III. DETAILS OF THE PUBLIC ISSUE AND OFFER

This Prospectus is dated 22 January 2001. A copy of this Prospectus has been registered with the SC and lodged by the Registrar of Companies, Malaysia, both of whom take no responsibility for its contents.

Application has been made to the KLSE for admission to the Official List of the Second Board of the KLSE and for permission to deal in and quotation for the entire enlarged issued and paid-up ordinary shares of RM1.00 each in Ingress, including the Public Issue Shares, which are the subject of this Prospectus, the approval of which is still pending.

These ordinary shares will be admitted to the Official List of the Second Board of the KLSE and official quotation will commence after receipt of confirmation from MCD that all CDS accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants.

Acceptance of the applications will be conditional upon permission being granted by the KLSE to deal in and quotation for all the issued shares of the Company on the Second Board of the KLSE. Monies paid in respect of any application accepted will be returned if the said permission is not granted. Admission to listing is not being sought on any other stock exchange.

1. OPENING AND CLOSING OF APPLICATION LISTS

The Application Lists will open at 10.00 a.m. on 12 February 2001 and will remain open until 8.00 p.m. on the same day or for such further period or periods as the Directors of Ingress in their absolute discretion may decide. Late application will not be accepted.

2. DATES OF SPECIAL EVENTS

The important events and their dates or indicative dates as follows:

Opening Date of the Issue	:	22 January 2001
Closing Date of the Issue	:	12 February 2001
Tentative Balloting Date	:	16 February 2001
Tentative Allotment Date	:	7 March 2001
Tentative Listing Date	:	12 March 2001

3. PURPOSES OF THE PUBLIC ISSUE AND OFFER

The purposes of the Public Issue and Offer are as follows:

(i) To provide the Company access to the capital market to raise funds to finance the future expansion, diversification and continued growth of the Group;

(ii) To provide funds for part cash settlement of the Acquisitions and to meet the present and future working capital requirements of the Ingress Group;

(iii) To provide an opportunity for the Malaysian investors (including Bumiputera investors and all eligible Directors and employees of the Ingress Group) to participate in the equity and continuing growth of the Group; and

(iv) To obtain the listing of and quotation for the entire enlarged issued and paid-up share capital of Ingress on the Second Board of the KLSE.

III. DETAILS OF THE PUBLIC ISSUE AND OFFER *(Cont'd)*

4. NUMBER AND TYPE OF SECURITIES TO BE ISSUED/OFFERED

Authorised	
100,000,000 shares of RM1.00 each	RM100,000,000
Issued and fully paid-up as at the date of this Prospectus	
54,250,000 ordinary shares of RM1.00 each	RM54,250,000
To be issued as fully paid-up pursuant to the Public Issue	
9,750,000 new ordinary shares of RM1.00 each	RM9,750,000
	RM64,000,000
Offer for Sale	
2,262,000 ordinary shares of RM1.00 each	RM2,262,000
Issue/Offer Price per ordinary share	**RM2.20**

There is only one class of shares in Ingress, namely, ordinary shares of RM1.00 each, all of which rank pari passu with one another. The Public Issue and Offer Shares will rank pari passu in all respects with the other existing issued and fully paid-up ordinary shares of the Company, including voting rights and rights to all dividends and 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 Ingress in the future, the shareholders of 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 in person or by proxy or by attorney, and, any as dividends and other distributions and in respect of the whole of any surplus in the event of liquidation of the Company in accordance with the Articles of Association of Ingress.

Each ordinary shareholder shall be entitled to vote at any general meeting of Ingress 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 a 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.

5. DETAILS OF THE PUBLIC ISSUE AND OFFER

The Public Issue and Offer is an invitation by the Company and Offerors to the eligible directors and employees of the Ingress Group and the Malaysian public, to apply for the 9,750,000 Public Issue Shares and 2,262,000 Offer Shares at an issue/offer price of RM2.20 per share. The IPO Shares are payable in full upon application and upon the terms and conditions set out in this Prospectus.

The IPO shall be subject to the terms and conditions of this Prospectus and, upon acceptance, the IPO Shares shall be allocated in the following manner:

(a) Eligible Directors and Employees

3,200,000 IPO Shares have been reserved for the eligible directors and employees of the Ingress Group as well as other persons and/or companies nominated by the Ingress Group; and

(b) Malaysian Public

8,812,000 IPO Shares will be made available for application by Malaysian citizens, companies, societies, co-operatives and institutions, of which at least 30% is to be set aside strictly for Bumiputera individuals, companies, societies, co-operatives and institutions.

In the event that any of the IPO Shares in paragraph 5(a) above are not taken up by the eligible directors and employees of the Ingress Group, such IPO Shares will be made available for application by the Malaysian public and such IPO Shares shall be fully underwritten.

The IPO Shares under paragraph 5(b) above, together with any ordinary shares of RM1.00 each not subscribed for by the eligible directors and employees of the Ingress Group under paragraph 4(a) above, have been fully underwritten by the Managing Underwriter and Underwriters as set out in Section I of this Prospectus.

6. BASIS OF ARRIVING AT THE ISSUE/OFFER PRICE

The issue/offer price of RM2.20 per IPO Share was determined and agreed upon by the Company and PAMB, as the Adviser and Managing Underwriter, based on various factors after taking into account, inter-alia, the following factors:

(i) the Group's financial and operating history and conditions as outlined in Section XI(1) of this Prospectus;

(ii) the prospects of Ingress as outlined in Section V(8) of this Prospectus;

(iii) the estimate net PE multiples of 6.0 times based on the estimate net EPS of 36.5 sen based on the weighted average number of ordinary shares in issue of 54,250,000 ordinary shares of RM1.00 each and estimate net PE multiple of 7.1 times based on the estimate fully diluted net EPS of 31.0 sen based on the enlarged paid-up share capital of 64,000,000 ordinary shares of RM1.00 each;

(iv) the forecast net PE multiples of 5.4 times based on the forecast net EPS of 40.7 sen based on the enlarged issued and paid-up share capital of 64,000,000 ordinary shares of RM1.00 each.

(v) the proforma consolidated NTA per share of Ingress as at 31 July 2000 of RM1.54, which represents a discount of 42.9% from the issue/offer price of RM2.20, calculated based on the audited accounts of the companies within the Ingress Group as at that date and after incorporating the effects of the restructuring scheme explained under Section V(3) of this Prospectus and deducting estimated listing expenses to be borne by the Company of RM1,500,000; and

(vi) the estimate and forecast gross dividend yield of approximately 2.7%, based on the estimate and forecast gross dividends per share of Ingress of 6.0 sen for the each of the two (2) financial years ending 31 January 2002 and the issue/offer price of RM2.20.

Premised on the foregoing, the Company, Offerors and PAMB have determined and agreed for the issue/offer price to be at RM2.20 per ordinary share. The issue/offer price is considered fair and reasonable in the light of the factors mentioned above.

However, investors should also note that the market prices of Ingress shares upon listing on the KLSE, are subject to the vagaries of the market forces and other uncertainties which may affect the price of Ingress shares traded.

7. PROCEEDS FROM THE PUBLIC ISSUE AND OFFER

The Public Issue is expected to raise gross proceeds of RM21,450,000 for the Ingress Group whilst none of the gross proceeds of the Offer will be receivable by Ingress as the gross proceeds of the Offer amounting to RM4,976,400 will accrue entirely to the Offerors.

The expenses for the Public Issue comprising underwriting commission, brokerages, stamp duty, registration fee and all other expenses incidental to the listing of and quotation for the entire enlarged issued and paid-up share capital of Ingress on the Second Board, estimated at RM1,500,000, shall be borne by the Company. The Offerors shall bear the underwriting commission, brokerages and stamp duty (if any) relating to the Offer Shares estimated at RM250,000.

Details of the proceeds of the Public Issue are as follows:

Purposes	Note	RM'000	Estimated Completion Date
Equity injection in IAV	(i)	10,000	August 2001
Repayment of bank loans	(ii)	2,524	January 2001
Acquisition of ITSB	(iii)	5,709	October 2000
Working capital		1,717	January 2001
Estimated listing expenses		1,500	January 2001
Total proceeds		**21,450**	

There is no minimum subscription to be raised from the Offer and Public Issue as the Offer Shares and Public Issue Shares are fully underwritten.

Brief details on the utilisation of the above proceeds are as follows:

(i) Equity injection in IAV

As part of the Group's strategy to expand its export market, RM10 million from the gross proceeds arising from the Proposed Public Issue will be used to subscribe to 10,000,000 new common shares of Baht 10 each (10 Baht = RM1) in IAV. The proceeds arising from the equity injection in IAV will be used for the following purposes:

	RM'000
• Repayment of bank loans	4,103
• Purchase of machinery	2,779
• Construction of new factory	3,118
	10,000

Notes:

(a) ***Repayment of bank loans***

IAV will use part of the proceeds from the equity injection for the retirement of the following bank facilitiy

Type of facility	Term loan
Lender	Mayban International (L) Ltd., Labuan
Interest rate	SIBOR* + 2.25% per annum ("p.a.")
Purpose of borrowing	• To finance purchase of 5.2 acres of industrial land at No. S-26 Eastern Seaboard Industrial Estate, Amphur Pluakdaeng, Rayong Thailand for approximately Baht 28.5 million • To part finance construction of factory of approximately Baht 48.7 million
Facility amount	Baht 60,000,000
Amount outstanding as at 31 December 2000	Baht 41,035,926
Amount to be retired	**Baht 41,035,926**

* *SIBOR means Singapore Inter-Bank Offer Rates*

(b) ***Purchase of machinery***

Until September 2000, IPSB supplied semi-finished goods in the form of bar materials to IAV. However, for the forecast year ending 31 January 2001, IPSB expects an increase in production of its own product line. Furthermore, IAV expects a significant increase in its production as well as in anticipation of the commencement of the production of bellows in the financial year ending 31 January 2003.

The new roll forming machine was purchased from Mitsubishi Corporation of Japan for approximately Baht 27.8 million or equivalent to RM2.8 million, and the proceeds from the Public Issue will be used to refinance this purchase. The machine has the capacity of producing up to 2.5 million meter of roll-formed steel per year. The new machine will cater for 30% of the existing product line and 35% of the expected bellows production. The machine has been operational since September 2000.

(c) ***Construction of additional factory building***

In preparation for the commencement of the supply of mouldings and bellows to Isuzu, IAV is proposing to build a new factory with a build up area of approximately 3,000 square metres. The new factory will be located adjacent to IAV's current factory. The total cost for the construction of the new factory is expected to be approximately Baht 60 million or RM6 million. The construction work is expected to commence in January 2001 and be completed in August 2001.

III. DETAILS OF THE PUBLIC ISSUE AND OFFER *(Cont'd)*

(ii) Repayment of bank loans

Parts of the proceeds from the Proposed IPO are proposed to retire the following two (2) long-term bank loans of the Ingress Group:

Company	**IESB**	**IPSB**
Type of facility	Term loan	Hire purchase
Lender	Bumiputera Commerce Bank Berhad	Mayban Finance Berhad
Interest rate	BLR + 1% p.a.	13.0% p.a.
Purpose of borrowing	To finance land and factory building in Nilai, Negeri Sembilan	To finance plant and machinery for the K-Door project
Facility amount	RM10,500,000	RM1,900,000
Amount outstanding as at 31 December 2000	RM1,540,730	RM983,531
Amount to be retired	**RM1,540,730**	**RM983,531**

The retirement of the above bank facilities is expected to result in RM211,000 saving in interest costs to the Group.

(iii) Acquisition of ITSB

As part of the Restructuring Exercise pursuant to the Flotation, Ingress will acquire the 70% equity interest in ITSB, comprising 14,000,000 ordinary shares of RM1.00 each in ITSB for a purchase consideration of approximately RM15.7 million, based on the audited NTA of ITSB as at 31 January 2000. The vendors in respect of the Acquisition and their interests in ITSB are as follows:

Name	**Equity interest in ITSB**		**Consideration**
	No. of shares	**%**	**RM'000**
IESB	8,900,000	44.5	9,962
Ramdawi	5,100,000	25.5	5,709
	14,000,000	70.0	15,671

The Company proposes to utilise RM5.7 million from the proceeds from the Public Issue to satisfy the amount owing to Ramdawi, pursuant to the Acquisition of ITSB.

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8. UNDERWRITING COMMISSION AND BROKERAGE

The Managing Underwriter and Underwriters, as stated in Section III(9) below, have entered into an underwriting agreement on 16 November 2000 for the underwriting of 9,750,000 Public Issue Shares and 2,262,000 Offer Shares, which are available for application by the Malaysian public. The Managing Underwriter has further agreed to arrange the underwriting of any IPO Shares reserved but which are not taken up by the eligible directors and employees of the Ingress Group. Underwriting commission is payable by the Company and Offerors in respect of the Public Issue Shares and the Offer Shares respectively at the rate of 1.6% of the issue/offer price of RM2.20 per share.

Brokerage relating to the IPO Shares is payable by the Company and Offerors, respectively, at the rate of 1% on the issue/offer price of RM2.20 per share in respect of successful applications bearing the stamp of PAMB, member companies of the KLSE, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia or MIDFCCS.

9. UNDERWRITING

The names of the underwriters are as follows:

Managing Underwriter	:	Perwira Affin Merchant Bank Berhad
Co-Underwriters	:	Kestrel Securities Sdn Bhd MIDF Sisma Securities Sdn Bhd OSK Securities Berhad

Force Majure Clause in the Underwriting Agreement

If any of the conditions set out in Article 5.1 of the Underwriting Agreement dated 16 November 2000 ("Underwriting Agreement"), the Majority Underwriters, acting through the Managing Underwriter, shall thereupon be entitled to terminate the Underwriting Agreement by notice in writing delivered to the Company and in that event (except for the liability of the Company for the payment of costs and expenses as provided in Article 8.1 of the Underwriting Agreement incurred prior to or in connection with such termination) the parties hereto shall be released and discharged from their obligations hereunder PROVIDED THAT the Underwriters may at their discretion and subject to such conditions as the Underwriters may impose waive compliance with any of the provisions of Article 5.1 of the Underwriting Agreement.

Notwithstanding anything to the contrary contained in the Underwriting Agreement, on the occurrence of all or any of the unforeseen circumstances stated in this clause, on or before the Closing Date, the Majority Underwriters acting through the Managing Underwriter may consult with the Company with a view to either defer, abort the Public Issue or Offer or terminate the Underwriting Agreement. The occurences and circumstances refer to any of the following circumstances:

(a) any Government requisition or other occurences of any nature whatsoever ehich in the opinion of the Managing Underwriter and/or Underwriters seriously affects or will seriously affect the business of the Company or Group;

(b) any change in the national or international monetary, financial (including stock market conditions and interest rates) political and economic conditions or exchange control or currency exchange rates;

(c) any breach of any terms and conditions of the Underwriting Agreement by the Company;

(d) any change in law, regulation, directive, policy or ruling in any jurisdiction; and

(e) any event or series of events beyond reasonable control of the Underwriters (including without limitation acts of government, strikes, lock-outs, fire, explosion, flooding, civil commotion, acts of war, sabotage, acts of God or accidents) which has or likely to have the effect of making any material part of the Underwriting Agreement incapable of performance with its terms or which prevents the processing of applications and/or payments pursuant to the Public Issue and the Offer for Sale or pursuant to the underwriting thereof.

The Majority Underwriters acting through the Managing Underwriter shall further have the right to terminate this Agreement if the Company fails to cause the Prospectus to be issued within three (3) months from the date of the Undewriting Agreement or in the event that the application made by the Company to KLSE for the listing of and the quotation for the Underwritten Shares on the Second Board of KLSE shall not have been approved or shall have been rejected as the case may be. Upon such termination, the Company shall return such monies as may have been paid by the Underwriters under this Agreement within forty eight (48) hours of the receipt of the notice of termination against the delivery by the Underwriters of all share certificates as may have been issued or delivered to them under the provisions of this Agreement.

The expression "Majority Underwriters" above, means any two (2) Underwriters whose commitment or participation to underwrite the Underwritten Shares aggregate over fifty per centum (50%) of the total number of Underwritten Shares.

10. ESTIMATED LISTING EXPENSES

The estimated listing expenses of RM1.5 million for the proposed listing of and quotation for the enlarged issued share capital of Ingress comprising 64,000,000 ordinary shares of RM1.00 each in Ingress on the Second Board of the KLSE are as follows:

	RM
KLSE's initial listing fee	32,000
Lodging of Prospectus with ROC	300
SC processing fee	62,000
Issuing house fee and other disbursement	100,000
Advertisement of Prospectus	100,000
Printing fee	200,000
Professional advisory fee	600,000
Underwriting commission	125,000
Brokerage	120,000
Contingencies*	160,700
Total	**1,500,000**

* *Contingencies are made for incidental expenses relating to work done by the professional advisers as well as the public relation firm such as expenses relating to press conferences, photocopying, etc. Additionally, the cost of advertisements and printing of the Prospectus are only estimates.*

IV. RISK FACTORS

Notwithstanding the Prospects of the Group as outlined in this Prospectus, applicants for the IPO Shares should carefully consider the following investment considerations (which may not be exhaustive) which may have a significant impact on the future performance of the Group in addition to other information contained elsewhere in this Prospectus, before making an application.

(a) Marketability of Ingress Shares

Prior to the Public Issue and Offer, there has been no public market for shares in Ingress. There can be no assurance that an active market for shares in Ingress will develop upon its listing on the Second Board of the KLSE or, if developed, that such market will be sustained. The issue/offer price of RM2.20 per share has been determined after taking into consideration of a number of factors, including but not limited to, the Group's financial and operating history and condition, its prospects and the prospects for the industries in which the Ingress Group operates, the management of the Group, the market prices for shares of companies engaged in businesses similar to that of the Ingress Group and the prevailing market conditions at the time the application for Ingress' listing was submitted to the SC.

There is no assurance that the issue/offer price will correspond to the price at which the shares in Ingress will be traded on the KLSE Second Board upon or subsequent to its listing or that an active market for shares in Ingress will develop and continue upon or subsequent to its listing.

(b) Business Risks

The principal business activities of the Ingress Group are in the manufacture and sale of automotive mouldings, weatherstrips, door sash, complete door assemblies (door-in-white) and related components, engineering services in power and railway electrification and is therefore subject to certain risk inherent in the related industries. The risks include constraints in labour supply, the possible increase in the operating and capital costs due to increase in labour supply, changes in economic and business conditions, foreign exchange rate fluctuations, increase in the prices of the imported and local components, unfavourable changes in Government and international policies, the introduction of new and superior technology or products and services by competitors.

Although the Group seeks to limit these risks through, inter-alia, increasing the efficiency of operations, diversifying the pool of suppliers, expanding the business through increasing its range of customers, products and services for both local and export markets, and improving its technological competence in R&D and advanced technologies, no assurance can be given that any changes to these factors will not have a material adverse effect on the Group's business.

(i) Market Risk

Ingress will certainly be subjected to the inherent risks within the automotive as well as in power and railway electrification industries, particularly in the rapid changes of technology, increase in capital investment required as well as the general economic and business fluctuations. Ingress seeks to minimise these risks through continuous discussion with and incorporating feedback from customers to ensure timely delivery of quality products and services to its clients.

(ii) ASEAN Free Trade Area ("AFTA")

The coming on-stream of the AFTA may result in an adverse impact on the market position/share presently held by local automotive manufacturers. With regards to this, the Malaysian automotive industry can no longer depend on government assistance and protection. With the liberalisation of domestic markets arising from Malaysia's commitments to AFTA and World Trade Organisation, the national car assemblers and local vendors will face increased competition and hence will have to turn to foreign markets for their long term survival.

Under AFTA, tariffs on vehicles and components are expected to be lowered gradually commencing in 2005 to less than 5%. Thus Malaysia's automotive industry is in no danger of sudden upheaval as it could be a while before effects of trade liberalisation are felt. In summary, liberalisation of automotive trade may see Ingress' orders from its Malaysian customers decline slightly, but its orders from customers in Thailand increase production. The region's vehicle production would be consolidated, boosting production volumes and could result in making more projects economically viable for Ingress.

Trade liberalisation is expected to have a positive impact for Ingress. The potential disadvantage to its customers in Malaysia is expected to be more than offset by benefits to those in Thailand, and new supply opportunities for Ingress could emerge as vehicle programs are consolidated and reach economic volume. Furthermore, Ingress is in a position to take advantage of free trade directly by consolidating its own manufacturing operations.

Notwithstanding the foregoing, the Ingress Group is well aware of the potential hurdles and is planning ahead by diversifying its market and winning more contracts in the ASEAN region. The Directors envisage that by focusing more on overseas markets, the Group will be able to strengthen its international marketing and distribution networks with both its existing and potential customers.

Although every effort has been taken by the Group to maintain its competitiveness, there is no guarantee that AFTA will not have any adverse effect on the Group's business and financial conditions.

(c) Dependence on Certain Customers, Maintaining Contracts / Agreements and Failure of Ongoing Relationships

For the Automotive Division of the Group, presently, there are no long-term contracts with its principal customers, i.e. Proton, Perodua, AAT and MSC, and this is consistent with the norm of the industry. However, the Company's relationship between Proton, Perodua, AAT and MSC is regulated via annual sales and purchase agreements based on quality, cost and timely delivery of the products.

On a long-term basis, the Group endeavours to maintain its favourable position in the domestic market, whilst diversifying its customer base especially in the fast growing ASEAN market. Its joint venture company in Thailand, IAV has already been operational since May 1998 and is well positioned to tap into the vast potential of the Thailand domestic and export markets. Additionally, through IRSB and TSSB, the Group shall actively participate in providing engineering services to the fast growing sub-sectors of industrial automation, computer-aided design and manufacture (CAD/CAM) of jigs, tools and dies.

On the other hand, the Engineering Division participates in competitive bidding and negotiation to secure contracts. The Group is subject to stringent selection processes to ensure technical and commercial acceptability. Upon award of the contract, the project is supervised via project management systems imposed by the customers to meet the agreed schedule, budget and specifications. With this measure taken by the customers, the risks in not meeting customers' contractual requirements are minimised. In most instances the Group qualify at pre-qualification stage due to its technical expertise, financial capability and track record.

The Directors of Ingress believe that the Group's continuing efforts in maintaining its competitive edge in terms of cost efficiency, products and services quality and reliability will enable the Group to expand its businesses, domestic and export and further reduce its dependence on any particular customers.

(d) Political and Economic Conditions

Adverse developments in the political and economic conditions in Malaysia as well as in the South East Asian region could unfavourably affect the financial position and prospects of the Group. Other political uncertainties that could unfavourably affect the Group include changes in interest rates, foreign exchange rates, methods of taxation, tariffs and duties. Whilst the Group strives to continue to take effective measures such as prudent financial management and efficient operating procedures, there is no assurances that adverse political and economic factors will not materially affect the Group.

(e) Foreign Operations

At present, Ingress has only one subsidiary which is operating outside the country, namely IAV. By expanding its operation into Thailand, Ingress will be subjected to risks arising from the prevailing economic, political, legal, administrative and social conditions of Thailand. Any unfavourable changes in the economic, political, legal, administrative and social conditions of Thailand will, potentially, have an adverse effect on the Group's operations and financial performance.

(f) Dependence on Key Personnel

The Company's future success will also depend upon its ability to attract and retain skilled personnel. To ensure this, the Group has devised a comprehensive human resource management policy covering the areas of continuous education and training, career development, productivity-linked reward scheme as well as a conducive working environment with emphasis on safety, health and the promotion of positive working cultures. The closeness of relationship with Katayama in the automotive industry has also provided the Group with the additional platform to enhance the skill of its workforce through training at Katayama's facilities in Japan and elsewhere. In the power engineering and railway electrification, technical training is conducted in-house and abroad with its principals listed below:

Principals	**Expertise**
Schweitzer Electrical Laboratory, Inc., USA ("SEL")	Electrical protection for substations
Sumitomo Electrical Industries Ltd., Japan ("SEI")	Overhead transmission line
DaimlerChrysler Railway Services GmbH, Germany ("DRSGmbH")	Railway electrification

(g) System Disruption

The Group did not experience any disruption in business having significant effect on its operations for twelve (12) months prior to the date of this Prospectus.

(h) Insurance Coverage on Assets

The major assets of the Group are its manufacturing facilities including inter-alia, building, plant and machinery, electrical installation, computers as well as stocks located within the factories. All these assets are sufficiently insured under fire and allied perils Takaful and All Risk insurance policies.

IV. RISK FACTORS *(Cont'd)*

(i) Competition

At present, the Ingress Group is the exclusive supplier of automotive mouldings, weatherstrips, door sash and complete door assemblies (door-in-white) for certain models of the national car manufacturers, Proton and Perodua, in the domestic market, whilst being supplier of similar products to MSC and AAT in Thailand. In addition, TNB, KTM and JKR are the Ingress Group's major customers in the field of power engineering and railway electrification. No assurance is given that the Group will be able to maintain its existing market share in these businesses in the future. However, due to the nature of the industries the Group operates in, the Group does not foresee any new major competitors in the near future.

(j) Dependency on Particular Products, Markets or Geographical Locations.

Currently, the Automotive Division of the Group is much dependent on the Malaysian automotive industry. Nevertheless, efforts have been taken by the Group to widen its market base. Definitive plans are already in the pipeline to expand product range for the Malaysian market as well as extend the customer and market base, in particular the ASEAN region. This is outlined by the venture into Thailand by the Group to take advantage of the incentives accorded by the Thai Government as well as in preparation for the impending implementation of AFTA.

(k) Ownership and Control by the Controlling Shareholders

Upon completion of the IPO, the controlling shareholders will effectively and collectively hold 55.5% equity interest in Ingress (i.e. Ramdawi (36.4%), Rameli bin Musa (11.2%), Pedaka Waris (5.2%), Dr. Ab. Wahab bin Ismail (2.0%) and Ungku Farid bin Ungku Abd. Rahman (0.7%)). With these shareholdings, the aforementioned parties will be able to effectively control the outcome of certain matters requiring the vote of the Company's shareholders unless they are required to abstain from voting by law and/or the relevant authorities.

(l) Technology Used by the Group

Katayama is a shareholder of Ingress and its main source of technology. Katayama is one of Japan's largest producers of roll-formed automotive components, including co-extruded moulding, door sash and bellows. Katayama has subsidiaries and joint ventures in North America, Korea, Taiwan, Malaysia and Thailand as well as technical collaborations in Australia and France. Ingress Group and Katayama have a long-standing and stable relationship, and the two companies pursue the Southeast Asian market cooperatively.

Although, the Ingress Group has a sound relationship with Katayama, it is very reliant on its partner as a technology source. If the relationship should fail for some unforeseen reasons, Ingress' Automotive Division future technology development would be disrupted and it would need to find a new partner.

(m) Working Capital, Capital Commitment and Indebtedness

(i) Working Capital

The Directors of Ingress are of the opinion that, after taking into account the cashflow projection, banking facilities available and gross proceeds from the Public Issue, the Ingress Group will have adequate working capital for its current and immediate future requirements.

(ii) Borrowings

As at 15 January 2001, being the latest practicable date prior to the printing of this Prospectus, the total bank facilities of the Group amounted to approximately RM113.0 million.

Save as disclosed above, the Ingress Group does not have any other borrowings and indebtedness in the form of borrowings, including bank overdraft and liabilities under acceptances, hire purchase or commitments on guarantees.

(iii) Contingent Liabilities

As at 15 January 2001 (being the last practicable date prior to the printing of this Prospectus), the total guarantee given to financial institution for facilities granted to Ingress' subsidiary companies amounted to RM58.6 million.

(n) Estimate and Forecasts

This Prospectus contains certain estimates and forecasts for the Ingress Group that are based on assumptions, which the Directors deem to be reasonable, but which nevertheless are subject to uncertainties and contingencies, such as the variations in the prices of its products and services as well as cost of raw materials. Due to the subjective judgments and inherent uncertainties of these estimates and forecasts and because events and circumstances frequently do not occur as expected, there can be no assurance that the estimates and forecasts contained herein will be realised and actual results may be materially different from those shown. Investors will be deemed to have read and understood the descriptions of the assumptions and uncertainties underlying the estimates and forecasts as outlined in Sections XI(2) of this Prospectus.

(o) Disclosure Regarding Forward-Looking Statements

This Prospectus contains certain forward-looking statements, i.e. those other than statements of historical facts. Although the Group believes that the expectations reflected in such future statements are reasonable at this time, there can be no assurance that such expectations will prove correct in the future. Any differences in the expectations of the Group from its actual performance may result in the Group's financial and business performances and plans being materially different from those anticipated.

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