking nature relating to future events or the future financial performance of the Company and its subsidiary company. Prospective investors are cautioned that such statements are only predictions and that actual results or events when materialised may differ materially from those disclosed in this Prospectus. Therefore in evaluating such statements, prospective investors should carefully consider the various factors identified in this Prospectus, including the matters set forth under the heading "Risk Factors."

2.1. History, Principal Activities and Group Structure

TARB was incorporated in Malaysia on 21 April 1999 under the Companies Act 1965 to acquire the shares of SSSFI for the Proposed Listing on MESDAQ Market. SSSFI was incorporated in Malaysia on 27 February 1989 under the Companies Act 1965. TARB is principally an investment holding company with one subsidiary namely SSSFI which is involved in the manufacturing of Caramel Colour, NFV, HVP and Glucose/Maltose Syrup through a factory with a build up area of 82,715 square feet located on 5.4 acres of land in Sungai Buloh, Selangor, part of which spanning 92,202 square feet are still available for further expansion.

Caramel Colour and HVP are principally intermediary products that are targeted at the sauces, confectioneries and pharmaceutical products industry. Glucose/Maltose Syrup are used in the confectioneries, pharmaceutical, biscuit and sauces industry. NFV, on the other hand, is targeted at industrial use as well as table vinegar in households/restaurants, depending on the strength of the product.

In the late 1970s, Mr. Fang Chew Ham and his two brothers, being in the family business of producing soy sauce which is still in existence today, saw the potential in supplying Caramel Colour to the soya sauce industry and thus on 1 October 1977, established Soon Seng Sauce Mixture and Food Factory, a partnership. The business grew and on 27th February 1989, SSSFI was incorporated to take over the business of this partnership.

The business started on a small scale and up to the early 1990s, grew incrementally from profits generated. In 1995 and 1996, SSSFI invested in modern machinery and facilities that enabled SSSFI to produce quality Caramel Colour and secure substantial orders from the bigger and more established sauce manufacturers, which in turn led to economies of scale.

All products produced by TARB Group are HALAL certified by the Islamic Development Department of Malaysia, an achievement which TARB Group is proud of. The Group is able to capitalise on its HALAL status by seeking new markets in other Muslim countries. In view of the potential of the industry as well as TARB Group's position in the industry, PNS took a 30% equity stake in TARB Group on 3 August 1999 via a subscription of new shares in SSSFI.

Caramel Colour is a versatile colouring agent as it can be used in various food products that may require different combination of parameters such as ionic charge, pH value, high salt and alcohol content. In addition, Caramel Colour is a natural product that can be labeled simply as "Caramel Colour", hence providing a more acceptable label declaration than artificial coloring systems in food products.

TARB Group is able to maintain its competitive advantage over its competitors due to its competitive and flexible pricing strategy. This is achievable, while maintaining sustainable profitability as TARB Group strive to produce a wide range of Caramel Colour in terms of viscosity, texture, colour and other properties. The Group conducts in-house R&D to ensure product development and improvement. R&D

activities are focused on implementation of cost saving measures, increase in production productivity while retaining quality standards and the development of new products.

The Group has also ventured into other food related products which includes HVP, NFV and Glucose/Maltose Syrup to complement its strength in Caramel Colour manufacturing with the vision of diversifying its revenue base. The Group believes the vast experience of its management together with its dedicated workforce will put TARB Group among the frontrunners in the local industry.

Further information on SSSFI which is TARB's only wholly owned subsidiary is disclosed in the Section 5.1 and 8 of this Prospectus.

2.2. Ownership and Management

Based on the Register of Substantial Shareholders of TARB as at the date of this Prospectus, none of the substantial shareholders, directors, promoters and key management have any interest in the Company save for the following:

Shareholders	Nationality / Country of Incorporation	Before the Public Issue				After the Public Issue [v]			
		------- Direct -------		------ Indirect ------		----- Direct -----		----Indirect ----	
		No of shares ('000)	%	No. of shares ('000)	%	No.of shares ('000)	%	No.of shares ('000)	%
Fang Chew Ham[(i) (iv)]	Malaysian	46,291	46.06	19,838	19.75	48,791	34.85	19,838	14.17
Foong Chiew Fatt[(i) (iv)]	Malaysian	7,935	7.90	58,194	57.91	7,935	5.67	60,694	43.35
Fong Chiew Hean[(i) (iv)]	Malaysian	7,935	7.90	58,194	57.91	7,935	5.67	60,694	43.35
Fong Chu King[(i) (iv)]	Malaysian	3,968	3.94	62,161	61.86	3,968	2.83	64,661	46.19
Dato' Mohd Nor Abdul Wahid[(i) (iii)]	Malaysian	4,221	4.20	-	-	4,221	3.01	-	-
Dato' Seri Utama Tan Sri Abdul Samad Idris	Malaysia	-	-	-	-	100	0.07	-	-
Mazlan bin Ibrahim	Malaysian	-	-	-	-	100	0.07	-	-
Chew Eng Chai	Malaysian	-	-	-	-	100	0.07	-	-
Tan Chon Sing @ Tan Kim Tieng	Malaysian	-	-	-	-	100	0.07	-	-
PNS [(ii)(iii)]	Malaysia	30,150	30.0	-	-	30,150	21.54	-	-

Notes:

i. Promoters, substantial shareholders and Directors.

ii. Promoter and substantial shareholder

iii. Pursuant to a Share subscription agreement dated 10 May 1999, Dato' Mohd Nor has the option to purchase two thirds of the shareholdings of PNS, of which he has serve a notice of exercise to PNS dated 18 June 2002. As such, after the exercise of the Option, Dato' Mohd Nor will hold 24.321 million Shares (17.4%) after the Public Issue.

iv. Fang Chew Ham, Foong Chiew Fatt, Fong Chiew Hean and Fong Chu King are brothers. Hence, they are deemed interested by virtue of the other brother's shareholdings.

v. Assuming full subscription for the pink form allocation (Managing Director and Deputy Executive Chairman – 2,500,000 Shares, Non executive directors – 100,000 Shares)

Below summarizes the key management and technical personnel of the Group who do not hold any shares in the Company, save for their pink form entitlements.

Key Management	Key Technical Personnel
Ng Hock Aun (Operations Manager) **Prabir Kumar Mittra** (Financial Controller/ Company Secretary) **Ms Lim Kwee Heong** (Finance Executive) **Mr Low Hock Siew** (Sales Manager) **Mr Lee Kuan Loong** (Marketing Manager) **Mr Wong Cheong Khuen** (Factory Manager) **Mr Derek Liew Kuo Shin** (Assistant Factory Manager) **Ms Jessica Fang Siew Yee** (Assistant Manager)	**En. Musak Bin Hussin** (Caramel Colour Production Supervisor) **Mr Leong Foh Meng** (NFV Adviser) **Mr Soon Po** (HVP Chemist cum Adviser) **Ms Lee Ley Lin** (QA Manager) **Ms Kow Pee Yen** (HR Executive) **Mr Chuah Choong Guan** (Purchasing Executive)

Further details of the Promoters, substantial shareholders, directors, key management and technical personnel are disclosed in Section 10 of this Prospectus.

2.3. Operating Licenses

The Group principally operates under a Manufacturing License under the Industrial Co-ordination Act, 1975. TARB Group also has Halal certification, Industrial licence under the Majlis Perbadanran Shah Alam and Manufacturers License under the Sales Tax Act 1972. Details of the approvals, licenses and permits are contained under the Section 6.6.

2.4. Research and Development Capabilities

The Group conducts in-house R&D to ensure product development and improvement. The Group presently employs 2 personnel who are involved in R&D. R&D activities are focused on devising cost saving measures to improve the value of its products while maintaining quality, increase productivity of the plant and to introduce new and improved products. Please see Section 6.5 for further information.

2.5. Proforma Historical Financial Record

The financial highlights of the TARB Group pertaining to the past five (5) financial years ended 31 December 2001 extracted from the Accountant's Report and based on the assumption that the current structure of the Group had been in existence throughout the period under review are as follows:-

Year ended 31 December	**1997**	**1998**	**1999**	**2000**	**2001**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue	18,001	18,933	18,487	22,268	23,735
Profit before depreciation, interest and taxation	6,091	4,517	3,945	4,901	4,912
Depreciation	(636)	(732)	(961)	(1,173)	(1,161)
Interest	(613)	(1,128)	(764)	(660)	(696)
Proft before taxation	4,842	2,657	2,220	3,068	3,055
Taxation	(471)	(440)	96	(627)	(622)
Profit after taxation	4,371	2,217	2,316	2,441	2,433
Gross EPS (sen) *	4.82	2.64	2.21	3.05	3.04
Net EPS (sen) *	4.35	2.21	2.30	2.43	2.42
Gross Dividend (%)	-	-	-	-	-

* *Based on the number of ordinary shares in issue before the Public Issue of 100.5 million Shares*
# *There has been no extraordinary or exceptional item or share of profits of associated companies for the period under review.*

An extract of the Proforma Statement of Assets and Liabilities from the Accountant's Report contained in this Prospectus are as below. Details concerning the Proforma Statement below are shown in the Proforma Consolidated Balance Sheets as contained in this Prospectus.

	Company as at 31/12/2001 RM'000	(i) After Acquisition of SSSFI RM'000	(ii) After (i) and Public Issue RM'000
CURRENT ASSETS	-	11,064	11,064
LESS : CURRENT LIABILITIES	562	16,772	11,229
NET CURRENT LIABILITIES	(562)	(5,708)	(165)
DEFERRED EXPENDITURE	548	548	-
PROPERTY, PLANT AND EQUIPMENT	-	31,668	33,668
LONG TERM LIABILITIES	-	(4,121)	(2,741)
	(14)	22,387	30,762
FINANCED BY :			
SHARE CAPITAL	-	20,100	28,000
ACCUMULATED LOSS	(14)	(14)	(14)
RESERVE ON CONSOLIDATION	-	2,301	2,301
SHARE PREMIUM	-	-	475
	(14)	22,387	30,762
No of Shares	2	100,500,010	140,000,010
NTA per share (sen)	-	22	22

Notes:-
(i) After the Acquisition of SSSFI and share split.
(ii) After the Public Issue and adjusting for the effects of proposed utilisation of proceeds.

There is no reservation or qualification in the auditors' reports on the financial statements of TARB and SSSFI for the financial years 1997 ~ 2001.

Please refer to Section 7 for further information.

2.6. Risk Factors

The securities being offered hereby may involve a high degree of risk, including, but not limited to, those risk factors set forth below, and should not be purchased by anyone who cannot afford a possible diminution in the value of his investment. Prospective investors, prior to making an investment in the Company, should carefully consider the following risk factors inherent in and affecting the business of the Group and this offering. The discussion in this Prospectus contains forward-looking statements that involve risks and uncertainties. The Company's and the Group's actual results when materialised could differ materially from those discussed herein. The key risk factors that may affect the Group's future profitability are not limited to financial risks, market risks and industry risks. A summary of the detailed risk factors in Section 4 are shown below.

Business Risks

- TARB is dependent on its promoters and key personnel namely Mr Fang Chew Ham and Mr Fong Chu King.
- Sale of the Group's products are subject to seasonal variations with demand increasing towards festive seasons.
- Competition exists from international and local suppliers, which may be augmented by potential new market entrants.
- The Group's main raw material is sago and tapioca flour which may be subject to shortages in the future.
- The Group's technology might face obsolescence and there is a risk of machinery breakdown which might effect the Group's revenue.
- Whilst the Group's processes currently do not raise any environmental issues, the Group's products might face environmental issues in the future.
- Currently there is a concern in 3-monochloropropane-1,2-diol ("3-MCPD") contents in sauces related product as it is a contaminant that can potentially cause cancer at high levels of consumption. However, this compound only exists in the Group's HVP product and tests performed by various laboratories have confirmed that the quantity present is at tolerable ranges. In any case, HVP only contributes approximately 9.6% of the Group's revenue for the year ended 31 December 2001.
- The Group is in the process of expanding its market coverage and hence, may be exposed to foreign exchange risk.
- There can be no assurance that the disclosure regarding forward-looking statements in the Prospectus is accurate and hence, the actual results may differ substantially from the disclosure made.
- The Group is highly dependent on the sales of Caramel Colour which accounts for nearly 79% of Group revenue.

Financial Risks

- The Group's earnings may be subject to variability in the future due to various economic and business factors as detailed in Section 4.2.
- The Group may face potential disputes with its employees
- Whilst the Group currently have registered its "AAA" marquee and have HALAL certification, there can be no assurance that the loss of any of its trademarks, licenses and/or certification will not have an adverse impact on the Group's business.
- Whilst none of the Group's customer individually amounts to over 10% of the Group's revenue, there can be no assurance that the loss of its customers will not have an adverse impact on the Group's operations.
- There is uncertainty in the Group's 5-Year Business Development Plan
- The Group may be subject to product liability claims in the future which will effect the Group's business and operations.

Market Risks

- The Group's business may be effected by any slowdown in the world economy or any political changes.
- The Group is currently expanding into various other products such as Glucose/Maltose Syrup which may be subject to rapid growth. There is a risk of over expansion and management might face difficulty in managing its rapid growth.
- The Company's share price may be subject to extreme volatility in the future.
- The Company's share price was agreed by the Company and the Underwriters as there has been no prior public market for the Shares
- The Group might require futher capital injection in the future.
- The Group is mainly controlled by its promoters with approximately 74% shareholdings who will have a material influence on the Group's operations.
- The Group may be involved in potential acquisitions and joint ventures in the future which may not be successful.

2.7. Prospects and Outlook

Despite the risks associated with the Group as summarized above, TARB Group believes it has in place mechanisms to mitigate most of the risks as detailed in Sections 2.6 and 4. The Group believes that the prospects of the Group and business as detailed in Section 5 are encouraging.

The Board believes that the business, being established for over 20 years is positively placed to grow as the economies in the region recover and that the sauces industry is relatively indispensable. Further, SSSFI with its wide range of quality products, is poised for further growth.

Equipped with experienced and qualified personnel as well as technical know how, the Group believes that it is in a good position to take advantage of the anticipated demand for Caramel Colour, HVP, Glucose/Maltose Syrup and NFV. This is further enhanced with the promising recovery of economies of Malaysia and other nations in the region.

2.8. Principal Statistics Relating to the Public Issue

The following is the summary of the principal statistics relating to the Public Issue, details of which are contained in the Section 3.

Share Capital

Authorised share capital:	**RM**
250,000,000 ordinary shares of RM0.20 each	50,000,000
Issued and fully paid-up share capital:	
100,500,010 ordinary shares of RM0.20 each	20,100,002
To be offered pursuant to the Public Issue:	
39,500,000 ordinary shares of RM0.20 each	7,900,000
Enlarged Share Capital	28,000,002

Issue Price Per Share	**RM0.25**
Market capitalisation based on issue price of RM0.25 per Share	RM 35 million

The Issue of a total of 39,500,000 Shares at an Issue price of RM0.25 per Share shall be subject to the terms and conditions of this Prospectus and, upon acceptance, will be allocated in the following manner:-

a) 5,000,000 of the Issue Shares will be made available for application by the public; and

b) 29,275,000 of the Issue Shares will be made available for placement to selected investors; and

c) 5,225,000 of the Issue Shares will be made available for application by the eligible Directors and employees.

There is only one class of shares in the Company, namely ordinary shares of RM0.20 each. The Public Issue Shares rank pari passu in all respects with the existing issued ordinary shares of the Company, including voting rights and rights to all dividends, distributions that may be declared subsequent to the date of this Prospectus.

Subject to any special rights attaching to any shares which may be issued by the Company in the future, the holders of ordinary shares in the Company shall, in proportion to the amount paid-up on the shares held by them, be entitled to share in the whole of the profits paid out by the Company as dividends and other distributions and the whole of any surplus in the event of liquidation of the Company, such surplus shall be distributed amongst the members in proportion to the capital paid-up at the commencement of the liquidation, in accordance with its Articles of Association.

Each shareholder shall be entitled to vote at any general meeting of the Company in person or by proxy or by attorney, and, on a show of hands, every person present who is a shareholder or representative or proxy or attorney of a shareholder shall have one vote, and on poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each ordinary shares held. A proxy may but need not be a member of the Company.

Proforma NTA based on the proforma consolidated balance sheet as at 31 December 2001 :

Proforma NTA upon listing	RM30.76 million
Proforma NTA per share upon listing	RM0.22

The Group's revenue and operating results are difficult to forecast and could be adversely affected by many factors, the details of which are contained in Section 4 : Risk Factors. As such, the forecast of the Group is not disclosed in this Prospectus.

2.9. Proceeds of Issue and Proposed Utilisation

Based on a Public Issue price per share of RM0.25, the Group expects the gross proceeds of the Public Issue to be approximately RM9.875 million shall accrue to the Group. This amount shall be utilised in the manner specified under Section 3.6, a summary are as shown below.

Purpose	**RM'000**
Set-up of factory and puchase of plant and machineries	4,000
Loan Repayment	2,000
Working capital	2,375
Listing expenses	1,500
TOTAL	**9,875**

2.10. Material Litigations, Commitments and Contingent Liabilities

As at 18 June 2002, being the last practicable date prior to the printing of this Prospectus, there does not exist any material litigation, capital commitment or contingent liability which may materially affect the Group save as those disclosed in the Section 7.7 and 14.6.

3. INTRODUCTION & DETAILS OF THE PUBLIC ISSUE

3.1. Introduction

This Prospectus is dated 29 June 2002.

Approval has been obtained from the KLSE and the SC for the proposed listing of TARB, for admission to the Official List of the MESDAQ Market, and for permission to deal in and for quotation of the entire issued and paid-up share capital of TARB including the Issue Shares which are the subject of this Prospectus. These Shares will be admitted to the Official List of the MESDAQ Market and official quotation will commence upon receipt of confirmation from MCD that all the CDS Accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all the successful applicants. The KLSE and the SC assume no responsibility for the correctness of any statements made or opinions or reports expressed in this Prospectus. Admission to the MESDAQ Market is not to be taken as an indication of the merits of the Company and its subsidiary company or of its Shares.

Under the KLSE's trading rules, effective from the date of listing, trading in all KLSE listed securities can only be executed through an ADA.

A copy of this Prospectus has been lodged with the CCM and registered by the SC who takes no responsibility for its contents.

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991, the KLSE has prescribed the Shares of the Company as a prescribed security. In consequence thereof, the Issue Shares offered through this Prospectus will be deposited directly with the MCD and any dealings in these Shares will be carried out in accordance with the aforesaid Act and the Rules of MCD.

An applicant for the Issue Shares should state his CDS account number in the space provided in the Application Form if he presently has such an account. Where an applicant does not presently have a CDS account, he should state in the Application Form his preferred ADA Code.

The written consents of the Adviser, Managing Underwriter, Placement Agent, Sponsor, Underwriters, Solicitors, Principal Bankers, Issuing House, Registrars and Company Secretary to the inclusion in this Prospectus of their names in the form and context in which their names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consent of the Auditors and Reporting Accountants to the inclusion in this Prospectus of their name, Accountants' Report, and letter relating to the Pro-forma Consolidated Balance Sheet in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

No person is authorised to give any information or to make any representation not contained herein in connection with the Issue and if given or made, such information or representation must not be relied upon as having been authorised by TARB. Neither the delivery of this Prospectus nor any offer made in connection with this Prospectus shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Group since the date hereof.

The distribution of this Prospectus and the sale of the Issue Shares in certain other jurisdictions may be restricted by law. Persons who may come into possession of this Prospectus are required to inform themselves of and to observe such restrictions. This Prospectus does not constitute and may not be used for the purpose of an invitation to subscribe for the Issue in any jurisdiction in which such invitation is not authorised or lawful, or to any person to whom it is unlawful to make such an invitation.

Acceptance of applications will be conditional upon permission being granted to deal in, and quotation for all of the Issue Shares. Monies paid in respect of any application accepted will be returned if the said permission is not granted.

If you are unsure of any information contained in this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser.

3.2. Purpose of the Public Issue

The purpose of the Issue are as follows:-

a) To raise funds for TARB Group's continued operation and expansion, details of which are elaborated in the Section on "Utilisation of Proceeds"; (Sec 3.6)

b) To obtain the listing of and quotation for the entire issued and paid-up capital of TARB on MESDAQ Market, which is expected to enhance the business, profile and future prospects of the TARB Group;

c) To enable the Group to have access to the capital market for its future expansion and growth; and

d) To provide an opportunity for the Directors and employees of the Company and its subsidiary to participate in the equity growth of the Group.

3.3. Particulars of the Issue

The critical dates of the IPO are as follows:-

Opening date of public offering	29 June 2002
Closing date of public offering	15 July 2002
Tentative Balloting date	18 July 2002
Tentative date for the Despatch of Notice of Allotment	31 July 2002
Tentative Listing date	8 August 2002

The application list will open at 10.00 a.m. on 15 July 2002 and will remain open until 8.00 pm on the same day or for such further period or periods as the Directors of TARB in their absolute discretion may decide subject to such consents as may be required from the Managing Underwriters and Underwriters.

The movement in share capital arising from the Public Issue are as follows.

	RM
Issued and fully paid-up share capital:	
100,500,010 ordinary shares of RM0.20 each	20,100,002
To be offered pursuant to the Public Issue:	
39,500,000 ordinary shares of RM0.20 each	7,900,000
Enlarged Share Capital	28,000,002

There is only one class of shares in the Company, namely ordinary shares of RM0.20 each. The Issue Shares rank pari passu in all respects with the existing issued ordinary shares of the Company, including voting rights and rights to all dividends or distributions that may be declared subsequent to the date of this Prospectus.

Subject to any special rights attaching to any shares which may be issued by the Company in the future, the holders of ordinary shares in the Company shall, in proportion to the amount paid-up on the shares held by them, be entitled to share in the whole of the profits paid out by the Company as dividends and other distributions and the whole of any surplus in the event of liquidation of the Company, such surplus shall be distributed amongst the members in proportion to the capital paid-up at the commencement of the liquidation, in accordance with its Articles of Association.

Each shareholder shall be entitled to vote at any general meeting of the Company in person or by proxy(ies) or by attorney, and, on a show of hands, every person present who is a shareholder or representative or proxy or attorney of a shareholder shall have one vote, and on poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each ordinary share held. A proxy may but need not be a member of the Company.

The Issue of a total of 39,500,000 Shares at an Issue price of RM0.25 per Share shall be subject to the terms and conditions of this Prospectus and, upon acceptance, will be allocated in the following manner:-

a) 5,000,000 of the Issue Shares will be made available for application by the public; and

b) 29,275,000 of the Issue Shares will be made available for placement to selected investors; and

c) 5,225,000 of the Issue Shares will be made available for application by the eligible Directors and employees.

All the Shares above have been fully underwritten by the panel of underwriters listed in Section 1. In the event of an under-subscription by the public pursuant to the Issue, all the Shares not applied for shall first be available for subscription by the placees referred to in paragraph (b) above. Any Shares not subscribed will be made available for subscription by the underwriters in proportions specified in the underwriting agreement dated 20 June 2002. There is no minimum subscription rate for the Public Issue as it is fully underwritten.

The basis of allocation to be determined shall take into account the desirability of distributing the Issue to a reasonable number of applicants with a view of broadening the shareholding base of the Company to meet the public spread requirements and to establish a liquid and an adequate market in the Shares. To ensure compliance with the MMLR the final allocation to any single applicant shall not breach 5% or more of the enlarged share capital of the Company upon Listing, regardless of the amount of Shares applied for. Applicants will be selected in a manner to be determined by the Directors of TARB.

3.4. Pricing of the Issue

Prior to the offering, there has been no public market for the shares of TARB. The Issue price of RM0.25 per ordinary share was agreed between the Company and the Underwriters. Among the factors considered in determining the Issue price of the ordinary shares, in addition to prevailing market conditions, were the TARB Group's estimates of business growth potential and revenue prospects for the Group, an assessment of the Group's management and the consideration of the above factors in relation to market valuation of companies in similar businesses.

3.5. Brokerage and Underwriting

Brokerage is payable in respect of the IPO Shares by the Company at the rate of 1% of the IPO price of RM0.25 per Share in respect of successful applications which bear the stamp of AmMerchant Bank, member companies of the KLSE, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia or MIH.

The Managing Underwriter and Underwriters mentioned herein have agreed to underwrite 12,185,000 Shares in TARB, which is the amount of the Issue excluding allocation to bumiputra parties of 8,815,000 Shares and the allocation to exempt investors of 18,500,000 Shares. Underwriting commission is payable by the Company at the rate of 1% for the pink form allocation to directors and employees of 5,225,000 Shares while the balance of 6,960,000 Shares are underwritten at an underwriting commission of 3% of the Issue Price of RM0.25 per share. There is a force majeure clause in the underwriting agreement dated 20 June 2002 which allows the underwriters to withdraw from the underwriting arrangement under adverse market conditions.

The salient terms of the Underwriting Agreement dated 20 June 2002 between the Company and the Underwriters (“Underwriting Agreement”) stating the events that may affect the underwriting of the Public Issue Shares (“Underwritten Shares”) are as follows:-

Company No. 481559-M

Clause 2.3 & 2.4 : Agreement to underwrite

2.3 The obligations of each of the Underwriters and ~~*[~~the Managing Underwriter~~]~~ under this Agreement are conditional upon:-

2.3.1 there having been on or prior to the Closing Date, neither any adverse change nor any development reasonably likely to result in any adverse change in the condition (financial or otherwise) of the Company or its Subsidiary company, which is material in the context of the Public Issue from that set forth in the Prospectus, nor the occurrence of any event which makes any of the representations and warranties contained in Clause 3 in the opinion of the Managing Underwriter (which opinion is final and binding) untrue and incorrect in any material respect as though they had been given and made on such date with reference to the facts and circumstances then subsisting, nor the occurrence of any breach of the undertakings contained in Clause 3;

2.3.2 the delivery to the Managing Underwriter prior to the date of the registration of the Prospectus of:-

2.3.2.1 a copy certified as a true copy by an authorised officer of the Company of all the resolutions of the directors of the Company and the shareholders in general meeting approving this Agreement, the Prospectus, the Public Issue and authorising the execution of this Agreement and the issuance of the Prospectus; and

2.3.2.2 a certificate, in the form or substantially in the form contained in the SECOND SCHEDULE, dated the date of the Prospectus signed by duly authorised officers of the Company stating that, to the best of their knowledge and belief, having made all reasonable enquiries, there has been no such change, development or occurrence as is referred to in Clause 2.3.1.

2.3.3 the delivery to the Managing Underwriter on the Closing Date of such reports and confirmations dated the Closing Date from the board of directors of the Company as the Managing Underwriter may reasonably require to ascertain that there is no material change subsequent to the date of this Agreement that will adversely affect the performance or financial position of the Company or its Subsidiary company;

2.3.4 the Managing Underwriter receiving on or prior to date of the issue of the Prospectus the approval in principle of KLSE for the listing and quotation of the entire issued and paid-up share capital of the Company on the KLSE which is unconditional or subject to such conditions which are acceptable to the Managing Underwriter;

2.3.5 the Managing Underwriter having been satisfied that arrangements have been made by the Company to ensure payment of the expenses referred to in Clause 13;

2.3.6 the Public Issue not being prohibited by any statute, order, rule, regulation or directive promulgated or issued by any legislative, executive or regulatory body or authority in Malaysia;

2.3.7 the Managing Underwriter having been satisfied that the Company has complied and that the Public Issue are in compliance with the policies, guidelines and requirements of the Securities Commission and all revisions, amendments and/or supplements thereto;

2.3.8 the Company obtaining approval by KLSE for the listing of and quotation for the entire issued and paid-up share capital of the Company on the KLSE on terms satisfactory to the Underwriters; and

2.3.9 the acceptance for registration by the SC of the Prospectus and such other documents as may be required in accordance with the SC Act on or before their release.

2.4 If any of the conditions set out in Clause 2.3 is not satisfied by the Closing Date, the Underwriters shall thereupon be entitled to terminate this Agreement and in that event except for the liability of the Company for the payment of costs and expenses as provided in Clause 13 incurred prior to or in connection with such termination there shall be no further claims by the Underwriters against the Company, and the Parties shall be released and discharged from their respective obligations hereunder PROVIDED THAT any of the Underwriters may at its discretion with respect only to its own obligations waive compliance with any of the provisions of Clause 2.3.

Clause 9 : Events affecting the Issue

9.1 Subject to prior consultation, any of the Underwriters acting through the Managing Underwriter shall be entitled to terminate this Agreement by notice in writing delivered to the Company prior to the Closing Date if the success of the Public Issue is in the opinion of such Underwriter(s) seriously jeopardised by:-

9.1.1 the coming into force of any laws or Governmental regulations or directives which seriously affects or will seriously affect the business of the Company; or

9.1.2 any material breach by the Company of any of its representations, warranties, obligations or undertakings under this Agreement; or

9.1.3 any material and adverse change in the condition (financial or otherwise) of the Company from that described in the Prospectus.

9.2 On delivery of such a notice this Agreement shall become void and each Party's rights and obligations hereunder shall cease and none of the Parties (except for the liability of the Company in respect of payments of costs and expenses referred to in Clause 13 incurred prior to or in connection with such termination) shall have any claim against each other. Thereafter the Underwriters and the Company shall confer with a view to deferring the Public Issue or amending its terms and/or entering into a new Underwriting Agreement PROVIDED THAT the Company or the Underwriters shall not be under any obligation to enter into such new agreement.

Clause 11 : Change in circumstances

11. CHANGE IN CIRCUMSTANCES

11.1 Notwithstanding anything herein contained the Underwriters acting through the Managing Underwriter may at any time before the Closing Date, by notice in writing to the Company, propose to terminate its obligations under this Agreement if in its reasonable opinion there shall have been such a change in national or international monetary, financial, political or economic conditions or exchange control legislation or regulations or currency exchange rates or an occurrence as a result of an act or acts of God as would in its reasonable opinion materially prejudice the success of the offering of the Underwritten Shares and their distribution or sale (whether in the primary market or in respect of dealings in the secondary market) or in the event of national disorder, outbreak of war or the declaration of a state of national emergency.

11.2 Upon such notice being given, the Underwriter(s) concerned and the Company shall (except for the liability of the Company in the payment of costs and expenses referred to in Clause 13 incurred prior to or in connection with such termination) be released and discharged from their respective obligations hereunder.

3.6. Utilisation of Proceeds

The Group expects the gross proceeds of the Public Issue to amount to approximately RM9.875 million. The proceeds shall accrue to the Group and the Group shall bear all expenses relating to the listing of and quotation for the entire issued and paid-up share capital on MESDAQ Market.

The proceeds from the Public Issue of RM9.875 million are proposed to be utilised for :

Purpose	**Note**	**RM'000**
Set-up of factory and purchase of plant and machineries	*(i)*	4,000
Loan Repayment	*(ii)*	2,000
Working capital	*(iii)*	2,375
Listing expenses		1,500
TOTAL		**9,875**

Notes:-

i. *RM4 million is earmarked for setting up a factory which is principally used for producing Glucose/Maltose Syrup, powdered Caramel and/or powdered HVP. The construction and setup of the factory has been completed in the third quarter of 2001. The proceeds will be used to repay the financing for the construction of the factory building and purchase of plant and machineries, or for the acquisition of additional machineries including but not limited to cooking tanks, storage tanks, mixing tanks system for products such as Glucose/Maltose Syrup, Caramel and/or powdered HVP.*

ii. *The Directors propose to repay bank borrowings as follows, which is expected to bring interest savings of RM155,000 to the Group:-*

Lender	Type of Facility	Limit RM'000	Amount Outstanding as at 18 June 2002 RM'000	Amount to be repaid RM'000
OCBC	Term loan	2,000	1,601	1600
OCBC	Overdraft	10,000	9,232	400

The OCBC borrowings above was used for the financing of the construction works on the Glucose/Maltose Syrup factory and to refinance a Bank Bumiputra term loan. The Bank Bumiputra term loan was originally used to finance the construction of the NFV and HVP plant.

iii. *This will be used to fund the Group's day to day working capital requirements which may include funding creditor's payments, marketing and other operational expenses, etc.*

The abovementioned proceeds of RM9.875 million will be utilised within 2 years from the listing date. TARB Group is expected to enjoy interest savings amounting to RM155,000 per annum as a result of the repayment of a portion of its borrowings. Working capital requirements would be adequately met from the listing proceeds.

3.7. Listing Expenses

Listing expenses are estimated at approximately RM1.5 million, with the following estimated breakdown:

	RM'000
Professional fees	650
Fees of the Authorities	40
Underwriting, placement and brokerage fee	270
Printing and advertising fees	250
Miscellaneous	290
Total	**1,500**

4. RISK FACTORS

In addition to the other information in this Prospectus, the following factors should be considered carefully in evaluating an investment in the ordinary shares offered by this Prospectus. The discussions in this Prospectus contains certain forward-looking statements that involve risks and uncertainties. Prospective investors are cautioned that such statements are only predictions and that actual results or events when materialised may differ materially from those disclosed in this Prospectus.

Factors that could cause or contribute to such differences include, but are not limited to, those discussed in "risk factors," "financial and other group information" and "The TARB Group – Business Operations", as well as those discussed elsewhere in this Prospectus.

4.1. Dependence on Key Personnel

The Group's future performance depends to a significant extent upon the continued efforts and abilities of its key management personnel namely Fang Chew Ham and Fong Chu King. The loss of the services of these individuals may have adverse effects on the Group. The Group has no service agreements with these individuals. There can be no assurance that the Group can retain these individuals in its employment, or that it will successfully attract and retain additional or replacement personnel with the requisite experience and capabilities to enable the Group to profitably and effectively evaluate, develop, and market the Group's product line. The Group does not currently maintain any key man insurance on any of its officers. However, the said individuals are also promoters, directors and shareholders of TARB Group and as such can be seen as having a long term view on their investment and participation in the Group and as promoters of the Group, part of their shareholdings in TARB are subject to the MMLR moratorium requirement further detailed in Section 10.3.

In addition, with the involvement of the entrepreneur Dato' Mohd Nor Abdul Wahid, the existing team will be augmented with personnel who bring in with them corporate and management expertise, which acts as a mitigating factor.

The Group's future success depends on its continuing ability to attract, train and retain highly qualified personnel. However, there can be no assurance that the Group will be successful in training, retaining and recruiting key personnel, which might adversely affect the Group's operations.

4.2. Variability of Earnings

The Group's yearly operating results have varied significantly in the past, and the Group expects that such results are likely to vary significantly from time to time in the future. Therefore, the Group believes that yearly comparisons of its operating results might not necessarily be meaningful and should not be relied upon as indications of future performance.

The Group's revenue and operating results are difficult to forecast and could be adversely affected by many factors, including, among others, the size, timing and terms of contracts; customer order deferrals; changes in the Group's operating expenses; the ability of the Group to develop and market new products and services and control costs; market acceptance of new products or services; number, timing and significance of new entrants and competition; the level of product, service and price competition; the ability of the Group to expand its sales force, its indirect distribution channels together with its customer support capabilities; activities of and acquisitions by its competitors; future acquisitions or disposals by the Group; changes in relevant technology and industry standards; changes in the mix of products and services sold, and in the channels through which the products and services are sold; personnel changes and difficulties in attracting and retaining qualified sales, marketing and technical personnel; changes in the Group's sales incentive plans; changes in customers' budgeting cycles; foreign currency exchange rates; product defects and other product quality problems; seasonal trends and general domestic and international economic and political conditions.

The cancellation or deferral of purchases of the Group's products and services could in the future have a material adverse effect on the Group's business, operating results and financial condition in any particular period. Cancellations or deferrals of orders may be caused by any of a number of factors, including major technological, social or political changes.

The Group's expense levels are relatively fixed in the short term, as it is partly based on the Group's expectations of future revenues. Therefore if actual revenues fall below expected levels, net income is likely to be disproportionately adversely affected. The Group is increasing its sales, marketing and product development expenditures, and operating results will be materially adversely affected if the Group fails to achieve certain levels of revenue growth. There can be no assurance that the Group will be able to maintain profitability on a quarterly or annual basis in the future. Due to the foregoing factors, in some future quarter the Group's operating results may be below the expectations of public market analysts and investors. If such an event occurs, the Group's share price would likely to be materially adversely affected. As a mitigating factor, the Group has experienced personnel to manage its operations and have been in business since 1989.

Specifically, the Group’s business i.e. Caramel Colour, HVP and NFV are highly dependent on the food and beverage industry. As a mitigating factor, colouring forms a vital link to the acceptance of food products by the market and the importance of soya and other sauces to Asian cooking is undeniable. Nevertheless, any changes to the food and beverage industry in particular sauces, may have a direct impact on the Group’s results.

4.3. Seasonality

The products produced are subject to seasonal variations. Demand tends to increase in the third quarter of the year when manufacturers of finished products increases production prior to the festive season which in turn, will reduce demand during and after the festive period. As a mitigating factor, however, during other periods of the year, demand are normally constant with orders placed on a monthly basis.

4.4. Competition and New Market Entrants

Traditional competitors from the West are more capital intensive and employ more sophisticated production technology that enable them to achieve greater cost efficiency and emphasis is placed on product quality and innovation capability which in turn allows their products to be sold at a higher premium.

Malaysia’s competitive advantage over its traditional competitors, save those from South East Asia, lies with the competitiveness of the Malaysian Ringgit against the currencies of its traditional competitors, the relatively low labour costs, and the abundance of cheap raw materials. TARB Group benefits from these comparative advantages that Malaysia possesses. As compared to China and Indonesia which commands the comparative advantage of lower operating costs, Malaysian manufacturers generally benefits from technical superiority, good infrastructure, and good co-ordination.

In addition, the threat of potential new market entrants cannot be discounted. Hence, SSSFI faces challenges from both local and foreign manufacturers. With strict quality and cost control as well as active involvement of management to achieve higher production and operational efficiency, the Group strives to remain competitive in quality and pricing. Technical knowledge and the high capital cost of entry also serves as a deterrant for new market entrants.

Nevertheless, there can be no assurance that the Group will not be affected by future technological or world economic changes which shift the comparative advantages between countries or the emergence of other low cost suppliers from emerging countries or new market entrants.

4.5. Sources of Raw Material

The principal raw materials required are water, tapioca and sago flour, sugar (controlled item), and enzyme. These raw materials are mainly sourced from Sarawak, Indonesia and Thailand. Sarawak produces a large proportion of the world consumption of quality sago flour. The Group does not have formal agreements with vendors to supply raw materials on a continuing basis. Nevertheless, the principal suppliers have been trading with SSSFI since incorporation providing the Group a prompt supply and competitively priced source of materials.

However, there can be no assurance that the Group will be able to ensure continuous water supply and procure raw materials on existing terms and that any supply problems may materially and adversely effect the Group's operations.

4.6. Economic Risk

The world economic outlook is still uncertain although certain Asian economies have shown signs of recovery. However, Caramel Colour and HVP are unique and necessary for the manufacturing of soy sauce. South East Asian taste buds makes soy, chilli and tomato sauces relatively indispensable, and being food related products commands an inelastic demand. As such, demand for Caramel Colour, NFV, Glucose/Maltose Syrup and HVP is expected to continue to grow in relation to population growth.

However, there can be no assurance that the Group will not be adversely affected by future general world economic and political changes as well as general changes in consumption patterns.

4.7. Labour

TARB Group continues to have cordial relations with its labour force. The employees, who do not belong to any organised Union, have not been involved in any major disputes or strikes.

However there can be no assurance that the Group will not be affected by any future labour disputes or shortages, which could adversely affect the Group's operations.

4.8. Rapid, Over-Expansion and Management of Growth

The Group hopes to significantly expand its business, in part with the proceeds of this Issue. Such anticipated expansion or over-expansion will likely place further demand on the Group's existing management and operations. The Group's future growth and profitability will depend, in part, on its ability to successfully manage a rapidly growing sales force and implement management and operating systems which react efficiently and timely to short and long-term trends or changes in its business. There can be no assurance that the Group will be able to effectively manage any of its anticipated expansion or over-expansion of its business.

4.9. Volatility of Share Price due to Future Sales

Sales of substantial amounts of shares in the public market after this Issue could adversely affect the market price of the Group's shares and the Group's ability to raise capital in the future in the equity markets. In addition to the 39,500,000 Shares to be offered in this Issue, 37,500,005 Shares not subject to the moratorium will be eligible for immediate sale in the public market.

4.10. No Prior Public Market for Shares

The Issue Price has been agreed between the Company and the Underwriters. Such offering price should not be considered as an indication of the eventual market price of TARB Shares. There is presently no market, private or public, for the Company's securities and there can be no assurance that a trading market will develop, or if developed, that it will be maintained. There is also no assurance that the purchasers will be able to resell the Company's shares at the Issue Price or at any price. Following this offering, the market price for the Company's Shares may be highly volatile, and may therefore decrease significantly, depending on a number of factors including, but not limited to, operating results and competitive forces, market acceptance of the Group's products as well as the ongoing development of the Group. Due to the recent economic turmoil in the Asian region and the general economic uncertainty of the major world economies of USA and Japan, the local bourse has experienced price and volume fluctuations that have particularly affected the market price of many companies for reasons unrelated to the operating performance of or announcements by the companies and these broad market fluctuations and general market conditions may adversely affect the market price of the Company's ordinary shares, which includes the Shares offered hereby.

4.11. Technology and Machinery

Most of TARB Group's production process is semi automatic. Any machinery breakdown may result in the Group being unable to honour its purchase orders, hence incurring damages either in monetary terms or to its business reputation. To prevent breakdowns, the machineries are constantly monitored and maintained by experienced personnel.

However, there can be no assurance that the Group will not be affected by any future technological advancement which reduces its competitive advantage or future machinery problems which may adversely affect the Group's operations.

4.12. Environmental Issues

The Group's production process does not result in any environmental issues as it does not produce any toxic or hazardous waste.

However, there can be no assurance that the Group will not be affected by any future environmental issues, which could materially and adversely affect the Group's operations.

4.13. Regulatory Issues

Previously, there have been reports stating the detriment of 3-MCPD to health as it can potentially cause cancer at high levels of consumption. As a result, quality standards are being set on the manufacturing of HVP (which contains the substance 3-MCPD) and these standards differ materially depending on the country of origin. The said standards applies to end consumer products and HVP. TARB Group has had its HVP tested by University Sains Malaysia and Central Science Laboratory, United Kingdom, who have confirmed that the content of 3-MCPD in its HVP is around 15 ~ 20 parts per billion ("ppb") which meets the standards by the European Commission Regulation currently at 20 ppb. In any case, HVP sales only accounts for approximately 9% of the Groups turnover for the year ended 31 December 2001

With regards to Caramel Colour and NFV and the food industry, standards include the Malaysian Food Act, European Union Directive and the Food Chemicals Codex (America). These standards govern the specifications of TARB Group's products in terms of colour intensity, total nitrogen content, heavy metal content, etc. In order to mitigate this potential risk, the Group is in continuous R&D to improve its product in anticipation of future regulation. Whilst TARB Group currently complies with most of these standards, there can be no assurance that in the future, strict new standards imposed on any of the Group's products will not materially and adversely affect the operations of the Group.

4.14. Trademarks, Licenses and Certification

The Group's "AAA" trademark has been registered to SSSFI from 17 April 1998 for its NFV and liquid Caramel Colour products. The Group will be submitting a trademark application for its other products in due course. Whilst the Group do not depend on this trademark branding to market its products, there can be no assurance that any future industry issues might not render this trademark unusable or unregistrable and hence affect the sales of the Group.

The Group also depends on its HALAL certification for sales to certain customers. As a mitigating factor, the Group has maintained a healthy relationship with these customers and have successfully kept its HALAL certification by setting high quality standards on production. However, there can be no assurance that the Group can continually maintain its HALAL certification, the loss of which might cause the Group to lose certain customers.

4.15. Dependence on Customers

As the Group's current main products are intermediary products which forms the necessary component for other manufacturing processes, the Group is dependent on its customers for continued orders as the Group is unable to market the products to end consumers. Although the Group does not have any formal agreements in place, the Group has, over the years, enjoyed a cordial relationship with its customers and due to its high product quality, has obtained recurring orders from these customers with certain customers having been in business with SSSFI for approximately 10~15 years. In addition, the Group is also expanding its product range as well as markets to reduce its dependency risk. However, there can be no assurance that the loss of any of its major customers will not have an adverse impact on the operations and financials of the Group.

4.16. Need for Future Capital Injection

It is the Group's opinion that the net proceeds of the Public Issue, together with cash flow from operations and other existing sources of liquidity will be sufficient to meet its projected working capital and other cash requirements. However, there is no assurance that future events may not cause the Group to seek additional capital sooner. If additional capital is required, there can be no assurance that it will be available or, if available, that it will be on terms satisfactory to the Group. The sale of additional equity or other convertible securities to non-shareholders will result in further dilution of the Group's shareholders.

The continued availability of credit lines has an important bearing on the operations and capital expenditure plans of the Group. As such there can be no assurance that the creditors that have extended credit will continue to make available the funding facilities required. Further to the above, there can be no assurance that the current assets of the Group will be realised on a timely basis to meet the obligations of the Group as and when they fall due.

4.17. There is Uncertainty in Our Proposed 5-Year Business Development Plan

The Group's proposed future plan and prospects will be dependent upon, among other things, the Group's ability to enter into strategic marketing or other arrangements on a timely basis and on favorable terms; hire and retain skilled management as well as financial, technical, marketing and other personnel; successfully manage growth (including monitoring operations, controlling costs and maintaining effective quality, inventory and service controls); and obtain adequate financing as and when needed. As a mitigating factor, the Group has been in operations since 1989 and management is experienced in the industry. Nevertheless, there can be no assurance that the Group will be able to successfully implement its business plan or that unanticipated expenses or problems or technical difficulties will not occur which would result in material delays in its implementation or even deviation from its original plans. In addition, the actual results may deviate from the business plan due to rapid technological changes, market as well as competitive pressures.

4.18. Product Liability

The Group's supply agreements with its customers have no provisions designed to limit the Group's exposure to potential product liability claims. The sale and support of the Group's products may involve the risk of such liability claims, any of which can be quite substantial. A product liability suit or action, whether or not meritorious, could result in substantial costs and diversion of management's attention and the Group's resource, which could have a material adverse impact on the Group's business, operating results and financial conditions. Additionally, a suit alleging a defect or a breach of an express or implied warranty, if successful, may also have adverse precedent effect on other or future actions. As a mitigating factor, the Group has been in operations since 1989 with no prior experience of material product liability. In addition, the customers have maintained a long term relationship with TARB Group and the products manufactured currently are subjected to strict quality control procedures.

4.19. Ownership and Control of the Group

Following the Public Issue, the Promoters of the Group will hold approximately 74% of TARB's issued and paid-up share capital. Collectively, they will be able to exercise a material influence over the Group including the appointment of TARB's board of directors and influence certain corporate transactions. As a mitigating factor, an audit committee is in place to ensure that all related party transactions, if any is on an arm's length basis.

4.20. Potential Acquisitions and Joint Ventures

The Group may from time to time engage in acquisitions of companies with complementary products and services in related areas. Although no such acquisitions are currently being negotiated by the Group, any future acquisitions could expose the Group to new risks, including those associated with the assimilation of new operations and personnel, the diversion of financial and management resources from existing operations, and the inability of management to integrate successfully acquired businesses, personnel and technologies, all of which may absorb a significant amount of management attention that would otherwise be available for ongoing development of the Group's business. Furthermore, there can be no assurance that the Group will be able to generate sufficient revenues from any such acquisition to offset associated acquisition costs, or that the Group will be able to maintain uniform standards of quality and service, controls, procedures and policies, which may result in the impairment of relationships with customers, employees, and new management personnel. Acquisitions may also result in potentially dilutive issuance of equity, the incidence of debt and contingent liabilities and amortisation expenses related to goodwill and other intangible assets. The Group may also evaluate, on a case-by-case basis, joint venture relationships with certain complementary businesses. Any such joint venture investment would involve many of the same risks posed by acquisitions, particularly those risks associated with the diversion of resources, the inability to generate sufficient revenues, the management of relationships with third parties, and potential additional expenses, any of which could have a material adverse effect on the Group's business, financial condition or operating results.

If appropriate opportunities present themselves, the Group intends to acquire businesses, products or technologies that the Group believes will be in the interest of its shareholders, although the Group currently has no understandings, commitments or agreements with respect to any material acquisition and no material acquisition is currently being pursued. As a mitigating factor, management will evaluated these opportunities with due care prior to venturing into such exercises. Nevertheless, there can be no assurance that the Group will be able to successfully identify, negotiate or finance such acquisitions, or to integrate any such acquisitions with its current business.

4.21. Foreign Exchange Risk

The Group's current revenue is generated from within Malaysia and the Asian region with growing exports to other countries. The Group is in the process of expanding its reach regionally as well as internationally. As such, there is a potential that the Group will be exposed to foreign exchange risk in the future due to its expansion plans. As a mitigating factor, the Ringgit is currently pegged to the USD and any sales by TARB Group overseas are invoiced in USD. Further, the Group may use various hedging techniques to keep thois risk at the minimum. However, there can be no assurance that any future significant fluctuations in exchange rates and financial crisis will not impact on the revenue and earnings of the Group.

4.22. Disclosure Regarding Forward-Looking Statements

All statements contained in this Prospectus, statements made in press releases and oral statements that may be made by TARB, Directors or employees acting on the Company's behalf, that are not statements of historical fact, constitute "forward-looking statement". Investors can identify some of these statements by forward-looking terms such as "expect", "believe", "plan", "intend", "estimate", "anticipate", "may", "will", "would", and "could" or similar words. However, Investors should note that these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Company's expected financial position, business strategy, plans and prospects are forward-looking statements. These forward-looking statements, including statements as to the Company's revenue and profitability, cost measures, planned strategy and any other matteres discussed in this Prospectus regarding matters that are not historical facts are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

4.23. Product dependency

Approximately 79% of the Group's revenue for the year ended 31 December 2001 is from Caramel Colour. Hence, its profitability depends on the Caramel Colour market mainly for sauces. Any changes in the industry environment due to technology, social or other factors may result in the downturn of the Group's results. As a mitigating factor, Caramel Colour may also be used in confectionary, pharmaceutical and beverage industry. In addition, the Group is currently manufacturing other complementary products including HVP, Glucose/Maltose Syrup and NFV in order to reduce this dependency risk. However, there can be no assurance that major changes in the industry will not have an adverse effect on the Group's operations.

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